

## TREVALI MINING CORPORATION (the “Company”)

### DISCLOSURE, CONFIDENTIALITY AND INSIDER TRADING POLICY

#### I. PURPOSE

- A. The purpose of the Disclosure, Confidentiality and Insider Trading Policy (the “**Policy**”) of the Company is to ensure that:
1. the Company and all persons to whom this Policy applies:
    - (a) meet their obligations under the provisions of securities laws and the rules of the Toronto Stock Exchange (the “**TSX**”) by establishing a process for the timely disclosure of all Material Information (as defined herein); and
    - (b) understand their obligations to preserve the confidentiality of Undisclosed Material Information (as defined herein);
  2. documents released by the Company or public oral statements made by a person with actual, implied or apparent authority to speak on behalf of the Company that relate to the business and affairs of the Company do not contain a misstatement; and
  3. improper trading in securities of the Company are prevented and that the employees, officers, directors and Contractors (as defined herein) act, and are perceived to act, in accordance with applicable laws and the highest standards of ethics and business conduct.
- B. This Policy supplements, and does not replace, applicable securities laws in respect of insider trading.

#### II. DEFINITIONS USED IN THIS POLICY

“**Authorized Spokespersons**” means those persons who have been authorized to speak on behalf of the Company as further set out below;

“**Blackout Period**” means the period during which Designated Persons are prohibited from trading in the Company’s securities;

“**Board**” means the board of directors of the Company;

“**Contractor**” means all individuals currently engaged by the Company as either a consultant or contractor, regardless of duration, who may become aware of Undisclosed Material Information.

“**Designated Persons**” means employees, directors, officers, Contractors and deemed insiders of the Company;

“**Disclosures**” means any oral statement or written disclosure made by or on behalf of an issuer and intended to be, or reasonably likely to be, made available to the public in a jurisdiction of Canada, whether or not filed under securities legislation, but does not include written disclosure that is made available to the

public only by reason of having been filed with a government or agency of government pursuant to a requirement of law other than securities legislation;

“**FLI**” or “**Forward-Looking Information**” means disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented either as a forecast or a projection;

“**Generally Disclosed**” means disseminated to the public by way of a news release together with the passage of a reasonable period of time, which may vary depending on how closely the Company is followed by analysts and institutional investors, for the public to analyze the information;

“**IIROC**” means the Investment Industry Regulatory Organization of Canada;

“**Material Change**” means a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company and includes a decision to implement a change (as described above) that is made by: (a) the Board; or (b) senior management of the Company who believe that confirmation of the decision by the Board is probable;

“**Material Fact**” means a fact that would reasonably be expected to have a significant effect on the market price or value of the Company’s securities;

“**Material Information**” means, for the purposes of this Policy, any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company’s securities or that would reasonably be expected to have a significant influence on a reasonable investor’s investment decisions, and includes Material Facts or Material Changes. Materiality judgments involve taking into account a number of factors which cannot be captured in a simple bright-line standard or test. These include the nature of the information itself, the volatility of the Company’s securities and prevailing market conditions. The materiality of a particular event or piece of information varies between companies according to their size, the nature of their operations and many other factors;

“**Misrepresentation**” means an untrue statement of a Material Fact, or an omission to state a Material Fact that is required to be stated or that is necessary to make a statement misleading in the light of the circumstances in which it was made;

“**Pending Material Developments**” means a proposed transaction of the Company, information with respect to which would constitute Material Information, even if a decision to proceed with the transaction has not been made by the Board or by senior management but concurrence by the Board is expected;

“**securities of the Company**” or “**Company’s securities**” means common shares, options to purchase common shares or any other type of securities that the Company may issue, including, but not limited to, preferred shares, bonds, notes, debentures, convertible instruments and warrants, as well as derivative securities that are not issued by the Company (which could include exchange traded put or call options or swaps relating to the Company’s securities);

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Selective Disclosure**” means the selective disclosure of Undisclosed Material Information; and

“**Undisclosed Material Information**” means Material Information pertaining to the Company that has not



been publicly disclosed or that has been publicly disclosed, but a reasonable period of time for its dissemination has not yet passed.

