

## TERRAX MINERALS INC.

### DISCLOSURE POLICY

#### OBJECTIVE AND SCOPE

TerraX Minerals Inc. ("**TerraX**" or the "**Corporation**") is committed to a policy of timely, factual and accurate disclosure of all material information in order to keep shareholders, the investing public and other stakeholders informed about the Corporation's activities, business and property.

This policy extends to all employees of the Corporation, its board of directors and those authorized to speak on its behalf. It covers disclosure in documents filed with the securities regulatory authorities (including stock exchanges) and written statements made in the Corporation's annual and quarterly reports, news releases, letters to shareholders, presentations by management and information contained on the Corporation's web site and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

The Corporation, as well as its directors, officers, designated spokespersons and "**influential persons**" (namely, any holder of more than 10% of the voting shares of TerraX and who is a "**control person**" of TerraX within the meaning of the *Securities Act* (British Columbia)), may incur statutory liability, subject to certain defences, for misrepresentations in public documents or public oral statements concerning the Corporation or if the Corporation fails to make timely disclosure of material information. Directors, officers and influential persons of TerraX may also cause the Corporation to incur statutory liability for misrepresentations they make in public oral statements. It is therefore imperative that all employees, directors, officers and authorized spokespersons of the Corporation and, as applicable, its subsidiaries comply with this policy and the Corporation's disclosure procedures to ensure timely and accurate public disclosure of information by the Corporation.

#### DESIGNATED SPOKESPERSONS

The primary spokespersons for the Corporation are the CEO and President and any spokesperson so designated by the CEO or President.

Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from shareholders, the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson. If there is any doubt about the appropriateness of responding to any such inquiries or of supplying information to any outside party, each employee, director or other representative of TerraX is urged to contact the CEO or CFO for advice and instructions.

#### DISCLOSURE OF MATERIAL INFORMATION

Material information means any information relating to the activities, business, affairs, operations and properties of the Corporation that results in, or would reasonably be expected to result in a significant change in the market price or value of the Corporation's securities or that would reasonably be expected to have a significant influence on any reasonable investor's

investment decisions. Examples of potentially material information are set out in Schedule A to this policy.

In addition to its compliance with the regulatory requirements to disclose forthwith all material information under applicable laws and stock exchange rules, the Corporation adheres to the following basic disclosure principles:

- Material information will be publicly disclosed immediately via news release.
- Disclosure on the Corporation's web site alone does not constitute adequate disclosure of material information.
- Under certain circumstances, the Corporation may determine that a public disclosure would be unduly detrimental to the Corporation (for example, if release of the information would cause prejudice to negotiations in a corporate transaction), in which case the information will be kept confidential until the Corporation determines it may be publicly disclosed. If said information constitutes a "**material change**", the Corporation will cause a confidential material change report to be filed with the applicable securities regulatory authorities and will periodically (at least every 10 days) review its decision to keep the information confidential (see also "**market rumours**" below).
- Disclosure must be accurate and complete in all material respects; it must include any information the omission of which would make the rest of the disclosure misleading.
- Unfavourable material information must be disclosed as promptly and completely as favourable information.
- No selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an interview with one or several analysts in particular or in a telephone conversation with one or several investors in particular). If previously undisclosed material information is inadvertently disclosed to an analyst or any other person other than in the necessary course of business (whether or not such person is bound by an express confidentiality obligation), such information must then be publicly disclosed promptly via news release (see "**maintaining confidentiality**" below).
- Disclosure must be corrected immediately if the Corporation is subsequently made aware that earlier disclosure by the Corporation is erroneous and incomplete in all material respects, at the time it was given.

After dissemination, all of TerraX's disclosures will be monitored to ensure accurate media reporting and take corrective measures, if any is necessary.

## **DISCLOSURE CONTROLS AND PROCEDURES**

TerraX's disclosure controls and procedures consist generally of the following:

- processes whereby financial and other important information concerning the Corporation and its subsidiaries is regularly communicated to, and reviewed by, the management, directors (through the audit committee members) and auditors of the Corporation;

- processes whereby important non-financial information concerning the Corporation is communicated to and reviewed by the person designated by the CEO to evaluate such information.

