

**TRILOGY ENERGY CORP.**

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**DISCLOSURE AND INSIDER TRADING POLICY**

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**TRILOGY ENERGY CORP.**  
(the “Corporation”)  
**DISCLOSURE AND INSIDER TRADING POLICY**

**GENERAL**

**1. Purpose of this Policy**

Two principles are cornerstones of regulation of our capital markets. The first principle is that everyone who invests in securities of public issuers should have equal and timely access to material information that may affect their investment decisions. The second principle is that insiders of public issuers and others who are in a special relationship with the issuer who have Undisclosed Material Information about the issuer should not be permitted to (i) purchase or sell securities of the issuer (“**Insider Trading**”) while in possession of that information, or (ii) inform others of the Undisclosed Material Information except in the necessary course of business (“**Tipping**”). Directors, officers, employees and consultants of the Corporation are subject to these restrictions. Where the context requires, references to the Corporation refer collectively to all direct and indirect subsidiaries of the Corporation.

These principles are enshrined in various provisions of securities law and stock exchange rules relating to the requirement to make continuous and timely disclosure, imposing liability for Misrepresentations in Corporate Documents and Public Oral Statements and restricting trading by insiders. The purpose of this Policy is to ensure that the Corporation and all its directors, officers, employees and consultants meet their obligations under these provisions of securities law and stock exchange rules. The subject matter of this Policy can raise difficult questions for the Corporation, senior management and the board of directors. Those questions can often be resolved satisfactorily only with experience and the making of informed judgments, often with the assistance of legal and other professional advice.

**2. Persons Subject to this Policy**

This Policy applies to all directors, officers, employees and consultants of the Corporation or its Affiliates, individuals authorized to speak on behalf of the Corporation and each “**Associate**” as defined in the *Securities Act* (Alberta), of a director, officer, employee or consultant of the Corporation. The term Associate includes any corporation in which the director, officer, employee or consultant is a 10% Shareholder, any trust or estate in which the director, officer, employee or consultant has a substantial interest, any business partner, and any spouse, common-law spouse, partner or other relative that resides in his or her home.

**3. Communications Covered by this Policy**

This Policy applies to all methods and forms of communication by the Corporation, including disclosures in Corporate Documents issued by the Corporation or filed with securities regulators, statements made in the Corporation’s annual and quarterly reports, News Releases, letters to shareholders, Public Oral Statements made on behalf of the Corporation (such as at shareholders’ meetings, news conferences, analysts’ conferences, private meetings with analysts, industry conferences or on-line conferences, etc.), information contained on the Corporation’s web site and other electronic communications.

#### **4. Distribution of this Policy**

The General Counsel of the Corporation will distribute a copy of this Policy to each director and officer of the Corporation and its Affiliates and whenever significant changes are made. This Policy may be posted on the Corporation's intranet and web site. Other employees and consultants will be provided either with a copy of this Policy or a summary of this Policy, at the discretion of the General Counsel of the Corporation. New directors, officers, employees and consultants of the Corporation and its Affiliates will be provided with a copy of this Policy or a summary of this Policy when they join the Corporation or an Affiliate.

#### **5. Definitions in this Policy**

Capitalized terms that are used in this Policy have the meanings set forth in Appendix A or as otherwise defined in this Policy. All other terms used in this Policy (whether capitalized or not) have the meanings set forth in the *Securities Act* (Alberta) and applicable rules thereunder.

#### **6. Consequences of Non-Compliance With this Policy**

Any director, officer, employee or consultant of the Corporation who violates this Policy may face disciplinary action up to and including termination of his or her employment or contract for cause and without notice. Violation of this Policy may also constitute a breach of securities law, including laws against Insider Trading and Tipping, and the Corporation may refer any such breach to the appropriate regulatory authority. Accordingly, violation of this Policy could lead to fines, penalties, imprisonment and liability to investors and the Corporation for damages.

### **DISCLOSURE COMMITTEE**

#### **7. Formation of the Disclosure Committee**

A committee (the "**Disclosure Committee**") has been established, consisting of the Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer and the General Counsel of the Corporation. It is not expected that the Disclosure Committee will have formal meetings although there may be circumstances where the Disclosure Committee considers it desirable to do so. Many decisions made by the Disclosure Committee will be made on a real time basis as a result of informal meetings and consultations among the members of the Disclosure Committee who are then available. It is understood that, notwithstanding reference to Disclosure Committee, any three members (or, if the circumstances requiring disclosure are exigent and two members are not available, one member) of the Disclosure Committee may make binding decisions under this Policy, subject to the terms of this Policy.

