



## **DISCLOSURE POLICY**



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## **1. INTRODUCTION**

(1) Regulatory changes and societal expectations in recent years have resulted in heightened scrutiny of the corporate governance practices of all publicly listed and widely owned private entities. This focus reinforces the importance of adopting and adhering to sound corporate governance practices, including policies related to the disclosure of information to the public. This policy is intended to assist Storm Resources Ltd. (“**Storm**” or the “**Corporation**”) in fulfilling its obligations to ensure that all information relevant and material to Storm shareholders and the market is disclosed in timely manner, while protecting the Corporation’s commercially sensitive information. This policy also seeks to assist staff members in possession of material information (as described below) related to the Corporation’s business and affairs in meeting their obligations relating to trading in the shares of Storm.

(2) Storm is a reporting issuer under the securities legislation of each of the provinces and its shares are listed and posted for trading on the Toronto Stock Exchange. Correspondingly, disclosure of material information is subject to extensive regulation.

## **2. OBJECTIVE AND SCOPE**

(1) The objective of this disclosure policy is to ensure that communications to the investing public about the Corporation are:

- timely, factual and accurate; and
- broadly disseminated in accordance with all applicable legal and regulatory requirements.

Storm has an obligation to ensure that all information material to the business and affairs of the Corporation is disclosed to the public. This policy will assist Storm in meeting this obligation by establishing policies and procedures designed to satisfy the objectives set out above, and by assigning responsibility for the implementation and enforcement of these policies and procedures.

(2) This disclosure policy is to be followed by all employees of the Corporation and has specific application to those authorized to speak on its behalf. It covers disclosures in documents filed with the securities regulators and written statements made in the Corporation’s annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Corporation’s website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts, investors, potential investors, and other third parties, and interviews with the media as well as speeches, press conferences, investor presentations and conference calls.

## **3. DISCLOSURE POLICY COMMITTEE**

(1) The Board of Directors has established a disclosure policy committee (the “**Committee**”) responsible for overseeing the Corporation’s disclosure practices. The Committee consists of the Chief Executive Officer and the Chief Financial Officer.

(2) The Committee will assess the materiality of information regarding the Corporation and will determine when developments justify public disclosure. The Committee will also determine the policies and procedures to be followed by all Corporation employees in preparing documents which are to be made available to the public. The Committee will also assign responsibility to specific individuals for the implementation of the particular policies and procedures adopted. The Committee will meet as conditions

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dictate. Notes of the meetings will be kept by a secretary designated by the Committee and if no secretary is so designated then by the Chief Financial Officer. It is essential that the Committee be kept fully apprised of all material developments in the Corporation's business or circumstances in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information. If it is deemed that the information should remain confidential, the Committee will determine how that confidential information will be controlled.

(3) The Committee will review and update, if necessary, this disclosure policy on an annual basis or as needed to ensure compliance with changing regulatory requirements. The Chief Financial Officer will report to the Board of Directors annually regarding the disclosure policies and practices of the Corporation.

#### 4. DESIGNATED SPOKESPERSONS

(1) The Corporation designates a limited number of spokespersons responsible for communication with the investment community, regulators or the media. The President and Chief Executive Officer and the Chief Financial Officer shall be the official spokespersons for the Corporation. Individuals holding these offices may, from time to time, designate others within the Corporation to speak on behalf of the Corporation as back-ups or to respond to specific inquiries.

(2) **Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson.** All such inquiries shall be referred to the Chief Executive Officer or the Chief Financial Officer.

#### 5. MATERIAL INFORMATION

Material information consists of "material changes" and "material facts". A **material change** is a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Corporation. It also includes a decision to implement such change made by the Board of Directors or by senior management of the Corporation who believe that confirmation of the decision by the Board of Directors is probable. A **material fact** is a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Corporation's securities.

