

VOX ROYALTY CORP.

Corporate Disclosure Policy

1. General Statement of Policy

Commitment and Understanding

Vox Royalty Corp. (the “**Company**” or “**Vox**”) is committed to a policy that ensures informative, timely, consistent and accurate disclosure of corporate material information concerning Vox to the public. This Corporate Disclosure Policy (this “**Policy**”) seeks to enable informed and orderly market decisions by individual investors who deserve the same access to material information as institutional shareholders and analysts. Vox is also committed to providing fair and equal access to such information through broadly disseminated disclosure. Both this Policy and the attached TSX Venture Exchange Policy 3.3 “Timely Disclosure” have been reviewed and approved by Vox’s Board of Directors.

The Company understands that timely disclosure of material information is an integral part of an Issuer’s proper corporate governance procedures. This Policy and the attached Exchange Policy 3.3 “Timely Disclosure” set out the general disclosure requirements for all material information.

The Company also understands that:

- One of the underlying principles of TSX Venture Exchange policy and applicable securities laws is that all investors must have equal access to material information about an Issuer in order to make informed and reasoned investment decisions, and that such information should not be released on a selective basis, subject to very limited exceptions, as permitted by applicable securities laws.
- To maintain a listing on the TSX Venture Exchange, every Issuer must make ongoing timely and continuous disclosure and keep the TSX Venture Exchange informed of both routine and unusual events and information regarding its business, operations and affairs.
- TSX Venture Exchange Policy 3.3 “Timely Disclosure” is not an exhaustive statement of the timely and continuous disclosure requirements applicable to Issuers and must be read in conjunction with all other TSX Venture Exchange requirements and applicable securities laws, including *National Policy 51-201 – Disclosure Standards* or any successor instrument.
- News releases announcing material information are intended to provide, to both existing shareholders and potential investors, factual information on which a reasoned investment decision can be made.

Intent

The intent of this Policy is to:

- raise the awareness of directors, officers, employees and consultants (collectively, “**Personnel**”) about disclosure requirements and practices;
- provide guidance and structure in disseminating corporate information to, and in dealing with, investors, analysts, media representatives and the public; and
- ensure compliance with legal and promulgated regulatory requirements pertaining to this Policy.

Related Rules & Guidelines

This Policy takes into consideration the following existing rules and guidelines:

- securities laws governing corporate disclosure, confidentiality and trading by Personnel, including *National Policy 51-201 – Disclosure Standards*;
- The TSX Venture Exchange Policy 3.3 “Timely Disclosure” and Appendix 3E “News Release Guidelines” (attached);

Application

This Policy applies to the conduct of Personnel and to all methods that Vox uses to communicate with the investing public, including, but not limited to:

- Written statements including Annual Reports, Interim Reports, News Releases, letters to shareholders, speeches by senior management, investor presentations, client presentations, e-mail messages and the Company’s website;
- Oral statements including individual or group meetings, telephone conversations, interviews and news conferences and interviews.

Scope

This policy gives specific guidance in the following areas:

- disclosing material information;
- maintaining the confidentiality of information;
- disseminating information;
- communicating electronically;
- trading.

2. Policy Administration

The Board of Directors oversees Vox’s corporate disclosure practices and ensures implementation and adherence to this Policy. Responsibilities with respect to disclosure issues include:

- maintaining an awareness and understanding of governing disclosure rules and guidelines, including any new or pending developments;
- ascertaining whether corporate developments constitute material information and, if so, ensuring procedures outlined in this policy are implemented;
- developing and implementing procedures to regularly review, update and correct corporate disclosure information, including information on Vox’s website;
- bringing this Policy to the attention of Personnel on a regular basis;
- monitoring for compliance of this policy and undertaking reviews of any violations, including assessment and implementation of appropriate consequences and remedial actions;
- reviewing this Policy at least annually and updating as necessary and appropriate to ensure compliance with prevailing rules and guidelines.

Authorized Corporate Spokespeople

Primary authorized spokespersons responsible for communicating Company information to the investing public include:

- Chief Executive Officer (the “**CEO**”);

- Chief Financial Officer (the “**CFO**”); and
- Executive Vice Presidents (the “**EVPS**”).

These spokespeople may, from time to time, designate others to speak on behalf of the Company or to respond to specific inquiries, where doing so facilitates effective communication with the investing public. Generally, however, such designations will be limited so as to maximize consistency of communications via the above listed spokespeople. Personnel other than authorized spokespeople are not to respond to requests for Company information from the investing public unless specifically asked to do so by an authorized spokesperson. Any such requests should be referred to an authorized Company spokesperson.

It is not the intent of this policy to restrict Personnel from speaking at conferences, technical seminars or outside functions where doing so serves a legitimate business purpose. However, when doing so, Personnel must ensure that any Company information provided is in compliance with this Policy and should contact the CFO or General Counsel of the Company if in doubt about the appropriateness of supplying certain information.

It is essential that the authorized spokesperson(s) as well as the Board continue to be fully apprised of all material Vox developments in order that they be in a position to evaluate and discuss those events that may impact the disclosure process.

Responsibility for Monitoring

The Board of Directors shall be responsible for implementing and monitoring this Policy, and determining when transactions, developments and other events constitute material information and require public disclosure.

3. Material Information

Definition

Material information is 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 any of the Company’s listed securities. It is also defined as anything that a reasonable investor would consider important in assessing the Company as a potential investment. Material information consists of both material facts and material changes. Examples of material information would include quarterly results, new large customer orders or cancellation of same, acquisition of new assets, senior management or director changes, and equity or debt issuances.

Decisions on the materiality of information will be made within the context of Vox’s overall business affairs and dimensions. Such decisions require the exercise of experienced judgment and are the responsibility of the Board of Directors. In cases where such decisions about materiality are not clear-cut and there is doubt as to whether disclosure should be made, Vox will consult with and seek guidance from its General Counsel, external legal counsel and/or the TSX Venture Exchange. Consideration should be given to the nature of the information itself, the volatility of the Company’s securities and prevailing market conditions. In general, if there is any doubt about whether particular information is material, Vox should err on the side of materiality and release the information publicly.