#### **8. Responsibilities of the Disclosure Committee**

The Disclosure Committee has the responsibility to:

- (a) review and approve all written, electronic and oral statements containing Material Information before they are Generally Disclosed;
- (b) make determinations as to whether: any information is Material Information, a Material Change has occurred, selective disclosure has been made or a Misrepresentation has been made by the Corporation;

- (c) make all other determinations under this Policy and grant any exemptions from this Policy;
- (d) monitor the effectiveness of and compliance with this Policy;
- (e) educate, as necessary, the Corporation's directors, officers, employees and consultants about the matters covered by this Policy;
- (f) monitor the Corporation's web site; and
- (g) periodically update this Policy to take account of new developments and standards of practice.

## **SPOKESPERSONS**

### **9. Individuals Who Are Authorized to Speak on Behalf of the Corporation**

- (a) Only the following individuals (“**Spokespersons**”) are authorized to speak on behalf of the Corporation (other than in the usual and necessary course of business), make Public Oral Statements on behalf of the Corporation, or communicate with analysts, the media and investors:
  - (i) Chairman of the Board;
  - (ii) Chief Executive Officer;
  - (iii) President and Chief Operating Officer; and
  - (iv) Chief Financial Officer.
- (b) The names and telephone numbers of the Spokespersons must be provided to Market Surveillance.
- (c) A Spokesperson may, from time to time, expressly designate other directors, officers or employees of the Corporation to speak on behalf of the Corporation on particular matters or to respond to specific inquiries.
- (d) Everyone to whom this Policy applies who is approached by a securities regulator, a stock exchange, an analyst, the media, an investor, or any member of the public and asked to comment in any manner on the business or affairs of the Corporation must not respond except to refer all inquires to one of the Spokespersons. The person approached must immediately notify one of the Spokespersons that the approach was made.

## **DISCLOSURE OF MATERIAL INFORMATION**

### **10. Responsibility to Advise Disclosure Committee of Potential Material Information**

Everyone to whom this Policy applies who becomes aware of a new development, circumstance or information that may constitute Material Information must immediately advise at least one member of the Disclosure Committee. If there is any doubt whether any particular information is Material Information, a member of the Disclosure Committee should be consulted.

## 11. Determining Whether or Not Information is Material

The Disclosure Committee is responsible for determining whether or not information is Material Information. See Appendix B for examples of information that the Canadian Securities Administrators and the TSX believe may be material.

## 12. Approvals Before Public Disclosure

News Releases, Corporate Documents and Public Oral Statements must be reviewed and approved by the Disclosure Committee before they are issued or made. In approving the disclosure, the Disclosure Committee should apply the following principles:

- (a) The Disclosure Committee should be satisfied that the disclosure complies with the Corporation's disclosure obligations under applicable law and this Policy.
- (b) Before the issuance of a News Release or Corporate Document, or the making of any Public Oral Statement, the Disclosure Committee should be reasonably satisfied that the News Release, Corporate Document or Public Oral Statement is not inaccurate, does not contain a Misrepresentation and is not, in a material respect, misleading or untrue.
- (c) If any part of a News Release, Corporate Document or Public Oral Statement includes summaries or quotes from a report, statement or opinion made by an Expert, the consent of the Expert must have been obtained to the use of the report, statement or opinion and the Disclosure Committee must be satisfied that:
  - (i) there are no reasonable grounds to believe that there is a Misrepresentation in the part of the News Release, Corporate Document or Public Oral Statement made on the authority of the Expert; and
  - (ii) the part of the News Release, Corporate Document or Public Oral Statement fairly represents the report, statement or opinion made by the Expert.
- (d) If any part of a News Release, Corporate Document or Public Oral Statement is based upon disclosure ("**Third Party Disclosure**") contained in a document filed by a person other than the Corporation (a "**Third Party**") with the Commission or any other securities regulatory authority in Canada or the United States of America or a stock exchange, the Disclosure Committee must:
  - (i) ensure that the News Release, Corporate Document or Public Oral Statement contains a reference identifying the document containing the Third Party Disclosure; and
  - (ii) have no reasonable grounds to believe that the News Release, Corporate Document or Public Oral Statement contained a Misrepresentation.
- (e) The Disclosure Committee should also consider and be satisfied that approval of the board of directors or the audit Committee is not necessary or desirable prior to the issue of a News Release or Non-Core Document or the making of a Public Oral Statement. The Disclosure Committee should not, for this purpose, delay the issuance of a News Release which the Disclosure Committee considers to be necessary or required in the circumstances under applicable law or this Policy.