#### 6. MATERIALITY DETERMINATIONS

There is no simple bright-line standard or test for determining materiality of information. The Committee will assess potential disclosure items and will make these known throughout the Corporation. When assessing whether any particular matter should be disclosed, the Committee will look at a number of factors including the nature of the information itself, the trading volatility of the Corporation's securities and prevailing market conditions.

The Committee will also monitor the market's reaction to information that is publicly disclosed in order to help it assess market impact for future disclosures.

#### 7. PRINCIPLES OF DISCLOSURE OF MATERIAL INFORMATION

In complying with the requirement to disclose all material information under applicable laws and stock exchange rules, the Corporation will adhere to the following basic disclosure principles:

(1) Material information will be promptly disclosed to the public via news release.

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- (2) If the material information is to be released during trading hours on a stock exchange, the appropriate personnel in the market surveillance department of the stock exchange must be contacted **prior** to the release of the news release. The stock exchange will then determine whether trading in the Corporation's securities should be halted pending release of the material information.
- (3) If the material information is to be released after the close of the market, the stock exchange must still be contacted before trading opens the following trading day.
- (4) In certain circumstances, the Committee may determine that such disclosure would be unduly detrimental to the Corporation (for example if release of the information would prejudice negotiations in a corporate transaction), in which case the information will be kept confidential until the Committee determines it is appropriate to publicly disclose.
- (5) Where a material change is being kept confidential, the Corporation is under a duty to make sure that persons with knowledge of the material change or information have not made use of such information in purchasing or selling the Corporation's securities. Such information should not be disclosed to any person or Corporation, except in the *necessary course of business*.
- (6) Disclosure must include any information the omission of which would make the rest of the disclosure misleading.
- (7) Unfavourable material information must be disclosed as promptly and completely as favourable information.
- (8) The Corporation's press release should contain enough detail to enable the media and investors to understand the substance and importance of the change it is disclosing.
- (9) Disclosure on the Corporation's website or by conference call alone does not constitute adequate disclosure of material information.
- (10) Disclosure must be corrected immediately if the Corporation subsequently learns that earlier disclosure by the Corporation contained a material error at the time it was given.

### 8. MATERIAL CHANGE REPORTS

- (1) Securities laws in Canada require a Corporation to file a material change report with the appropriate securities commissions as soon as possible and in any event within ten days of the date on which the material change occurred.
- (2) Where the decision has been made by the Committee to keep a material change confidential, the Corporation will file a confidential material change report to be filed within ten days of the material change with the appropriate securities commissions. When the Corporation files a confidential material change report, it must advise the securities regulators in writing that the report should remain confidential within ten days of the filing of the initial report and every ten days thereafter until the material change is publicly disclosed.
- (3) If the making of a document or contract constitutes a material change then the Corporation must file a copy of the document or contract with the securities regulators not later than the time it files the material change report related thereto. If an executive officer of the Corporation has reasonable grounds to believe that disclosure of certain portions of the contract would be seriously prejudicial to the interests of the Corporation or violate confidentiality provisions, the Corporation may file the contract with those certain provisions omitted or marked so as to be unreadable.

## **9. INSIDER TRADING**

(1) Any director, officer, employee or other person in a “special relationship” with the Corporation must not purchase or sell securities of the Corporation for his or her own account or an account of another if he or she is aware of material information about the Corporation that has not been generally disclosed to the public. The term “special relationship” has broad application, but may be taken to include employees and directors, relatives, business associates, consultants, professional advisors, etc. The Committee should be consulted if there is any doubt about whether a relationship can be characterized as a “special relationship”.

(2) Securities laws in Canada prohibit the Corporation and any person or Corporation in a special relationship with the Corporation from informing, other than in the necessary course of business, anyone of a material fact or material change before the material information has been generally disclosed. This prohibited practice is commonly known as “tipping”. An exception to this disclosure prohibition is provided where material information is given in the necessary course of business.

(3) Securities laws also prohibit anyone in a special relationship with the Corporation from purchasing or selling securities of the Corporation with the knowledge of material information about the Corporation that has not been generally disclosed. This prohibited activity is commonly known as “insider trading”.