Events deemed to be material in nature and requiring immediate disclosure in accordance with this Policy would include, but not be limited to, the following:

- (a) any issuance of securities by way of statutory exemption or Prospectus;

- (b) any change in the beneficial ownership of the Company's securities that affects or is likely to affect the control of the Company;
- (c) any change of name;
- (d) a take-over bid, issuer bid or insider bid;
- (e) any significant acquisition or disposition including a disposition of assets, property or joint venture interests;
- (f) any stock split, stock consolidation, stock dividend, exchange, call of securities for redemption, redemption, capital reorganization or other change in capital structure;
- (g) the borrowing or lending of a significant amount of funds or any mortgaging, hypothecating or encumbering in any way of any of the Company's assets, or an event of default under a financing or other agreement;
- (h) any acquisition or disposition of the Company's own securities;
- (i) the development of a material new product or any development which materially affects the Company's resources, technology, products or markets;
- (j) the entering into or loss of a material contract;
- (k) firm evidence of a material increase or decrease in near-term earnings prospects;
- (l) a significant change in capital investment plans or corporate objectives;
- (m) any change in the board of directors or senior officers;
- (n) significant litigation or mediation, or the threat or the material possibility thereof;
- (o) a material labour dispute or a dispute with a major contractor or supplier;
- (p) a reverse takeover, change of business of the Company, merger, amalgamation or other material information relating to the business, operations or assets of the Company;
- (q) a declaration or omission of dividends (either securities or cash);
- (r) any oral or written employment, consulting or other compensation arrangements between the Company or any subsidiary of the Company and any director or officer of the Company, or their associates, for their services as directors or officers, or in any other capacity;
- (s) any oral or written management contract, any agreement to provide any investor relations, promotional or market making activities related to the Company's securities, any service agreement not in the normal course of business or any related party transaction, including a transaction involving non-arm's length parties;
- (t) any amendment, termination, extension or failure to renew any agreement where disclosure of the original agreement or transaction was required pursuant to this Policy;
- (u) the establishment of any special relationship or arrangement with a participating organization or member or other registrant;
- (v) any change in listing classification, including any movement by the Company between tiers of the TSX Venture Exchange;

(w) notice of suspension review or suspension of trading of the Company's securities; and

(x) any other developments relating to the business and affairs of the Company that would reasonably be expected to significantly affect the market price or value of any of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

Restriction on Disclosure of Material Information

No Personnel shall disclose material information regarding Vox to any person or group of persons outside of Vox personnel until it has been generally disseminated to the public in accordance with this Policy. The CEO and/or the Board as a whole may approve limited exceptions to this prohibition where disclosure is made to Vox's auditors, legal counsel, underwriters or other professional advisors in the necessary course of Vox's business.

Public Disclosure

When information has been determined to constitute a material change, as defined in applicable securities laws, Vox will immediately initiate a process to ensure full, true, plain and timely disclosure of it via recognized news services. When possible, a news release will be transmitted during non-trading hours. Vox's General Counsel or external legal counsel shall review all releases relating to the disclosure of material information. If the release is being made during TSX Venture Exchange trading hours, a telephone call should be made to the TSX Venture Exchange's Regulation Services Provider prior to release, informing them of the release and allowing them an opportunity to determine whether a trading halt is necessary. Any follow-up news releases will be referenced to the original release and disseminated through the same news service as the original release. Vox shall comply with all applicable laws and regulations regarding the timely disclosure of material information and changes. The principal method of publicly disclosing material information will be by news release, using a news wire service that provides simultaneous distribution to widespread news services, financial media, and relevant stock exchanges and regulatory bodies. Vox will comply with the rules of the TSX Venture Exchange regarding the timing of release of news releases, and any requirement to obtain TSX Venture Exchange's Regulation Services Provider pre-clearance of news releases. Vox will file material change reports when required in accordance with applicable securities laws and regulations and all news releases relating to material information shall be filed on SEDAR.

All news releases must include all relevant information to enable readers to understand the substance and importance of the change and must not omit any information that would make the rest of the disclosure misleading. All news releases from Vox (except for promotional news releases that do not relate to material or financial information) shall be disseminated and pre-approved by the CEO, or as he may otherwise designate from time to time. In addition, Vox corporate news releases must be approved by the CEO and a minimum of one other director as well as its General Counsel or external legal counsel. All requests for news release approval will be accompanied by relevant documentation and agreements relating to the release to ensure that the release does not contain any vague, promotional or forward-looking statements. News releases regarding Vox's financial statements will be issued promptly following Board approval of the annual and interim financial statements. All news releases disclosing the Company's earnings will be reviewed by the Company's Audit Committee prior to any public disclosure.

Confidential Information

In isolated and restricted circumstances, and in accordance with applicable securities laws, including but not limited to *National Instrument 51-102 – Continuous Disclosure Obligations*,

disclosure of a material change concerning the business and affairs of the Company may be delayed and kept confidential temporarily if:

- (a) in the opinion of the Company, and if that opinion is arrived at in a reasonable manner, immediate public disclosure of a material change would be unduly detrimental to the interests of the Company; or
- (b) the material change consists of a decision to implement a change made by senior management of the Company who believe that confirmation of the decision by the board of directors is probable, and senior management of the Company has no reason to believe that persons with knowledge of the material change have made use of that knowledge in purchasing or selling securities of the Company,

and the Company immediately files a confidential material change report with the applicable securities regulators and with the TSX Venture Exchange and the Regulation Services Provider (as defined in the policies of the TSX Venture Exchange), together with written reasons for non-disclosure.

If a confidential material change report has been filed, the Company is required by law to advise the regulator or securities regulatory authority in writing if it believes the report should continue to remain confidential, within 10 days of the date of filing of the initial report and every 10 days thereafter until the material change is generally disclosed, or, if the material change consists of a decision of the type referred to in paragraph (b) above, until that decision has been rejected by the board of directors of the reporting issuer.

If a confidential material change report has been filed, the Company must promptly generally disclose the material change to the public upon the Company becoming aware, or having reasonable grounds to believe, that persons or companies are purchasing or selling securities of the Company with knowledge of the material change that has not been generally disclosed.

At any time when material information is being withheld from the public in accordance with the foregoing, the Company shall ensure that such material information is kept completely confidential and that persons in possession of such undisclosed material information are prohibited from purchasing or selling securities of the Company or “tipping” such information until the material information is publicly disclosed. Such information should not be disclosed to any officers or employees of the Company, or to the Company’s advisors, except on a need to know basis in the necessary course of business.

4. Disseminating Information: General Application

The following principles and practices will be applied when disseminating corporate information to the investing public:

- Vox will disseminate corporate information in an equitable manner and will strive to respond in a timely manner to all legitimate requests for information;
- Material information will in all cases be disseminated broadly and publicly via recognized news services and other means;
- Vox will not provide confidential, proprietary or material, non-public information to the investing public, and will deny any requests for same;
- Vox recognizes that discussions and meetings with the investing public are an important part of the Company’s investor relations program. Vox will provide non-material and publicly disclosed information in individual and group discussions and meetings where doing so facilitates better understandings about the business and affairs of the company. Generally, such information will be factual and non-speculative in nature and will not in any

- way significantly impact, impair or be detrimental to the Company's performance and effectiveness;
- Vox will not discriminate or differentiate amongst recipients of non-public, non-material information and will respond in the same manner to all requests for such information. This means that Vox will provide the same information and details that it has provided to analysts or fund managers, to any other individual market participant or media representative, upon request;

Disclosure of Intended Corporate Actions

Many developments must be disclosed before an event actually occurs, if the development itself gives rise to a material change. Announcements of an intention to proceed with a transaction or activity should be made when a decision has been taken by the Board of Directors or by senior management with the expectation of concurrence from the Board of Directors. Updates with respect to intended corporation actions should be announced at least every 30 days until the intended event actually occurs, unless the original announcement indicates that an update will be disclosed on another indicated date. In addition, prompt disclosure is required of any material change to the proposed transaction or to the previously disclosed information.