### III. APPLICATION

This policy applies to Designated Persons and to any other individual who may be in possession of, or have access to, Undisclosed Material Information.

### IV. RESPONSIBILITY FOR THIS POLICY

The Audit Committee of the Board has ultimate responsibility for this Policy, however the Company has established a Disclosure Committee which will be responsible for the implementation and monitoring of this Policy. At least annually the Disclosure Committee shall review this Policy, taking into consideration regulatory guidance, best practices and experience. The Disclosure Committee shall make any recommendations regarding updates to this Policy to the Corporate Governance and Nominating Committee.

#### A. Disclosure Committee

The Disclosure Committee is responsible for assisting the Company's senior management team in (a) determining whether information is Material Information; (b) ensuring the timely disclosure of Material Information in accordance with securities laws; and (c) overseeing the Company's disclosure controls, procedures and practices. The Disclosure Committee is comprised of the President and Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO"), the Chief Legal Officer (the "CLO"), the Chief Operating Officer ("COO"), the Chief Technical Officer ("CTO"), the Chair of the Board, the Chair of the Audit Committee and, provided that the Investor Rights Agreement between the Company and Glencore International AG ("Glencore") is in effect, a director nominated by Glencore. The Disclosure Committee may engage external legal counsel as necessary. The head of the Disclosure Committee is the CEO (the "Disclosure Officer") and his/her backup is the CFO.

The Disclosure Committee shall meet as circumstances dictate. In the event that less than all members of the Disclosure Committee are available, provided that a majority of the members are available, the decision of the available members shall be sufficient. If consensus on any matter cannot be reached at a meeting of the Disclosure Committee, the matter will be referred to the Board for discussion.

Prior to disclosure, the Disclosure Committee shall review the text of public oral statements and documents that contain Material Information or that will be filed with the securities regulatory authorities or with the government or an agency of the government under applicable securities or corporate law or with any stock exchange or quotation and trade reporting system under its bylaws, rules or regulations in order to ensure that the statement or document, as the case may be, does not contain a Misrepresentation. Such review shall be in addition to, and not in lieu of, the review of such statements or documents by other Designated Persons otherwise responsible for the matters discussed in such statements or documents and/or the review of such statements or documents.

Members of the Disclosure Committee shall periodically meet with all officers and any senior operational employees as the Disclosure Committee may deem appropriate to review and discuss, as applicable, the Company's information and developments, the Company's disclosure compliance system and this Policy (including the effectiveness and compliance therewith). Such meetings shall be in addition to, and not in lieu of, any meetings between the Board or the Audit Committee, and such officers and employees.

B. Audit Committee

The Audit Committee is responsible for reviewing financial disclosure in a prospectus or other securities offering document of the Company, as well as news releases disclosing, or based upon, financial results of the Company and any other publicly disseminated material financial disclosure, including financial guidance. The Disclosure Committee shall be responsible for ensuring that the Audit Committee is provided with the text of public oral statements and documents that contain disclosures requiring review by the Audit Committee.

V. INTERNAL REPORTING

It is essential that the Disclosure Committee be kept fully apprised of all pending Company information and developments that are or may be material in order for the Disclosure Committee to evaluate those events and to determine whether disclosure is necessary or appropriate and, if so, the timing for public release of such information. Accordingly, any Designated Person who becomes aware of Material Information about the Company must immediately disclose that information to the Disclosure Committee. If any person to whom this Policy applies is unsure at any time as to whether they are in possession of Material Information about the Company, they should contact the CLO or, if the CLO is unavailable, the CFO, for clarification.

If any Designated Persons becomes aware that (a) any information publicly disclosed by the Company contained or may have contained a Misrepresentation, or (b) there has been or may have been a failure to make timely disclosure of Material Information, the Disclosure Committee should be promptly notified and the Disclosure Committee, after conducting a reasonable investigation of the information, shall endeavour to ensure that the Material Information, or correction thereof, as the case may be, is promptly disclosed in accordance with all applicable laws and stock exchange rules.