Each Core Document that is proposed to be issued by the Corporation must also be reviewed and approved by the board of directors, or an appropriate committee of the board of directors, before its issuance.

### **13. Disclosure of Material Information**

The Disclosure Committee must ensure that:

- (a) all Material Changes concerning the Corporation are Generally Disclosed forthwith upon the occurrence of the Material Change;
- (b) all Material Changes concerning the Corporation are reported in a material change report that is filed with securities regulators as soon as practical and in any event no later than ten days after the Material Change occurs; and
- (c) Material Information that does not constitute a Material Change must be disclosed forthwith upon becoming known to the directors, officers or other employees of the Corporation or, in the case of information previously known, upon discovering that the information is material.

The following procedure should be followed when Material Information is being Generally Disclosed:

- (a) if the TSX is open at the time the News Release is to be issued, Market Surveillance should be contacted and advised of the information, the timing of the disclosure and whether a trading halt is requested, and Market Surveillance should be faxed a copy of the proposed News Release; or
- (b) if the TSX was closed at the time the News Release was issued, Market Surveillance should be advised before trading opens on the next Trading Day.

Information contained in a News Release that is issued through the news services will not be considered to be Generally Disclosed until the News Release appears on such services and a reasonable period has elapsed (generally, at least 24 hours but it could be longer, depending on the circumstances) in order for the News Release to be adequately disseminated and to give investors a reasonable time to analyze the information.

If circumstances permit, where the Material Information being Generally Disclosed is a planned disclosure (such as a scheduled earnings release) which is to be followed by a media conference call, the Corporation should:

- (a) include in the News Release the date and time of the conference call, the subjects to be discussed and the means for accessing the conference call;
- (b) hold the conference call in an open manner, permitting investors and others to listen either by telephone or through the Internet; and
- (c) provide dial-in and/or web replay of the conference call or make transcripts available for some reasonable period after the conference call.

A copy of every News Release issued by the Corporation and of every Material Change report filed by the Corporation must be promptly distributed to the board of directors.

#### **14. Confidential Disclosure of Material Changes**

If the Disclosure Committee is of the opinion, arrived at in a reasonable manner, that the issue of a News Release announcing a Material Change would be unduly detrimental to the Corporation's interests (for example, if the release of the information would prejudice negotiations related to a particular transaction) the Disclosure Committee may authorize and approve the filing of a confidential Material Change Report in accordance with applicable securities law.

When a Material Change has not been Generally Disclosed in the circumstances described in the preceding paragraph, the Disclosure Committee must:

- (a) take steps to ensure that all persons with knowledge of the Material Information are aware of their obligation to keep the information confidential until such time as it is disclosed in a News Release and to refrain from purchasing or selling Securities of the Corporation, and Securities of any other issuer that is affected by the Material Information, until such time as the information has been Generally Disclosed;
- (b) take reasonable steps to ensure that the Corporation does not release a Corporate Document or make a Public Oral Statement that, due to the Undisclosed Material Information, contains a Misrepresentation;
- (c) promptly Generally Disclose the Material Information when in the reasonable judgement of the Disclosure Committee the basis for confidentiality ceases to exist, the Material Change has become publicly known in a manner other than required under applicable securities law, or the Corporation has become aware or has reasonable grounds to believe that persons are purchasing or selling Securities of the Corporation, or Securities of any other issuer that is affected by the Material Change, with knowledge of the Material Change; and
- (d) monitor market trading activity in the Corporation's Securities, and in the Securities of any other issuer that is affected by the Material Change, in order to be able to make the decisions referred to in clause (c) above.

When a confidential Material Change report is filed or renewed, the Disclosure Committee must promptly advise the board of directors of the filing or renewal and distribute a copy of the confidential Material Change report to them and their reasons for concluding that it would be unduly detrimental to the Corporation's interests for the Material Change to be Generally Disclosed.