While material information must be released immediately, judgment must be exercised as to the timing and propriety of news releases concerning corporate developments to avoid the potential for misleading or premature disclosure. Announcements of an intention to proceed with a transaction or activity should not be made unless the Company has the ability to carry out the intent (even though proceeding may be subject to contingencies).

Information Updates

Prompt disclosure shall be made of significant changes to previously disclosed material information where the information becomes misleading as a result of subsequent events. If information was true at the time of its release but subsequently changes without becoming misleading, no updates are required.

Material Change Reports

The Company must file a report with appropriate regulatory authorities concerning any material change as soon as practical and in any event within 10 days of the date on which the change occurs.

Communicating with Analysts & Investors

The authorized corporate spokespeople indicated above may meet with analysts, investors and other similar persons on an individual or small group basis from time to time. Vox will, where practical, have two persons present for such meetings. Such meetings should focus on generally disclosed information and items described in the Company's Management's Discussion & Analysis (MD&A) such as long-term strategy, management philosophy in running Vox, general business trends and competitive advantages/disadvantages. These meetings will not include the discussion of material information that has not been generally disclosed to the public. If such a disclosure should occur, then such information will be immediately disseminated to the public, and the TSX Venture Exchange should be contacted, with trading halted if necessary or if deemed appropriate by the TSX Venture Exchange.

Analyst Reports

Vox may be requested to review draft analysts' reports from time to time. Only authorized corporate spokespeople will comment on analysts' reports, and such comments will be limited to identifying publicly disclosed factual information that could affect the analyst's model and to pointing out inaccuracies or omissions with reference to publicly available information. A written statement will be provided with each review stating that the Company reviewed the report/model for factual errors only and this review does not necessarily embrace the soft information or conclusions. It is imperative that the control of this process be reported to the Board.

Conference Calls & Industry Policies

Vox may, from time to time, hold conference calls with the investment community to discuss financial results following the release of such financial result or to discuss other material disclosed information. All such investor conference calls shall be fully accessible and non-exclusionary. Advance public notice of the date and time of the call, the subject matter of the call and the means for accessing it will be provided by way of a news release. Interested parties will be allowed to listen in by way of telephone or through a web cast. Vox will keep detailed records and/or transcripts of any conference calls or industry conferences in which it presents information about its affairs. A transcript of conference calls will be made available on the corporate website for a reasonable period of time after the call.

Communicating with the Media

One of the primary responsibilities of the CEO is to communicate with media representatives, community representatives and the general public, and to provide information about the Company to them.

He is also responsible for preparing senior management and developing related speeches, handouts and other materials for news conferences, interviews and meetings with the media and the public. In doing so, the CEO will work with the General Counsel and external legal counsel as necessary to ensure that no material, non-public information is included in related speeches and materials.

Whenever possible, EVPs will participate in news conferences, interviews and meetings. If material, non-public information appears to have been inadvertently disclosed at such events, the CEO and/or General Counsel will consult with the TSX Venture Exchange, and where this is confirmed, immediate action will be taken to achieve full public disclosure of the information.

Vox will not provide material information to the media on an exclusive or selective basis, and will not under any circumstances provide material information to the media on upcoming events or announcements before they are publicly released.

Quiet Period

The Company has instituted a "quiet period" in order to avoid the potential for, or the appearance of, selective disclosure. During this period, Personnel will not discuss or comment on the Company's earnings and financial performance except with respect to inquiries concerning factual matters about already publicly disclosed information. The quiet period begins two weeks (10 trading days) prior to the release of quarterly or annual financial results (as applicable) and will continue through the release day.

5. Responding to Market Rumours

It is Vox's general policy to not respond to, or comment on, affirmatively or negatively, market rumours or speculation, and Company spokespersons will respond by stating, "It is our policy not to comment on market rumours or speculation."

TSX Venture Exchange rules may require that the Company issue a clarifying statement or denial in response to rumours. Should the TSX Venture Exchange or another regulatory body request that the Company make a clarifying statement in response to a market rumour that it is causing significant volatility in the stock, the Board of Directors will consider the matter and decide whether to make a policy exception. A trading halt can be instituted pending a "no corporate developments" statement from the Company.

6. Forward-Looking Information

Vox will generally not provide forecasts of future earnings or other financial results. Vox may provide general forward-looking information and guidance to the investing public that would enable reasoned evaluations of the Company and its future performance prospects. Generally, such information and guidance will be consistent with and complementary to information that has been otherwise provided via timely disclosure documents such as Annual Reports, news releases, Interim Reports, etc. In no circumstance will any material forward-looking information be provided in advance of its general public disclosure.

A disclaimer cautioning the reader that there are risks and uncertainties that could cause actual results to differ materially from what is indicated in the document will accompany all documents containing forward-looking information. When making oral forward-looking statements, reasonable care will be taken to also include appropriate reference to such risks and uncertainties in the discussion. The Company will endeavor to update forward-looking statements that change materially to the extent practicable.

7. Electronic Communications

E-mail and Internet Use

Vox views the Internet as a valuable tool and encourages Personnel to use it to learn, develop new skills, and increase their knowledge and effectiveness. All Vox Personnel with access to the Company's internal information network also have access to the Internet.

All Personnel are responsible and accountable for any and all actions they take on the Internet.

More generally, Vox considers Internet information and communication to be an extension of the corporate disclosure record. As such, Vox use of the Internet and e-mail is subject to the same disclosure rules, guidelines and procedures outlined in this Policy for other means of disseminating corporate information.

Personnel Use of Social Media

Unless specifically authorized by Vox, all Personnel are prohibited from participating in discussions of Vox corporate matters in social media platforms (i.e. Facebook, Twitter, Instagram, YouTube, Reddit, LinkedIn, etc.), chat rooms, forums and/or bulletin boards. Personnel shall immediately report to the CEO any discussion pertaining to Vox that they find on the Internet which appears to be in violation of this Policy.

Corporate Website

Vox has a website that contains information about the Company. Vox also uses social media to provide such information.

The Company may supplement its distribution of material information through disclosures maintained on the Company's website or social media platforms. However, disclosure on the Company's website or social media platforms does not constitute adequate dissemination of material information. Any disclosure of material information on the Company's website or social media platforms must be preceded by the issuance of a news release in the manner described above.

Appropriate disclaimers will be posted on the Company's website and the social media platforms it utilizes, and other steps will be taken to the effect that the disclosure of information on the Company's website or social media platforms does not constitute an offering of securities contrary to local securities laws or rules.

News releases issued by the Company shall be contained within a separate section of the Company's website and 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 material information posted to the website shall show the date such material was issued. The CFO has ongoing responsibility for ensuring that information in the "Investors" and "News" sections of Vox's website is up-to-date and maintaining records indicating the date that the material information was posted and/or removed from the "Investors" and "News" sections of the website. The Board has a broader, oversight responsibility for this section of the website to ensure that appropriate standards of care are being applied for disclosures of information via this medium. The minimum retention period for material corporate information on the website shall be five years.