## **RESTRICTIONS ON TRADING**

Securities laws prohibit any insider or anyone having a close or special relationship with TerraX from purchasing or selling securities of TerraX when any such person has knowledge of material non-public information about the Corporation's activities, affairs, business, operations and properties. Securities laws also prohibit the communication of material non-public information to any person except on a need-to-know basis in the necessary course of business.

## **MAINTAINING CONFIDENTIALITY**

Any director, officer or employee of TerraX privy to undisclosed material information is prohibited from communicating such information to anyone else, unless he is required or it is necessary to do so in fulfilling his duties and it is in the necessary course of business. Efforts will be made to limit access to such undisclosed material information only to those who need to know said information and such persons will be advised that said information is to be kept confidential.

Outside parties privy to undisclosed material information concerning the Corporation will be strictly instructed not to disclose such information to anyone else, other than in the necessary course of business, and not to trade in the Corporation's securities until said information is publicly disclosed.

## **PROCEDURE FOR DISCLOSURE**

All of TerraX news releases will be approved by the CEO or the President.

News releases announcing financial results or containing financial information based on unreleased financial results will also be reviewed by the audit committee or the board of directors.

TerraX will use a recognized national news service to broadly disseminate all press releases. If a news release announcing material information is issued during trading hours, then prior to the issuance thereof TerraX will submit such news release to the market surveillance department of the TSX Venture Exchange ("**TSX-V**") (Market Regulation Services Inc.). If the news release is issued after the close of trading, then the TSX-V must be notified promptly and in any event before the market reopens.

All news release will be filed with Canadian provincial securities commissions via SEDAR after dissemination over the newswire. If a press release relates to a material change, then a material change report will be filed via SEDAR within 10 days.

After public dissemination, all of TerraX's disclosure will be monitored to ensure accurate media reporting and prompt corrective measures will be taken if necessary.

## **NON-IFRS FINANCIAL MEASURES**

If the Corporation publicly discloses material information that includes a non-IFRS financial measure, the disclosure must comply with applicable Canadian legal requirements and guidelines. Generally, the non-IFRS financial measure must be accompanied by a presentation of the most directly comparable financial measure calculated and presented in accordance with IFRS and a reconciliation of the differences between the non-IFRS financial measure and the most comparable IFRS financial measure.

## **CONFERENCE CALLS**

TerraX may schedule conference calls to discuss quarterly financial results and major corporate developments, whereby discussion of key aspects is accessible simultaneously to all interested parties, some as participants in the telephone conference and others in a listen-only mode by telephone or via a webcast over the Internet. The call will be preceded by a news release containing all relevant material information. At the beginning of the conference call, a Corporation spokesperson will provide the appropriate cautionary language to be used in connection with any public oral statement containing forward- looking information.

The Corporation will provide advance notice of each conference call and webcast by issuing a news release announcing the date and time thereof and providing information on how interested parties may access the call and webcast in addition, the Corporation may send invitations to analysts, institutional investors, the media and others.

The disclosure committee shall hold a debriefing meeting immediately after a conference call and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Corporation will immediately publicly disclose such information via news release.

## **MARKET RUMOURS**

The Corporation shall not comment, affirmatively or negatively, on market rumours. Should a stock exchange or any securities regulatory authority request that the Corporation make a definitive statement in response to a market rumour that is causing significant volatility in the Corporation's securities, the Corporation will consider the matter and decide whether to make a recommendation to the CEO or President as to the nature and content of the Corporation's response.

## **CONTACTS WITH FINANCIAL ANALYSTS, INVESTORS AND THE MEDIA**

The CEO or President is responsible for scheduling and coordinating all communications and contacts with financial analysts, investors and the media.

The Corporation recognizes that meetings with analysts and significant investors are an important element of the Corporation's investor relations program. The Corporation will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this policy.