VI. AUTHORIZED SPOKESPERSONS

Unless otherwise authorized by the Disclosure Committee and until such time as the Disclosure Committee decides otherwise, only the CEO and the CFO, or such other individuals as approved by the CEO or the CFO (each an “**Authorized Spokesperson**” and together the “**Authorized Spokespersons**”) are authorized to make Disclosures on behalf of the Company.

Any person to whom this Policy applies, other than Authorized Spokespersons, who is approached by the media, an analyst, investor or any other member of the public to comment on the affairs of the Company, must refer the enquiry to an Authorized Spokesperson.

VII. DISCLOSURE

A. Timely Disclosure of Material Information

Material Information is required to be disclosed as required by law. The Disclosure Committee, in consultation with the Board and others as appropriate, shall determine what is deemed to be Material Information and the appropriate public disclosure. In making materiality judgments, the Disclosure Committee and the Board will take into account a number of factors that cannot be captured in a simple or well-defined standard test. These include the nature of the information itself, the volatility of the Company’s securities and prevailing market conditions. The Disclosure Committee and the Board will also take into account the impact of such an event, development or change on its assets, liabilities, earnings, reputation, overall operations and strategic direction.

If the Company determines that earlier disclosure by the Company contained information that could be misleading or that could be considered a Misrepresentation, such disclosure must be corrected promptly in

accordance with this Policy.

When required by applicable laws, rules or regulations, news releases disclosing Material Information will be transmitted to the stock exchanges on which the Company's securities are listed, to relevant regulatory bodies (as required) and major news wire services that disseminate financial news to the financial press and to daily newspapers that provide regular coverage of financial news in the areas where the Company has operations. News releases disclosing Material Information must be pre-cleared with the TSX and IIROC.

The Disclosure Committee, in consultation with the Board, shall also determine whether the Material Information constitutes a Material Change, and if so, the Company shall file a "material change report" with relevant Canadian securities commissions as soon as practicable, and in any event within 10 days of the Material Change.

#### B. Dealing with Regulators

The CEO, the CFO, or the CLO will be responsible for receiving enquiries from IIROC with respect to unusual trading activity or market rumours. If required by applicable laws, rules and regulations, the CEO, the CFO, or the CLO, is responsible for contacting IIROC in advance of the release of Material Information to seek approval of the news release, to watch for unusual trading and to determine when a halt is required.

#### C. Conference Calls

It is the Company's policy that conference calls be held for quarterly earnings releases and generally for major corporate developments as soon as practicable after they are publicly announced. Conference calls will be accessible simultaneously to all interested parties by telephone and will be preceded with a news release containing all relevant Material Information.

The Company will provide advance notice of a conference call by issuing a news release setting out the date and time and access information for the call.

#### D. External Speeches and Presentations

Invitations to give external speeches or presentations about the Company at conferences or other public venues at which shareholders, the investment community or media may be present, or which are expected to become available to any of the foregoing, must be pre-approved by an Authorized Spokesperson. Any such speeches and presentations must not include Material Information that has not previously been disclosed by the Company.

#### E. Rumours

The Company shall not, except as contemplated below, comment, affirmatively or negatively, on rumours. The Company's Authorized Spokespersons will respond consistently to those rumours, saying "It is our policy not to comment on market rumours or speculation." If the TSX or any other stock exchange on which the Company's securities may be listed, or a securities regulatory authority, requests that the Company make a statement in response to a market rumour, the Disclosure Committee will consider the matter and prepare an appropriate response, having obtained legal counsel if deemed necessary.

#### F. Avoiding Selective Disclosure

Selective Disclosure must not be made. When participating in shareholder meetings, press conferences, analysts' conferences and private meetings with analysts, Authorized Spokespersons must only present and discuss information that either: (a) is not Material Information; or (b) is Material Information but has

previously been Generally Disclosed.