8. Update Material Changes in Information

If the Company discovers that a statement it made was, in fact, materially incorrect at the time it was disclosed, the Company will publicly issue a correction of the prior misstatement as soon as the error is discovered. The Company will make an effort to continually update the forward-looking statements if and when necessary.

9. Maintaining Confidentiality

Procedures for Maintaining Confidentiality

In order to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

- Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" that information in the necessary course of business and code names should be used if necessary.
- Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
- Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.

- Personnel must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- Transmission of documents by electronic means should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- Unnecessary copying of confidential document should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
- Access to confidential electronic data should be restricted through the use of passwords.

Disclosure Made in the Necessary Course of Business

- There may be circumstances where selective disclosure is required in the necessary course of business, such as with:
 - vendors, licensors, licensees, suppliers or strategic partners on issues such as R&D, sales and marketing and supply contracts
 - Personnel
 - lenders, legal counsel, auditors, financial advisors and underwriters
 - parties to negotiations
 - government agencies and non-governmental regulators
 - credit rating agencies

Disclosure in the “necessary course of business” does not extend to the media, analysts, institutional investors or other market professionals. Where the Company determines it is required to disclose non-public information “in the necessary course of business”, it will clearly identify to the recipient the confidential nature of the information and will obtain the recipient’s express undertaking not to disclose the information or engage in any trading in the Company’s securities.

Any confidentiality arrangements should remain in effect until the Company either determines that the information is not material non-public information or makes widespread dissemination of the material information.

10. Disclosure Record

The CFO will maintain a five-year file containing all public information about the Company, including continuous disclosure documents, news releases, analysts’ reports, tape recordings of shareholder conference calls, notes from meetings and telephone conversations with analysts and investors, and newspaper articles (collectively “**Disclosure Activities**”). The CFO will also maintain a copy of all material back-up information relating to public disclosures.

As appropriate, at meetings of the Board, the CFO shall provide a report on all of Disclosure Activities and past disclosure issues, expected Disclosure Activities and upcoming disclosure issues, and confirm that no events have occurred which require updating of any previously disclosed information.

11. Questions

Questions concerning this Policy should be addressed to the CFO or General Counsel.

12. Annual Review

This Policy has been approved by Vox’s Board of Directors. The Board of Directors will review this Policy at least annually and any material changes proposed will be subject to the approval of the Board of Directors.

13. Distribution of Policy

The Policy will be circulated to all Personnel on an annual basis and whenever changes are made. New Personnel will be provided with a copy of this Policy and will be advised of its importance.

14. Violation of Policy

Any director, officer, employee and/or consultant who violates this Policy may face disciplinary action up to and including termination of his or her employment with Vox without notice. The violation of this Policy may also violate certain securities laws. If it appears that any Personnel may have violated securities laws, Vox may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

Note: Please date, sign, and return to the General Counsel of Vox.

PERSONNEL - I, the undersigned have read the Vox Corporate Disclosure Policy:

Signature: _____

Print name: _____

Date: _____

POLICY 3.3

TIMELY DISCLOSURE

Scope of Policy

Public confidence in the integrity of the Exchange as a securities market requires timely disclosure of Material Information concerning the business and affairs of Issuers, thereby placing all participants in the market on an equal footing.

Accordingly, ensuring complete, accurate and timely disclosure of Material Information is an integral part of an Issuer's proper corporate governance procedures. This Policy sets out the general disclosure requirements for all Material Information. This Policy is not intended to be an exhaustive statement of timely and continuous disclosure obligations. It is intended to supplement the timely disclosure requirements under Securities Laws. National Policy 51-201 - *Disclosure Standards* provides guidance to issuers to assist them in meeting their legislative disclosure requirements. While legislative disclosure requirements differ somewhat from the disclosure requirements imposed by the Exchange, National Policy 51-201 clearly states that listed issuers must comply with the requirements of the exchange on which they are listed. Accordingly, this Policy must be read in conjunction with Securities Laws, National Policy 51-201 and all other Exchange Requirements.

In addition to the foregoing, Issuers who engage in mineral exploration, development and/or production must follow the Mining Standard Guidelines as outlined in Appendix 3F of this Manual for both their timely and continuous disclosure obligations.

The main headings in this Policy are:

1. Introduction
2. Material Information
3. Timing of Disclosure
4. Filing – Pre-Notification to the Regulation Services Provider
5. Disclosure of Earnings and Financial Forecasts
6. Rumours and Unusual Market Activity
7. Dissemination
8. Content of News Releases
9. Resource Issuers
10. Trading Halts
11. Confidential Information
12. Breach of Policy

1. Introduction

- 1.1 One of the underlying principles of this Exchange policy and Securities Laws is that all investors must have equal access to Material Information about an Issuer in order to make informed and reasoned investment decisions, and that such information should not be released on a selective basis, subject to very limited exceptions, as permitted by Securities Laws, including National Policy 51-201. See also National Instrument 71-102–Continuous Disclosure and Other Exemptions Relating to Foreign Issuers.
- 1.2 In order to minimize the number of regulatory authorities that must be consulted in a particular matter, with respect to timely disclosure, the Exchange is the relevant contact for issuers with respect to Exchange Requirements. Issuers should, however, consult with the applicable Securities Commission of the particular jurisdiction in respect of matters respecting requirements under Securities Laws. In the case of securities listed on more than one stock exchange, Issuers should deal with each exchange.
- 1.3 In order to maintain a listing on the Exchange, every Issuer must make ongoing timely and continuous disclosure and keep the Exchange informed of both routine and unusual events and information regarding its business, operations and affairs. The Exchange has retained the Regulation Services Provider to administer the relevant Exchange Requirements related to this Policy. Issuers should contact the Regulation Services Provider with questions they have about meeting their timely disclosure responsibilities.

2. Material Information

2.1 Definitions:

“Material Information” is any information relating to the business and affairs of an Issuer that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Issuer’s Listed Shares, and includes Material Facts and Material Changes.

“Material Fact” has the same meaning as found in applicable Securities Laws.

“Material Change” has the same meaning as found in applicable Securities Laws.

- 2.2 It is the responsibility of each Issuer to determine what information is material in the context of its own affairs. The materiality of information may vary from one Issuer to another according to the size of its profits, assets and capitalization, the nature of its operations and many other factors. An event that is significant or major in the context of a smaller Issuer’s business and affairs may not be material to a larger Issuer. The Issuer itself is in the best position to apply the concept of Material Information to its own unique circumstances. The Exchange recognizes that decisions on disclosure require careful subjective judgments and encourages Issuers to consult with the Regulation Services Provider when in doubt as to whether disclosure should be made.