#### **15. News Releases**

Before issuing a News Release regarding the Corporation's earnings for a particular quarter or fiscal year or containing financial information which is extracted or derived from financial statements of the Corporation which have not been publicly released, the Disclosure Committee shall obtain the approval of (a) the Corporation's Audit Committee, in respect of quarterly earnings or financial information or (b) the Corporation's board of directors, in respect of annual earnings or financial information. Exceptions to that practice may include a News Release issued to rectify an instance of selective disclosure or to correct any Misrepresentation. For further certainty, the Disclosure Committee may issue a News Release containing Earnings Guidance without obtaining approval of such News

Release from the Corporation's Audit Committee or board of directors. If not inconsistent with the Corporation's obligation under securities laws, the financial statements should be filed with the securities regulators at the same time as the earnings are announced by News Release.

**16. Correcting Errors**

If the Disclosure Committee determines that a News Release, Corporate Document or a Public Oral Statement issued or made by the Corporation contains a Misrepresentation or is in any material respect misleading or untrue, or there has been a failure by the Corporation to make timely disclosure, the Disclosure Committee must take immediate steps to Generally Disclose correcting information and immediately advise the board of directors.

**17. Disclosure Record**

The Corporation must retain an up-to-date paper or electronic file containing copies of all News Releases, Corporate Documents, Public Oral Statements (to the extent that there is a paper or electronic file containing such statements) and transcripts or recordings of all shareholder meetings, news conferences, analysts' conferences, private meetings with analysts, industry conferences and on-line conferences. To the extent reasonably possible, the Corporation should also retain a record of all participants in analysts' conferences, private meetings with analysts, industry conferences and on-line conferences.

**18. Reporting to the Board**

The Disclosure Committee should keep the board of directors informed of all significant developments and Material Information that has been Generally Disclosed and of any significant breach of this Policy.

In addition to the other reporting to the board of directors contemplated by this Policy, the Disclosure Committee must report promptly to the board of directors from time to time any significant issues arising under this Policy (such report to be made at the time such issues arise), including any circumstances where:

- (a) there may have been a Misrepresentation in a News Release, Corporate Document or Public Oral Statement;
- (b) there may have been a failure to make timely disclosure when required under applicable securities law;
- (c) there is a serious occurrence of selective disclosure; or
- (d) securities regulators or stock exchanges have asked questions about or inquired into the Corporation's disclosure practices or whether any News Release, Corporate Document or Public Oral Statement may have contained a Misrepresentation or was, in any material respect, misleading or untrue or whether the Corporation has failed to make timely disclosure when required.

## **AVOIDING SELECTIVE DISCLOSURE**

### **19. Shareholder Meetings, News Conferences, Analysts' Conferences, Industry Conferences and On-Line Conferences**

Selective disclosure occurs when Undisclosed Material Information is communicated to particular persons such as analysts, institutional investors, investment dealers or other third parties, other than in the necessary course of the Corporation's business, and is not Generally Disclosed so that all investors have access to the information. **No selective disclosure of Undisclosed Material Information, including Earnings Guidance, is permitted.**

### **20. Identifying and Rectifying Unintentional Selective Disclosure**

Immediately after each shareholder meeting, news conference, analysts' conference, private meeting with analysts, industry conference or on-line conference or following the making of any other Public Oral Statement, the Corporation Spokespersons and other participants must consider the disclosures made during the course of the meeting or conference or in the Public Oral Statement to determine if any Undisclosed Material Information was unintentionally disclosed. If Undisclosed Material Information was inadvertently disclosed, the Corporation must take immediate steps to ensure that the information is Generally Disclosed and must immediately report the circumstances to the board of directors. Pending the Material Information being Generally Disclosed, the Corporation should, where practical, contact the parties to whom the information was disclosed and inform them that the relevant information is Undisclosed Material Information and that they have a legal obligation to not disclose the information to others or to trade in Securities of the Corporation, or the Securities of any other issuer that is affected by the Material Information.

## **FORWARD-LOOKING INFORMATION**

### **21. Corporation's Practice**

Should the Corporation elect to disclose forward-looking information in continuous disclosure documents, speeches, conference calls or otherwise, the following guidelines should be observed:

- (a) The information, if deemed material, must be broadly disseminated via news release, in accordance with this Policy.
- (b) The information must be clearly identified as forward-looking.
- (c) The Corporation must identify all material assumptions used in the preparation of the forward-looking information.
- (d) The information must be accompanied by a statement that identifies, in very specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the statement.
- (e) The information will be accompanied by a statement that disclaims the Corporation's intention or obligation to update or revise the forward looking information, whether as a result of new information, future events or otherwise, unless required by applicable law.

Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be materially off target, the Corporation may choose to issue a news release explaining the reasons for the difference in accordance with the Corporation's past practice in these matters.

- (f) The identifications and statements set forth in (b) to (e) above shall be proximate to the forward-looking information.

## MAINTAINING CONFIDENTIALITY

### 22. Confidentiality

Directors, officers, employees and consultants of the Corporation must keep all Material Information about the Corporation confidential until it has been Generally Disclosed. **Communication of Undisclosed Material Information, other than in the necessary course of business, constitutes illegal Tipping under applicable securities law and subjects the person making such communication to severe penalties.**

### 23. Disclosure Permitted if Necessary in the Course of Business

Undisclosed Material Information may be disclosed to directors, officers, employees and consultants of the Corporation and to third parties only if disclosure is necessary in the course of the Corporation's business. **Disclosure of Undisclosed Material Information other than in the necessary course of business is illegal Tipping, even if a confidentiality agreement has been entered into.** Appendix C lists circumstances where securities regulators believe disclosure may be in the necessary course of business. Individuals should consult with the General Counsel of the Corporation or another member of the Disclosure Committee to determine whether disclosure in a particular circumstance is in the necessary course of business.

If Undisclosed Material Information is disclosed in the necessary course of business the recipient should be advised that such information is Material Information that has not been Generally Disclosed. In appropriate circumstances, a confidentiality agreement should be entered into between the Corporation and the recipient.

Where any Material Information communicated in the necessary course of business becomes publicly known on a selective basis, where there are rumours in the market with respect to such information or there are reasonable grounds to believe that persons are purchasing or selling Securities of the Corporation with knowledge of such information, the Material Information must be promptly Generally Disclosed by News Release.

### 24. Confidentiality Agreements

When Undisclosed Material Information is disclosed to a third party in the necessary course of business, it may be prudent for the Corporation to obtain, in appropriate circumstances, written confirmation from the third party that they will not divulge the information to anyone (other than to directors, officers, employees or consultants of the third party who need to know the information for the purposes for which the Undisclosed Material Information was communicated to them) without written authorization from the Corporation and that the third party understands the restrictions under applicable law not to purchase or sell Securities of the Corporation, or of any other entity to which the information relates, until the transaction, development or event has been Generally Disclosed or has been abandoned.

## **25. Rumours**

When asked to comment on market rumours, Spokespersons must consistently respond by stating that “it is Corporation policy not to comment on market rumours or speculation”. Inconsistent commenting on rumours may constitute selective disclosure.

When requested by Market Surveillance, or other regulators to make a clarifying statement, the Corporation should, if in the opinion of the Disclosure Committee it is appropriate to do so, promptly issue a News Release denying the rumour, if the rumour is false, or disclosing the relevant Material Information, if the rumour is correct in whole or in part.

If Undisclosed Material Information has leaked or become known and appears to be affecting trading activity in the Corporation’s Securities, immediate steps must be taken to Generally Disclose the information.

## **ELECTRONIC COMMUNICATIONS**

### **26. Web site**

The Corporation is responsible for creating and maintaining an investor relations page on the Corporation’s web site. The Corporation’s web site must be updated regularly and all information placed on the web site shall be monitored to ensure that it is accurate, complete and up to date and in compliance with relevant securities laws. The investor relations section of the web site shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures. All data posted to the web site, including text and audio-visual material, shall show the date that such material was posted. Any material changes in information must be updated immediately.

The following minimum retention periods must be observed for information on the investor relations page of the Corporation's web site:

- (a) News Releases must be retained for a period of one year from the date of issue;
- (b) quarterly financial statements must be retained for two years;
- (c) annual financial statements must be retained for five years; and
- (d) other information must be retained for one year.

## **PURCHASE AND SALE OF CORPORATION SECURITIES**

### **27. Prohibitions on Trading Corporation Securities**

- (a) No director, officer, employee or consultant of the Corporation may purchase or sell Securities of the Corporation while they possess Undisclosed Material Information. Doing so would constitute a breach of this Policy and constitute illegal Insider Trading.
- (b) No Insider of the Corporation may purchase or sell Securities of the Corporation during a Black-out Period.