To protect against Selective Disclosure, the following procedures should be followed:

1. Authorized Spokespersons who are participating in shareholder meetings, conference calls, press conferences, analysts' conferences and private meetings with analysts and industry group conferences or technical meetings should, when possible, script their comments and prepare answers to anticipated questions in advance of the meeting or conference;
2. those scripts should be reviewed by the Disclosure Committee before the meeting or conference; and
3. any Undisclosed Material Information that is contained in the script must be Generally Disclosed before the meeting or conference or deleted from the script if it is premature for the information to be Generally Disclosed.

#### G. Inadvertent Disclosure

If there is reason to believe that an unintentional breach of this Policy might have occurred resulting in the release of Material Information to a select group or individual, such breach shall immediately be reported to the Disclosure Committee and the Company shall make public disclosure of that information as soon as is reasonably possible. Parties in receipt of previously Undisclosed Material Information will be advised that such information is material and has not yet been publicly disclosed.

#### H. Forward-Looking Information

The Company may be required or may choose to disclose FLI from time to time in order to provide the public with a view of possible events, conditions and results of operations. This disclosure will be made in compliance with applicable securities legislation and best practices, including the guidelines set out in this Policy.

There must be a reasonable basis for making the forward-looking disclosure, having regard to the assumptions underlying the information and the process followed in preparing it.

FLI that constitutes Material Information must be broadly disseminated in accordance with this Policy. Such disclosure, whether in writing or oral, should be accompanied by appropriate cautionary language that identifies any material risk factors or uncertainties that could cause actual results to differ materially and a description of any material assumptions on which the information is based.

If FLI is Generally Disclosed:

1. the information must be clearly stated to be forward-looking in nature and must be identified by words such as "expect", "anticipate" or "may";
2. the Company must caution users of FLI that actual results may vary from the FLI and identify material risk factors that could cause actual results to differ materially from the FLI;
3. the Company must state the material factors or assumptions used to develop the FLI; and
4. the information must describe the Company's policy for updating FLI.

## I. Analyst Reports

When reviewing analysts' reports in accordance with the procedures set out above, comments of Authorized Spokespersons must be limited to identifying factual information that has been Generally Disclosed that may affect an analyst's model and pointing out inaccuracies or omissions with respect to information that has been Generally Disclosed.

Any comments must contain a disclaimer that the report was reviewed for factual accuracy only. No comfort or guidance shall be expressed on the analysts' earnings models or earnings estimates and no attempt shall be made to influence an analyst's opinions or conclusions.

Analysts' reports must not be disseminated except by Authorized Spokespersons in the usual course of business (provided that such dissemination is fair and balanced at all times), nor shall they be posted on, nor linked from, the Company's website. The Company's website shall only include a list of all analysts covering the Company with firm and analyst name only.

## J. Electronic Communications

Online communications are an extension of the Company's formal corporate disclosure record and, as such, the securities laws and stock exchange rules applying to disclosure of information apply equally to information posted on the Company's website and distributed by other electronic means, including through social media. As a result, care must be taken that any disclosure with regard to the Company through its website or social media accounts, or by the directors, officers and employees of the Company through their personal social media accounts, complies with this Policy and all applicable securities laws and stock exchange rules.

The CFO, or other person designated for such purpose, will be responsible for creating and maintaining the Company's website, and ensuring that it is accurate and properly maintained.

The Company will post a cautionary statement that advises the reader that the website may include FLI and that the information posted was accurate at the time of posting but may be superseded by subsequent disclosures;

The Company will post the following documents on its website:

1. news releases, financial statements and circulars filed on SEDAR, or a link to the documents available on SEDAR, as well as those corporate governance documents required by the TSX to be posted;
2. information about its operations, management, Directors and investor information including: (a) stock information; (b) presentations; (c) video coverage; (d) analyst coverage; and (e) metal quotes, but only when in compliance with corporate best practices and the policies of the TSX; and
3. an email link to a contact for the Company to facilitate communication with investors.