3. Timing of Disclosure

- 3.1 An Issuer must disclose Material Information concerning its business and affairs immediately after management of the Issuer becomes aware of the existence of Material Information, or in the case of information previously known, upon it becoming apparent that the information is material.
- 3.2 While the policy of the Exchange is that all Material Information must be released immediately, subject to pre-notification of the Regulation Services Provider as outlined in section 4 below and certain confidentiality exceptions as outlined in section 11 below, the Issuer must exercise judgment as to the timing, propriety and content of any news release concerning corporate developments.
- 3.3 Many developments must be disclosed at the proposal stage, or before an event actually occurs, if the proposal gives rise to Material Information.
- 3.4 An announcement regarding a proposed development or an intention to proceed with a transaction or activity should not be made unless the Issuer has the ability to carry out the intent (although proceeding may be subject to contingencies) and a decision has been made to proceed with the transaction or activity by the board of directors of the Issuer, or by senior management of the Issuer with the expectation of concurrence from the board of directors. Disclosure of corporate developments must be handled carefully and requires the exercise of judgment by the Issuer and its management as to the timing of an announcement of Material Information, since either premature or late disclosure may result in damage to the reputation of the Issuer and/or the market.
- 3.5 Unless an original announcement of Material Information indicates that an update will be disclosed on another indicated date, the Exchange generally requires that the Issuer issue a further news release dealing with the status of a previously announced transaction if the update has not been made or if the Exchange has not received the required documentation from the Issuer within 30 days after the announcement, or if the transaction has not closed within 90 days after the announcement. In addition, immediate disclosure is required to be made by the Issuer of any new Material Information related to the proposed transaction or to the previously disclosed information.
- 3.6 Issuers are not required to interpret the impact of external political, economic and social developments on their affairs, but if the external development can reasonably be expected to have or has had a direct effect on their business and affairs that is both material in the sense outlined above and uncharacteristic of the effect generally experienced as a result of that development by other issuers engaged in the same business or industry, Issuers are urged, where practical, to explain the particular impact on them. For example, a change in government policy that affects most issuers in a particular industry does not require an announcement, but if it affects only one or a few issuers in a material way, an announcement should be made.

- 3.7 The market price of an Issuer's securities may be affected not only by information concerning the Issuer's business and affairs, but also by factors directly relating to the securities themselves. For example, changes in an Issuer's issued capital, stock splits, redemptions and dividend decisions may all affect the market price of its securities and thus may constitute Material Information.
- 3.8 Without limiting the concept of Material Information, the following events are deemed to be material in nature and require immediate disclosure in accordance with this Policy:
- (a) any issuance of securities by way of statutory exemption or Prospectus;
 - (b) any change in the beneficial ownership of the Issuer's securities that affects or is likely to affect the control of the Issuer;
 - (c) any change of name;
 - (d) a take-over bid, issuer bid or insider bid;
 - (e) any significant acquisition or disposition including a disposition of assets, property or joint venture interests;
 - (f) any stock split, stock consolidation, stock dividend, exchange, call of securities for redemption, redemption, capital reorganization or other change in capital structure;
 - (g) the borrowing or lending of a significant amount of funds or any mortgaging, hypothecating or encumbering in any way of any of the Issuer's assets, or an event of default under a financing or other agreement;
 - (h) any acquisition or disposition of the Issuer's own securities;
 - (i) the development of a new product or any development which affects the Issuer's resources, technology, products or markets;
 - (j) the entering into or loss of a material contract;
 - (k) firm evidence of a material increase or decrease in near-term earnings prospects;
 - (l) a significant change in capital investment plans or corporate objectives;
 - (m) any change in the board of directors or senior officers;
 - (n) significant litigation;
 - (o) a material labour dispute or a dispute with a major contractor or supplier;

- (p) a Reverse Takeover, Change of Business of an Issuer, Merger, Amalgamation or other Material Information relating to the business, operations or assets of an Issuer;
- (q) a declaration or omission of dividends (either securities or cash);
- (r) the results of any asset or property development, discovery or exploration by a Mining or Oil and Gas Issuer, whether positive or negative;
- (s) any oral or written employment, consulting or other compensation arrangements between the Issuer or any subsidiary of the Issuer and any director or officer of the Issuer, or their associates, for their services as directors or officers, or in any other capacity;
- (t) any oral or written management contract, any agreement to provide any Investor Relations, Promotional or Market Making activities, any service agreement not in the normal course of business or any Related Party Transaction, including a transaction involving Non-Arm's Length Parties;
- (u) any amendment, termination, extension or failure to renew any agreement where disclosure of the original agreement or transaction was required pursuant to this Policy;
- (v) the establishment of any special relationship or arrangement with a Participating Organization or Member or other registrant;
- (w) any change in listing classification, including any movement by an Issuer between Tiers or NEX;
- (x) notice of suspension review or suspension of trading of an Issuer's securities; and
- (y) any other developments relating to the business and affairs of the Issuer that would reasonably be expected to significantly affect the market price or value of any of the Issuer's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

4. Filing – Pre-Notification to the Regulation Services Provider

- 4.1 As part of administering this Policy, the Regulation Services Provider receives material news releases from Issuers. The overriding rule is that significant announcements are required to be released immediately. Issuers are encouraged to seek assistance and direction from the Regulation Services Provider as to whether an announcement should be released and whether trading in the Issuers' securities should be halted for the dissemination of an announcement.

- 4.2 Regardless of when an announcement involving Material Information is released, subject to section 11 below, news releases must be pre-filed with the Regulation Services Provider prior to dissemination to the public where the news release contains information relating to the following:
- (a) Reverse Takeovers, Changes of Business or other reorganizations;
 - (b) Qualifying Transactions, Reviewable Transactions, including corporate acquisitions or dispositions;
 - (c) Change of control;
 - (d) Future oriented financial information or other operating projections; and
 - (e) Disclosure of mineral reserves/resources or oil and gas reserves.
- 4.3 **The Regulation Services Provider** must be advised of any news release that contains the above information and must be supplied with a copy of any news release relating to these matters in advance of its release. **The Regulation Services Provider** must also be advised of the proposed method and timing of dissemination. Issuers may also be required to submit supporting documents to the Regulation Services Provider together with any news release. Materials must be faxed to the Regulation Services Provider or electronically mailed as attachments in accordance with the information set out on the Regulation Service Provider's website.
- 4.4 Further to the requirements under section 4.3, if an announcement is ready to be made between 8am and 4pm EST, the Regulation Services Provider must be advised in advance, by telephone, in accordance with the instructions set out on the Regulation Service Provider's website, or in accordance with any information contained in any bulletin published by the Exchange from time to time. Where an announcement is to be released after 4pm EST, or before 8am EST, Issuers must leave the Regulation Services Provider a message summarizing the pending announcement, at the time the announcement is ready to be made.
- 4.5 While the Regulation Services Provider may permit certain news releases to be issued after the close of trading (4pm EST), the policy of immediate disclosure of Material Information frequently requires that news releases be issued during trading hours, especially when an important development has occurred. If this is the case, it is absolutely essential that management of the Issuer notify the Regulation Services Provider prior to the issuance of a news release and provide it with a copy of the news release. The Regulation Services Provider will then be in a position to determine whether trading in any of the Issuer's securities should be temporarily halted. If the Regulation Services Provider is not advised of news releases in advance, any subsequent unusual trading activity may generate enquiries, a halt in trading without notice and cancellation of trades.