Spokespersons must keep notes of telephone conversations with analysts and investors and where practicable more than one Corporation representative will be present at all individual and

group meetings. When practicable, a debriefing will be held after such meetings and telephone conversations and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Corporation will immediately disclose such information publicly via news release.

### **REVIEWING ANALYST DRAFT REPORTS AND MODELS**

TerraX will try to ensure, through its regular public dissemination of quantitative and qualitative information, that analysts have appropriate basis to prepare estimates that are in line with the Corporation's own expectations. The Corporation will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with any analyst's models and earnings estimates.

TerraX, upon request, will review analysts' draft research reports or models only for the purpose of ensuring there are no factual errors or obvious misstatements contained in such draft reports or models, based on publicly disclosed information.

### **DISTRIBUTING ANALYST REPORTS**

Analyst reports are proprietary products of the analyst's firm. Re-circulating a report made by any analyst may be viewed as an endorsement by the Corporation of such report. For these reasons, the Corporation will not provide analyst reports through any means to persons outside of the Corporation, including posting such information on its web site.

### **FORWARD-LOOKING INFORMATION**

Forward-looking information includes any information regarding possible events, conditions or results or assumptions about future economic conditions and courses of action and includes future oriented financial information with respect to prospective results of operation, financial position or cash flows that is presented as either a forecast or a projection (and would include any earnings guidance).

If forward-looking information is disclosed, then the following guidelines will be observed:

- The information will be clearly identified as forward-looking.
- The material factors (including any risks or uncertainties) that could cause actual results to differ materially from any conclusion, forecast or projection contained in the forward-looking information will be identified.
- The information will be accompanied by a statement that identifies the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information.
- Forward-looking information will be accompanied by a statement that the information is stated as of the current date and subject to change after that date.
- Forward-looking information will be accompanied by a cautionary statement with respect to forward-looking information and referring the public to the readily available documents of the Corporation regarding risks, assumptions, sensitivities, etc., namely the annual and quarterly reports and press releases, as the case may be.

In the case of any public oral statement, the person making the statement shall state that:

- (i) the oral statement contains forward-looking information;
- (ii) actual results could differ materially from a conclusion, forecast or projection in the forward-looking information;
- (iii) certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information; and
- (iv) additional information regarding (ii) and (iii) is contained in a readily available document of the Corporation, namely the annual and quarterly reports.

### **QUIET PERIODS**

To avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Corporation will observe quiet periods prior to key announcements or when material changes are pending.

During a quiet period, the Corporation will not initiate any meetings or telephone contacts with analysts and investors, but will respond to unsolicited inquiries concerning factual matters. If the Corporation is invited to participate, during a quiet period, in investment meetings or conferences organized by others, then the Corporation will determine, on a case-by-case basis, whether or not it is advisable to accept these invitations. If accepted, caution will be exercised to avoid selective disclosure of any material, non-public information.

### **POLICY AWARENESS**

This policy will be circulated to directors, officers and employees who may have access to undisclosed material information.

## SCHEDULE A

### Examples of Potentially Material Information

The following are examples of the types of changes or facts that may be material. This list is not exhaustive and is not a substitute for the disclosure committee exercising its own judgement in making materiality determinations.

#### Changes in Corporate Structure:

- changes in share ownership that may affect control of the Corporation;
- major reorganization, amalgamation, or merger; and
- take-over bid, issuer bid, or insider bid.

#### Changes in Capital Structure:

- 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 the Corporation's dividend payments or policy;
- possible initiation of a proxy fight; and
- 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; and
- any material change in the Corporation's accounting policies.

#### Changes in Business and Operations:

- any development that affects the Corporation's property, resources (including significant resource discoveries), 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 changes to the board of directors or executive management (including the departure of the Corporation's CEO, CFO, COO 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; and
- delisting 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; and
- acquisitions of other companies, including a take-over bid for, or merger with, another company.

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; and
- significant new credit arrangements.