Further,

1. inaccurate information must be promptly removed from the website;
2. no media articles pertaining to the business or affairs of the Company will be posted;

3. no links will be created from the Company's website to chat rooms or newsgroups or bulletin boards; and
4. all information on the Company's website will be maintained for a period of two (2) years from the date of issue.

The CFO, or other person designated for such purpose, will be responsible for:

1. posting of all public information on the Company's website as soon as practical after dissemination;
2. carrying out regular reviews of the Company's website to ensure the information is accurate, complete, current and in compliance with applicable disclosure requirements and electronic disclosure guidelines;
3. approving all links from the Company's website to third party websites and ensuring that such links include a note that advises the reader that he or she is leaving the Company's website and that the Company is not responsible for the contents of the other site; and
4. responding to all electronic enquiries and in doing so ensuring that only information that could otherwise be disclosed in accordance with this Policy shall be used in such responses.

#### VIII. SHARE TRADING AND CONFIDENTIALITY

If a Designated Person has any question or concern with respect to the application of this Policy to any particular circumstance, they should contact the Disclosure Officer.

##### A. General Prohibition

**No Designated Persons shall trade in the securities of the Company when they are aware of Undisclosed Material Information.** Where Designated Persons become aware of Undisclosed Material Information concerning the Company or another public corporation, they shall not trade in the securities of such company until the information is publicly disclosed and a reasonable period of time for its dissemination has passed. Generally, "a reasonable period of time" will be one (1) trading day; however, it may be shorter or longer depending on the market following of the Company. The Disclosure Officer or, if he/she is not available, his/her backup, should be consulted to determine what would be a "reasonable period of time" in the circumstances. If a Designated Person is considering trading in the Company's securities, and they have any doubts about the timing of the trade, they should contact the Disclosure Officer for advice. In addition, Designated Persons are prohibited from informing, or "tipping", anyone else about Undisclosed Material Information. This prohibition extends to other securities whose price or value may reasonably be expected to be affected by changes in the price of the Company's securities.

##### B. Trading in Securities of Other Companies

**No Designated Persons shall trade in the securities of another company when they are aware of Undisclosed Material Information about that company learned in the course of working for the Company.** This prohibition includes recommending to others that they buy or sell that company's securities, until the information becomes public or is no longer material. This information must always be treated as confidential and with the same care required with respect to information relating directly to the Company.

C. Exceptions of Certain Transactions

This Policy does not apply to: (a) the exercise of the Company's stock options; (b) net settlement upon vesting of restricted stock; and (c) employee stock purchase plans.

D. Confidentiality of Undisclosed Material Information

**No Designated Persons shall reveal Undisclosed Material Information to any person unless the disclosure must occur in the necessary course of business and, where appropriate, approvals have been obtained to do so** (e.g. discussions with the Company's bankers or advisers where the disclosure of such information is necessary). In particular, information with respect to a take-over bid, reorganization, amalgamation, merger, arrangement or similar business combination or material acquisition must not be disclosed unless the giving of the information is necessary to effect the transaction. Where such Undisclosed Material Information is disclosed, the receiving party must have a confidentiality agreement in place with the Company, or be bound by a duty of confidentiality. The Disclosure Officer, or their designated backup, should be consulted to determine if it is appropriate to reveal the Undisclosed Material Information in the circumstances.

E. Pending Material Developments

**No Designated Persons shall trade when there are Pending Material Developments, even if they are unaware of the details of same.** In the circumstances where there is Undisclosed Material Information with respect to the Company, a confidential memo will be sent to all Designated Persons, if it is determined appropriate, informing them as to the Blackout Period with respect to such Pending Material Development at which time they shall cease trading until further notice. No reason for the trading restriction will be provided.

As an alternative to a total prohibition on trading during a Blackout Period, senior management may make the determination that trades may occur during the Blackout Period but only with the express prior approval of the Disclosure Officer of each such trade. This alternative will only be available during a Blackout Period if the written notice of such Blackout Period so states.