- 4.6 Where the Regulation Services Provider or the Exchange have had concerns respecting an Issuer's previous disclosure practices, the Exchange may require an Issuer to submit all news releases to the Regulation Services Provider for review prior to public dissemination.

5. Disclosure of Earnings and Financial Forecasts

- 5.1 Subject to section 5.2, forecasts of earnings and other financial forecasts need not be disclosed. However, where a significant increase or decrease in earnings is expected with reasonable certainty in the near future, this fact must be disclosed.
- 5.2 As is the case with all Material Information, selective release of earnings forecasts or others financial forecasts must not be made except as may be permitted pursuant to Securities Laws, including any guidelines or requirements, as the case may be, set out in National Policy 51-201 and Parts 4A and 4B of National Instrument 51-102.

6. Rumours and Unusual Market Activity

- 6.1 Where unusual trading activity takes place in securities, the Regulation Services Provider attempts to monitor and determine the specific cause of that activity. The Regulation Services Provider maintains a continuous stock watch program designed to highlight unusual market activity, such as unusual price and volume changes in a security relative to its historic pattern of trading.
- 6.2 If the specific cause for the unusual trading activity cannot be determined immediately, the Issuer's management will be contacted. If this contact results in a determination by the Regulation Services Provider that a news release is required, the Issuer will be required to make an immediate announcement. If the Issuer is unaware of any undisclosed development, the Regulation Services Provider will continue to monitor trading and may request the Issuer to issue a statement that it is not aware of any undisclosed developments that would account for the unusual trading pattern or activity.
- 6.3 Issuers are expected to co-operate with the Regulation Services Provider to protect the integrity of the market. Actions such as withholding or concealing information from the Regulation Services Provider, or failing to return telephone calls from the Regulation Services Provider staff will be regarded as a breach of this Policy.
- 6.4 Unusual market activity is often caused by the presence of rumours. The Exchange recognizes that it is impractical to expect management to be aware of, and comment on all rumours, but when market activity indicates that trading is being unduly influenced by rumours, the Regulation Services Provider will require that a clarifying statement be made by the Issuer. A trading halt may be instituted pending a "no corporate developments" statement from the Issuer. If a rumour is correct in whole or in part, immediate disclosure of the relevant Material Information must be made by the Issuer and a trading halt will be instituted pending release and dissemination of the information.

7. Dissemination

- 7.1 News releases must be transmitted to the media by the quickest possible method and in a manner that provides for wide and simultaneous dissemination. Each news release must be distributed to a news dissemination service (or combination of services) that disseminate the full text of news releases without editing, and that distribute financial news nationally, to the financial press and to daily newspapers that provide regular coverage of financial news and events. See Appendix 3C for an informational list of commercial news disseminators in the marketplace).
- 7.2 The Exchange accepts the use of any news services that meet the following criteria:
- (a) dissemination of the full text of the release to the national financial press and to daily newspapers that provide regular coverage of financial news;
 - (b) dissemination to all Participating Organizations; and
 - (c) dissemination to all relevant regulatory bodies.
- 7.3 The onus is on the Issuer to ensure appropriate dissemination of news releases, and any failure to properly disseminate news shall be deemed to be a breach of this Policy and shall be grounds for halting, suspension of trading or delisting of the Issuer's securities or such other action as the Exchange may deem appropriate. In particular, the Exchange will not consider relieving an Issuer from its obligation to disseminate news properly because of cost factors.
- 7.4 For consistency of exposure, when an Issuer releases follow-up information relevant to an earlier news release, either the same or greater (but not lesser) coverage must be employed.
- 7.5 Issuers should be aware that there is a delay from the time a news release is delivered to a news dissemination service to the time it is actually disseminated. Issuers should therefore refrain from faxing or e-mailing news releases or otherwise disclosing Material Information to others until they have ensured that the news release has been properly disseminated. For example, a news release should not be faxed to a contact list at the same time that it is being faxed to the news dissemination service or posted on SEDAR before the news release has crossed the wire.
- 7.6 Initial disclosure of Material Information must always be accomplished by the issuance of a news release. Issuers that distribute brochures, pamphlets, etc., which contain Material Information that has been previously disclosed should ensure that the content of these documents conforms to the disclosure principles established in this Policy.

- 7.7 An Issuer that wishes to disclose Material Information during a news conference should ensure that a news release is issued prior to the news conference so as to ensure that all investors have equal access to this Material Information. Issuers should also be guided by applicable best disclosure practices, as set out in Part VI of National Policy 51-201.
- 7.8 Issuers should be aware that the filing and disclosure of Material Information on SEDAR alone is not satisfactory compliance with this Policy.

8. Content of News Releases

- 8.1 Announcements of Material Information should be factual and balanced, neither over-emphasizing favourable news nor under-emphasizing unfavourable news. Material unfavourable news must be disclosed just as promptly and completely as material favourable news.
- 8.2 It is appreciated that it may not be practical to include in a news release the level of detail that would be included in a prospectus or similar disclosure document. However, news releases must contain sufficient detail to enable investors and media personnel to appreciate the true substance and importance of the information so that investors may make informed investment decisions. The guiding principle should be to communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary designed to colour the investment community's perception of the announcement one way or another. Additional guidelines for news releases are set out in Appendix 3E to this Policy.
- 8.3 The responsibility for the adequacy and accuracy of the content of news releases rests with the directors of an Issuer.
- 8.4 All news releases must include the name of an officer or director of the Issuer who is responsible for the announcement, together with the Issuer's telephone number. The Issuer may also include the name and telephone number of an additional contact person.
- 8.5 The Issuer should be prepared to provide further information, if required by the Exchange.
- 8.6 All news releases must contain the following statement in a prominent location: "*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*"

9. Resource Issuers

- 9.1 All mining Issuers must comply with National Instrument 43-101 - *Standards of Disclosure for Mineral Exploration and Development and Mining Properties* and the Exchange standards that are set out in Appendix 3F - *Mining Standard Guidelines*.

- 9.2 All oil and gas Issuers must comply with the applicable disclosure requirements set forth in National Instrument 51-101 – *Standards of Disclosure For Oil and Gas Activities*.
- 9.3 News releases must not contain estimates of potential reserves of oil and gas nor disclose mineral reserves without the prior consent of the Regulation Services Provider.