**28. Exceptions**

- (a) The trading prohibitions in Section 27 do not apply to the acquisition of Securities through the exercise of stock options but do apply to the subsequent sale of the Securities received on such exercise and the triggering of any exercise or payment right in connection with any "phantom" stock option plan which may be adopted by the Corporation.
- (b) The trading prohibitions in Section 27 do not apply to the acquisition of Securities through the special group RRSP Plan.

**29. Other Corporations and Issuers**

Illegal Insider Trading in Securities of another public issuer and illegal Tipping by directors, officers, employees and consultants of the Corporation of Undisclosed Material Information relating to another issuer can bring the Corporation into disrepute. Accordingly, neither the Corporation nor a director, officer, employee or consultant of the Corporation who is a person in a special relationship with another issuer, as that term is defined in the *Securities Act* (Alberta), and who possesses Undisclosed Material Information relating to that other issuer may purchase or sell Securities of the other issuer while they possess such Undisclosed Material Information, or engage in Tipping.

**30. Insider Reports**

Immediately after becoming an Insider and immediately following the purchase or sale of any Securities of the Corporation, an Insider must advise the Corporation's Corporate Secretary of the details of such purchase or sale and the Corporate Secretary will electronically file with the applicable securities regulators, in a timely fashion, insider reports in respect of such purchase or sale.

Immediately following the entering into of a Derivative-based Transaction relating to Securities of the Corporation, an Insider must advise the Corporation's Corporate Secretary of the details of such transaction and the Corporate Secretary will electronically file with the applicable securities regulators, in a timely fashion, any insider reports that are required to be filed in respect of such Derivative-based Transaction.

The Corporation's Corporate Secretary will prepare and electronically file insider reports relating to the granting of employee stock options, the purchase of Securities for Insiders as a component of their remuneration and annual filings for Securities acquired under the Corporation's Stock Option Plan.

## APPENDIX A

### DEFINITIONS

**“Affiliate”** of the Corporation means each subsidiary of the Corporation and each non-sub subsidiary Affiliate of the Corporation from time to time.

**“Black-out Period”** means:

- (a) each period (A) beginning on the fifth Trading Day before the financial results of each fiscal quarter and each fiscal year are considered at a meeting of the board of directors or Audit Committee of the board of directors, as the case may be, and (B) ending at the end of the first Trading Day after the financial results for that quarter or year end have been disclosed by way of a News Release; and
- (b) any other period designated by the Disclosure Committee.

**“Commission”** means the Alberta Securities Commission.

**“Core Document”** means a prospectus, a take-over bid circular, an issuer bid circular, a directors’ circular, a rights offering circular, MD&A, an annual information form, an information circular and annual and interim financial statements.

**“Corporate Document”** means any written communication, including a communication prepared and transmitted only in electronic form, of the Corporation disclosing information with respect to the business, operations, capital, financial performance or prospects of the Corporation and includes any communication:

- (a) that is required to be filed with the Commission;
- (b) that is filed with the Commission;
- (c) that is filed or required to be filed with a government or an agency of a government under applicable law or with any stock exchange or quotation and trade reporting system; or
- (d) the content of which would reasonably be expected to materially affect the market price or value of the Securities of the Corporation.

**“Derivative-based Transaction”** means an agreement, arrangement or understanding of any kind, the effect of which is to alter the Insider’s economic exposure to either the Corporation or a Security of the Corporation.

**“Earnings Guidance”** means information about expected revenues, net income or profit, earnings per share, expenditure levels, and other financial information of the Corporation commonly referred to as earnings guidance.

**“Expert”** means a person or Corporation whose profession gives authority to a statement made by the person or Corporation in a professional capacity, including an accountant, an actuary, an appraiser, an auditor, an engineer, a financial analyst, a geologist, and a lawyer.

**“Forward-looking Information”** means Earning Guidance and other disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions

and courses of action and includes future-oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection.

**“Generally Disclosed”** means the public disclosure of information in a manner calculated to result in broad dissemination to the marketplace (through the dissemination of a News Release) and the passage of a reasonable amount of time (generally at least 24 hours but it could be longer, depending on the circumstances) to permit adequate dissemination in the market and to give investors a reasonable time to analyze the information, and **“Generally Disclose”** means to disseminate information in that manner.