It is the responsibility of the Disclosure Officer to make the determination as to when a pending transaction would constitute a Pending Material Development. As guidance, a Blackout Period must commence once negotiations on a proposed transaction have progressed to a point where it reasonably could be expected that the market price of the Company's securities would materially change if the status of the transaction were publicly disclosed.

F. Trading and "Tipping" Prohibitions

Designated Persons are prohibited by law from disclosing Undisclosed Material Information about the Company to third parties (otherwise known as "**tipping**") before its public disclosure and dissemination by the Company. Therefore, Designated Persons should exercise care when speaking with other personnel who do not have a "need to know" and when communicating with family, friends and others who are not associated with the Company, even if they are also subject to this Policy. To avoid even the appearance of impropriety, Designated Persons should refrain from discussing the Company's business or prospects or making recommendations about buying or selling the Company's securities or the securities of other companies with which the Company has a relationship. This concept of unlawful tipping includes passing on information to friends, family members or acquaintances under circumstances that suggest that the Designated Person was trying to help them make a profit or avoid a loss.

In an effort to prevent unauthorized disclosure of the Company's information, Designated Persons are prohibited from posting or responding to any posting on or in Internet message boards, chat rooms,

discussion groups, or other publicly accessible forums, with respect to the Company.

Disclosure of Undisclosed Material Information in the necessary course of business may be permitted in limited situations if the person receiving the information understands both that it must be kept confidential (which should be confirmed in writing in appropriate circumstances) and that they cannot buy or sell the Company's securities until the information has been Generally Disclosed. Designated Persons should contact the Disclosure Officer if they believe any such disclosure is appropriate under the circumstances and written approval must be obtained from the Disclosure Officer before such disclosure is made.

#### G. Blackout Periods

**No Designated Persons shall trade in the Company's securities when Material Information has not been disclosed and for a reasonable period of time following the disclosure of that information.** The purpose of the Blackout Period is to allow the market to fully reflect the Material Information in the price of the Company's securities.

Directors, officers and other Designated Persons that participate in the preparation of the Company's financial statements or who are privy to material financial information relating to the Company, or who otherwise receive notice from the CLO, may not trade in securities of the Company during the period of time beginning at the close of trading on the tenth day prior to the end of a fiscal quarter or fiscal year, as applicable, and ending at the close of trading on the second full trading day following publication of a news release disclosing the applicable quarterly or year-end financial results (the "**Executive Blackout**").

Designated Persons that are not subject to the Executive Blackout may not trade in securities of the Company during the period of time beginning one month following the end of the Company's fiscal year or two weeks after the end of a fiscal quarter, as applicable, until the end of the second full trading day following the issuance of a news release disclosing the applicable quarterly or year-end financial results.

#### H. Other Prohibited Periods

Blackout Periods may also be prescribed from time to time as a result of special circumstances relating to the Company. All Designated Persons with knowledge of such special circumstances will be covered by the blackout. The Disclosure Officer, in consultation with senior management, will be responsible for setting the length of such a blackout and notifying Designated Persons of it.

#### I. Insider Reporting Requirements

In Canada, all directors, certain senior executive officers and any persons beneficially owning or controlling more than 10% of the voting rights of a public corporation are required to file insider trading reports on SEDI (System for Electronic Disclosure by Insiders) within ten (10) days of becoming an insider and within five (5) days of a change in their ownership position in any securities of the Company (which includes the grant of options or other convertible securities to such persons or the exercise by them of such options or convertible securities). If an individual falls into one of these categories, that individual should consult the Disclosure Officer, or their designated backup, if they have any questions with respect to any individual proposed trades in securities or with respect to their statutory obligations regarding insider reporting filings in general.

Insiders are reminded that they remain personally responsible for the timely disclosure of their trading activities and that the assistance offered by the Company in no way reduces the obligations imposed on them by applicable insider trading laws.