10. Trading Halts

- 10.1 This section deals with trading halts in relation to timely disclosure in general. The process and duration of halts for specific transactions are dealt with in the policies dealing with those transactions. In addition, Policy 2.9 - *Trading Halts, Suspensions and Delisting* provides a detailed discussion of trading halts.
- 10.2 A halt in trading does not reflect on the reputation of management of an Issuer or the quality of its securities. Trading halts for announcements of Material Information by the Issuer are considered a normal occurrence and for the benefit of the public.
- 10.3 The determination that trading should be halted is made by the Regulation Services Provider. The Regulation Services Provider normally attempts to contact an Issuer before imposing a halt in trading, when the Regulation Services Provider notices unusual trading. The Regulation Services Provider co-ordinates halts with other North American marketplaces when an Issuer is interlisted. A convention exists among stock exchanges other markets and Nasdaq that trading in an interlisted security will be halted and resumed at the same time in each market. Failure to notify the Regulation Services Provider in advance of an announcement could disrupt this system.
- 10.4 The Regulation Services Provider determines the amount of time necessary for dissemination in any particular case. Such determination is dependent upon the significance and complexity of the announcement.
- 10.5 Trading will normally be halted if:
- (a) depending on the nature and timing of the news release, the Regulation Services Provider may determine to halt trading until the news release is reviewed and disseminated appropriately. If an announcement is to be made during trading hours, trading in the securities of an Issuer may be halted until the announcement is properly disseminated;
 - (b) the Issuer requests a halt during trading hours before dissemination of a news release announcing Material Information that may immediately affect the value or price of the Issuer's securities. The Regulation Services Provider must be advised of the Material Information and halt request as soon as possible, by telephone, so that it can consider whether to halt trading pending receipt and dissemination of the news release. Management of the Issuer should consult with the Regulation Services Provider in order to assess the expected impact of any announcement that might justify a temporary halt in trading; and

- (c) unusual trading suggests that important information regarding Material Information is selectively available. The Regulation Services Provider may require that the Issuer either disseminate an initial news release if it has not yet done so, or issue a further news release to rectify the situation.
- 10.6 It is not appropriate for an Issuer to request a trading halt if a material announcement is not going to be made promptly. When an Issuer (or its advisers) requests a trading halt pending an announcement, the Issuer must assure the Regulation Services Provider that an announcement is imminent. The nature of this announcement and the current status of events must be disclosed to the Regulation Services Provider, so that the Regulation Services Provider may assess the need for and appropriate duration of a trading halt.
 - 10.7 When a halt in trading is necessary, trading is normally interrupted for a period of less than two hours. In the normal course, the announcement should be made immediately after the halt is imposed and trading will resume within approximately one hour of the dissemination of the announcement through major news services.
 - 10.8 A trading halt may be changed to a suspension if over a reasonable period of time, (usually ten trading days) the circumstances resulting in the imposition of the halt have not been addressed to the satisfaction of the Exchange.
 - 10.9 If trading is halted but an announcement is not immediately forthcoming as expected, the Regulation Services Provider will establish a resumption time, which shall not be later than 24 hours after the time that the halt was imposed (excluding non-business days). If the Issuer fails to make an announcement, the Regulation Services Provider will issue a notice stating that trading was halted for dissemination of news or for clarification of abnormal trading activity, that an announcement was not immediately forthcoming, and that trading will therefore resume at a specific time.
 - 10.10 When the Regulation Services Provider advises an Issuer that it will announce the resumption of trading, the Issuer must reconsider, in light of its responsibility to make timely disclosure of all Material Information, whether it should issue a statement prior to the resumption becoming effective to clarify why it requested a trading halt (if this is the case) and why it is not able to make an announcement prior to the resumption of trading.

11. Confidential Information

- 11.1 In isolated and restricted circumstances, and in accordance with applicable Securities Laws, disclosure of Material Information concerning the business and affairs of an Issuer may be delayed and kept confidential temporarily if immediate release of the information would be unduly detrimental to the interests of the Issuer.

11.2 The following are examples of certain instances in which disclosure may be unduly detrimental to the Issuer's interests:

- (a) release of the information would prejudice the ability of the Issuer to pursue specific and limited objectives or to complete a transaction or series of transactions that are under way. For example, premature disclosure of the fact that an Issuer intends to purchase a significant asset may increase the cost of making the acquisition;
- (b) disclosure of the information would provide competitors with confidential corporate information that would be of significant benefit to them. Such information may be kept confidential if the Issuer is of the opinion that the detriment to it resulting from disclosure would outweigh the detriment to the market in not having access to the information. A decision to release a new product, or details on the features of a new product, may be withheld for competitive reasons. Such information should not be withheld if it is available to competitors from other sources; or
- (c) disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations. It is unnecessary to make a series of announcements concerning the status of negotiations with another party concerning a particular transaction. If it seems that the situation is going to stabilize within a short period, public disclosure may be delayed until a definitive announcement can be made. Disclosure should be made once "concrete information" is available, such as a final decision to proceed with the transaction or, at a later point in time, finalization of the terms of the transaction.

11.3 It is the policy of the Exchange that the withholding of Material Information on the basis that disclosure would be unduly detrimental to the Issuer must be infrequent and can only be justified where the potential harm to the Issuer or investors caused by immediate disclosure can reasonably be considered to outweigh the undesirable consequences of delaying disclosure. While recognizing that there must be a trade-off between the legitimate interest of an Issuer in maintaining confidentiality and the right of the investing public to disclosure of Material Information, the Exchange discourages any delays in disclosure for a lengthy period of time, since it is unlikely that confidentiality can be maintained beyond the short term.

11.4 Issuers that wish to keep Material Information confidential must also comply in all respects with relevant Securities Laws, which includes the filing of a confidential material change report with the applicable Securities Commission, if the Material Information constitutes a Material Change.

- 11.5 The Exchange requires copies of confidential material change reports filed by an Issuer with applicable Securities Commissions to also be filed with the Exchange and the Regulation Services Provider. The Exchange and the Regulation Services Provider must be advised of the Material Information on a confidential basis so that trading in the Issuer's securities may be monitored by the Regulation Services Provider. If the trading of the Issuer's securities suggests or indicates that the confidential information may have been "leaked", the Regulation Services Provider will normally require the Issuer to disseminate a news release immediately. The Regulation Services Provider will halt trading in the Issuer's securities until the information has been properly disseminated.
- 11.6 At any time when Material Information is being withheld from the public in accordance with this section, the Issuer must ensure that such Material Information is kept completely confidential and that persons in possession of such undisclosed Material Information are prohibited from purchasing or selling securities of the Issuer or "tipping" such information until the Material Information is publicly disclosed.
- 11.7 The Issuer has a duty to take precautions to keep such undisclosed Material Information confidential. Such information should not be disclosed to any officers or employees of the Issuer, or to the Issuer's advisors, except in the necessary course of business. The directors, officers and employees of an Issuer should be reminded on a regular basis that confidential information obtained in the course of their duties must not be disclosed.
- 11.8 In the event that such confidential information, or rumours respecting the same, is divulged in any manner (other than in the course of ordinary business), the Issuer must make an immediate announcement of the Material Information. The Exchange and the Regulation Services Provider must be notified prior to the announcement in order that trading can be halted as described in section 11.5 above.
- 11.9 During the period before such Material Information is publicly disclosed, market activity in the Issuer's securities will be closely monitored. Any unusual market activity suggesting that the undisclosed Material Information is being selectively disclosed or that persons are taking advantage of it will result in a halt in trading until the information has been properly disseminated.
- 11.10 Issuers should advise the Regulation Services Provider when they are working on potential material developments that may not be sufficiently advanced to require public disclosure and do not trigger the filing of confidential material change reports. In such circumstances, the Regulation Services Provider will generally closely monitor the Issuers' securities for unusual trading patterns. When the Regulation Services Provider contacts an Issuer upon noting an unexplained change in the price or volume of the security the Issuer must disclose to the Regulation Services Provider the existence, nature and status of any potentially material development so that the Regulation Services Provider can monitor the market with that knowledge. If it appears that the news has leaked into the marketplace, the Regulation Services Provider will advise the Issuer and halt trading until the Issuer can make a suitable announcement.