**“Insider”** includes each director and Senior Officer of the Corporation.

**“Market Surveillance”** means the Market Surveillance division of Market Regulation Services Inc.

**“Material Change”** with respect to the Corporation means a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Corporation and includes a decision by the board of directors or by senior management (where management believes that board of directors confirmation of the decision is probable) to implement such a change.

**“Material Fact”** means any fact that would reasonably be expected to have a significant effect on, the market price or value of any of the securities of the Corporation.

**“Material Information”** means Material Changes and Material Facts.

**“MD&A”** means management’s discussion and analysis of financial condition and results of operations prepared in accordance with applicable securities law.

**“Misrepresentation”** means an untrue statement of Material Fact or an omission to state a Material Fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

**“News Release”** means a full-text news release issued through a full-text news service providing wide dissemination to the Canadian financial press and daily newspapers in the areas where the Corporation has operations and to all TSX participating organizations and securities regulators.

**“Non-Core Document”** means a Corporate Document other than a Core Document.

**“TSX”** means the Toronto Stock Exchange.

**“Public Oral Statement”** means an oral statement made in circumstances in which a reasonable person would believe that information contained in the statement will become publicly disclosed.

**“Securities”** of a corporation or other issuer means securities as defined under applicable securities law (and includes shares, shares, options, warrants, rights and other instruments and interests) issued by a corporation or other issuer and includes any security, whether issued by the particular corporation or issuer or by others, the market price, value or payment obligations of which vary materially with the market price of securities of the corporation or issuer or which is derived from, referenced to or based on a security of the corporation or other issuer.

**“Senior Officer”** of the Corporation means the Chair of the Board of Directors, the Chief Executive Officer, the President and Chief Operating Officer, the Chief Financial Officer, all Corporate Operating

Officers, the Corporate Secretary, or any other individual who performs functions for the Corporation similar to those normally performed by a person holding such an office and the five highest paid employees of the Corporation.

**“Trading Day”** means a day on which the Toronto Stock Exchange is open for trading and on which the trading in the Corporation’s Securities is not halted or suspended.

**“Undisclosed Material Information”** means Material Information that has not been Generally Disclosed.

## **APPENDIX B**

### **EXAMPLES OF INFORMATION THAT MAY BE MATERIAL**

(Reproduced from National Policy 51-201)

#### **Changes in corporate structure**

- changes in share ownership that may affect control of the Corporation
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

#### **Changes in capital structure**

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a Corporation's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

#### **Changes in financial results**

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the Corporation's assets
- any material change in the Corporation's accounting policies

#### **Changes in business and operations**

- any development that affects the Corporation's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business

- significant discoveries by resource companies
- changes to the board of directors or executive management, including the departure of the Corporation's CEO, CFO, COO or President (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the Corporation's securities or their movement from one quotation system or exchange to another

#### **Acquisitions and dispositions**

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another Corporation

#### **Changes in credit arrangements**

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the Corporation's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

## **EXAMPLES OF INFORMATION THAT MAY BE MATERIAL**

(Reproduced from Section 410 of the TSX Manual)

- changes in share ownership that may affect control of the Corporation
- changes in corporate structure, such as reorganizations, amalgamations, etc.
- take-over bids or issuer bids
- major corporate acquisitions or dispositions
- changes in capital structure
- borrowing of a significant amount of funds
- public or private sale of additional securities
- development of new products and developments affecting the Corporation's resources, technology, products or market
- significant discoveries by resource companies
- entering into or loss of significant contracts
- firm evidence of significant increases or decreases in near-term earnings prospects
- changes in capital investment plans or corporate objectives
- significant changes in management
- significant litigation
- major labour disputes or disputes with major contractors or suppliers
- events of default under financing or other arrangements
- any other developments relating to the business and affairs of the Corporation that would reasonably be expected to significantly affect the market price or value of any of the Corporation's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions

## APPENDIX C

### EXAMPLES OF DISCLOSURES THAT MAY BE NECESSARY IN THE COURSE OF BUSINESS

(Reproduced from National Policy 51-201)

The necessary course of business exception to the Tipping prohibition would generally cover communications with:

- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts
- employees, officers and board members
- lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the Corporation
- parties to negotiations
- labour unions and industry associations
- government agencies and non-governmental regulators
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available)
- in connection with a private placement
- communications with controlling shareholders, in certain circumstances