## J. Prohibited Transactions

Certain types of transactions increase the Company's exposure to legal risks and may create the appearance of improper or inappropriate conduct. Therefore, the following types of transactions are prohibited by Designated Persons, even if they do not possess Undisclosed Material Information:

1. *Short sales of shares.* "Short" sales of shares are transactions where a person borrows shares, sells them, and then buy shares at a later date to replace the borrowed shares. Short sales generally evidence an expectation on the part of the seller that the securities will decline in value and therefore have the potential to signal to the market that the seller lacks confidence in the Company's prospects. In addition, short sales may reduce a seller's incentive to seek to improve the Company's performance. For these reasons, short sales of the Company's securities are prohibited. These also include hedging or monetization transactions (such as zero-cost collars and forward sale contracts) that involve the establishment of a short position. See "Hedging transactions" below for more information.
2. *Publicly-traded options.* A "put" is an option or right to sell specific shares at a specific price before a set date, and a call is an option or right to buy specific shares at a specific price before a set date. Generally, call options are purchased when one believes that the price of a share will rise, whereas put options are purchased when one believes that the price of a share will fall. Because publicly-traded options have a relatively short term, transactions in options may create the appearance that trading is based on Undisclosed Material Information. Further, such transactions may indicate a preference for short-term performance at the expense of the Company's long-term objectives. Accordingly, any transactions in put options, call options or other derivative securities of the Company are prohibited by this Policy.
3. *Short-term trading.* Short-term trading of the Company's securities can create a focus on the Company's short-term stock market performance instead of long-term business objectives. For these reasons, persons subject to this Policy who buy the Company's securities in the open market may not sell any of the Company's securities of the same class during the six months following the transaction.
4. *Hedging transactions.* Hedging or monetization transactions can be accomplished through the use of various financial instruments, including prepaid variable forwards, equity swaps, collars and exchange funds. These transactions may permit continued ownership of the Company's securities obtained through employee benefit plans or otherwise without the full risks and rewards of ownership. When that occurs, a person entering into this type of transaction may no longer have the same objectives as the Company's other shareholders.
5. *Margin accounts and pledged securities.* Securities held in a margin account or pledged as collateral can be sold without consent in certain circumstances. This means that a margin sale or foreclosure sale may occur at a time when the pledgor is aware of Undisclosed Material Information. Consequently, any person wishing to enter into such an arrangement must first obtain written pre-clearance from the Disclosure Officer.

Persons with managed accounts (where another person has been given discretion or authority to trade without that persons prior approval) should advise their broker or investment adviser not to trade in the Company's securities at any time and to minimize trading in securities of companies in the mining industry. This restriction does not apply to investments in publicly available mutual funds.

#### K. Questions

When Designated Persons have concerns about whether or not certain information is Undisclosed Material Information, they should contact the Disclosure Officer, or their designated backup, to obtain permission before executing any trades in securities of the Company. If the information is such that it would influence the Designated Person to buy or sell securities of the Company then that fact alone suggests that it is Material Information. Designated Persons should err on the side of caution in such matters.

#### L. Penalties

The Company takes its obligations under applicable securities laws and stock exchange rules very seriously and requires the same from its employees, directors and officers. If such Designated Persons trade in the Company's securities while in possession of Undisclosed Material Information, the Company may take its own disciplinary actions, which could result in termination of employment or implementation of a probationary period. The Company also reserves the right to report the matter to the appropriate regulatory authorities.

The prohibition against trading on Undisclosed Material Information as set forth in Canadian securities legislation can be enforced through a wide range of penalties, including:

1. fines and penal sanctions, including imprisonment;
2. civil actions for damages;
3. an accounting to the Company for any benefit or advantage received;
4. prohibition from trading in securities or acting as an officer or director of an issuer; and
5. administrative sanctions by securities commissions, such as cease trade orders, removal of trading exemptions, etc.

#### **IX. REVIEW AND AMENDMENT OF POLICY**

This is a policy, and is subject to change from time to time by the Board. In addition, the Board may, from time to time, permit departures from the terms hereof.