12. Breach of Policy

- 12.1 Any Issuer which fails to comply with any provision of this Policy may be subject to a trading halt of its securities without prior notice to the Issuer until the Issuer has complied with all Exchange Requirements.
- 12.2 The directors of any Issuer which fails to comply with any provision of this Policy, together with any officer, employee, agent and consultant of the Issuer who is responsible for the Issuer's failure to comply with any provision of this Policy, may be prohibited by the Exchange from serving as a director or officer of an Issuer, or be prohibited from being an employee, agent or consultant of an Issuer.
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APPENDIX 3E

NEWS RELEASE GUIDELINES

Consider the problems and concerns raised by the following hypothetical news releases:

Natural Resource Company

“The Company has recently optioned a large and exciting gold property near the “XXX” gold discovery area. In describing the property, the Company’s independent consultant has said: “The favourable location of, and some of the results of prior work done on the property give the Company a worthwhile mineral exploration opportunity....” The Company proposes to expeditiously conduct a sizeable exploration program on the property as soon as the appropriate financing has been arranged.”

Non-Resource Company

“Based on discussions with several European countries, the Company anticipates that it will have orders to ship over 200,000 crates of widgets to those European countries over the next two years. These orders, which considerably exceed the Company’s forecasts for the first year, represent a projected profit to the Company in excess of \$1,000,000 over the next five year period.”

Guidelines

Timely disclosure news releases are intended to provide, to both existing shareholders and potential investors, factual information on which a reasoned investment decision can be made. National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* provides requirements for disclosure of a scientific or technical nature for a mineral resource company.

The examples do not provide sufficient detail and are misleading because material information is omitted. The following guidelines should be observed when preparing a news release:

1. **State specific facts.** A news release should convey specific and accurate facts about the matter in question.

In the natural resource Company example, many questions are unanswered, including: When did the Company acquire the property? What is the size of the property being acquired? What makes the property a “gold” property? Where precisely is the property? When does the Company propose to commence its exploration program?

Avoid relative or subjective terms such as “large”, “exciting”, “favourable”, etc. In addition, the date of the option agreement should be stated and the size of the property should be given in terms of the actual number of claims involved and the acreage covered by the claims. Its location, both in terms of distance and general compass direction from the discovery area, should also be specified. The phrase “gold property” should be avoided (unless unequivocal geological evidence, such as anomalous assays, has been received) and a much more specific time frame for the commencement of the Issuer’s exploration program should be set out.

In the non-natural resource Company example, the following questions should be addressed: What government departments were involved? Which European countries? How many countries does the word “several” refer to? What were the Company’s sales forecasts for the first year? What exactly makes the Company anticipate that it will have orders to ship over 200,000 crates of widgets over the next two years? Is the projected profit of \$1,000,000 gross profits or net profits and can it be reasonably supported?

2. **State all the facts.** A news release should state all the material information about the matter being described.

In the natural resource Company example, it is apparent that prior work was done on the property, but the general nature and results of that work are not stated. The cost of the acquisition by the Company is not stated, the proposed type of funding is not specified and the general character of the proposed exploration program is not detailed. These matters are collectively of considerable importance to investors and, depending on what the facts are, may well be determinative of an investment decision. These should be specified in the news release.

The quote from the Company's consultant suggests that an independent consultant has rendered an expert opinion on the property and has recommended its acquisition to the Company. When quoting from reports, you should name the author and give the date of the report. Also, do not quote a consultant's report out of context or omit relevant passages in that report which may be crucial to the overall description of the property or an accurate understanding of its geological setting.

In the non-resource Company example, the news release suggests that the Company has orders to ship widgets. However, there are substantial differences between expressions of interest, orders and binding contracts and the news release should state which of these the Company has. An order may or may not be revocable by the customer until a particular time and this should be clarified. The news release is probably misleading about the Company's future performance since it is unclear whether or not the Company has actually received any orders for the delivery of the widgets.

Failure to state material information necessary to make a statement not misleading is just as serious as stating a false material fact.

3. **Make a balanced presentation of the facts.** A news release must be balanced, neither over-emphasizing favourable news nor under-emphasizing unfavourable news. This means that all available facts must be reported, and the news release should give a fair presentation of those facts.

In the natural resource Company example, it is clear that “some” of the prior results were favourable, but the context suggests that the balance of those results were not favourable. Those latter results have not been stated and have, by implication, been under-emphasized. Good or bad, all material information must be disclosed.

Similarly, the tone of the disclosure suggests that there is a positive relationship between the location of the property being acquired and the chance of a discovery being made on the Company’s property. While the future may bear out that relationship, unless there is unequivocal geological evidence, a news release should generally not imply such a conclusion.

In the non-resource Company example, the Company should disclose what its sales have been to date and its manufacturing capability. If it has no sales and has no idea of its cost of sales or gross profit, then net profit cannot be estimated. Further, a statement that orders are anticipated based on discussions, with no binding agreements or arrangements, is premature issuance of news.

Issuers often avoid disclosing unfavourable matters and try to divert attention to favourable matters. However, the Issuer must make full disclosure to enable the investing public to base their investment decisions on all the available information, whether good or bad. The requirement to make a balanced presentation is not limited to specific releases but applies to disclosure generally. For example, if the Company in the natural resource Company example has decided not to proceed with the exploration of another of its properties, or has decided to postpone that exploration, it must disclose that fact. More importantly, if it made that decision before it acquired the new property, it must not delay public disclosure of that decision until it reaches an acquisition agreement on the new property. If it is material to announce the acquisition of a new property, then (except in very rare cases) the abandonment of that same property is also material because of its impact on the potential future earnings of the Issuer involved.

4. **Projections and forecasts.** The Issuer must disclose that a forecast has been prepared using assumptions (all of which are supportable and reflect the Issuer's planned courses of action for the period covered) as to the *most probable* set of economic conditions. A projection includes one or more hypotheses - specify what they are and that they are assumptions which are consistent with the purpose of the information but are not necessarily the most probable in management's judgement. Any future-oriented financial information should be clearly labelled as either a forecast or a projection.

In the non-resource Company example, it is not clear whether the projected profit of \$1,000,000 is a forecast or a projection. It appears to be an estimate that cannot be relied upon and, therefore, should not be presented in a news release.

Projections and forecasts must be prepared in accordance with the Canadian Institute of Chartered Accountants Handbook and National Instrument 51-102 (or any successor instrument).

The time period covered by the projection or forecast should not extend beyond the time for which the information can be reasonably estimated. This depends on factors such as the needs of the users, the ability to make appropriate assumptions, the nature of the industry and the operating cycle of the Company. In the case of a Tier 2 Issuer, a reasonably foreseeable period would be one year.