(4) Each officer, director or other employee of the Corporation or its subsidiaries must not trade in securities of any other public entity where the person becomes aware, through his or her association with the Corporation, of undisclosed material information concerning that other public entity (e.g. as a result of business discussions or developments in that other public entity or its subsidiaries).

## **10. INSIDER REPORTING**

(1) This part of the policy only applies to “insiders” of the Corporation, and not to non-insider employees or other persons in a special relationship with the Corporation.

(2) Insiders are required to file a personal profile on the System for Electronic Disclosure by Insiders or SEDI within 10 days after becoming an insider. An insider profile contains basic information about the insider, including a list of all of the reporting issuers for which the insider must file electronic insider reports. Amendments to the insider profile must be made within 10 days following the change. If requested, the Corporation will assist an insider in filing and amending a personal profile.

(3) Each insider is required to report all changes in their interest in securities of the Corporation by filing a report electronically on SEDI within 5 days of the trade. Insiders may notify the Chief Financial Officer if they wish to have the report submitted by the Corporation on their behalf, provided such request is made within a reasonable time prior to the report becoming due. For each insider report which is not filed within the statutory time limitations, insiders will be subject to regulatory imposed penalties. The Corporation is not responsible for any late filing charges.

## **11. TRADING BLACKOUT PERIODS**

(1) Trading blackout periods will apply to insiders and personnel designated by management as likely to have access to material undisclosed information during periods when financial statements and certain other reports, eg. reserve information, are being prepared, but results have not yet been publicly disclosed. These are periods during which an outsider might reasonably expect management to be aware of material information and hence insiders, persons designated by management, their spouses and any other relatives residing in the same dwelling as the insider or designated personnel, are prohibited

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from buying or selling securities of the Corporation for a period of 15 business days ending the first trading day after the public announcement of the financial results of the quarter or year end or the public announcement of other information. During a blackout period, the insiders, other designated personnel and other individuals covered by trading restrictions will not be permitted to trade in any securities of the Corporation.

(2) Additional blackout periods may be prescribed from time to time by the Committee as a result of special circumstances relating to the Corporation pursuant to which insiders of the Corporation would be precluded from trading in securities of the Corporation. All parties with knowledge of such special circumstances should be covered by the blackout. Such parties may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of material potential transactions. The Committee will determine which individuals will be subject to trading restrictions and will take appropriate steps to advise those individuals of the restrictions.

(3) Notification that trading has been blacked out for a period of time is confidential information and must not be disclosed to any other person except as contemplated by this Disclosure Policy.

(4) Subject to the prohibited activities set out in Sections 9(1) and 9(2) and additional blackout periods that may be imposed under Section 11(2), designated personnel, insiders, their spouses, and other relatives residing in the same dwelling as the insider or designated personnel are permitted to trade during trading windows which are from, and include, the second trading day after the public announcement of the financial results for the prior quarter, up to and including the fourteenth business day prior to the public release of the following quarter's results; and:

(5) Persons in a special relationship with Storm, other than insiders and designated personnel, are permitted to trade at any time, as long as they are not aware of material information that has not been disclosed to the public.

### 12. SELECTIVE DISCLOSURE

(1) Regulators of securities markets are concerned about 'selective disclosure'. This is seen most frequently in examples of disclosures of material information to analysts or institutional investors but not to the market as a whole. Storm is committed to ensuring that all disclosures are made equally to all interested parties. This disclosure policy and the disclosure policies and procedures to be followed and monitored by the Disclosure Committee all have the objective of ensuring that Storm does not engage in selective disclosure.

(2) Tipping and insider trading apply to both material facts and material changes. The Corporation's timely disclosure obligations generally only apply to material changes, which means that the Corporation does not have to disclose all material facts on a continuous basis. However, if the Corporation chooses to selectively disclose a material fact, other than in the necessary course of business, this would be in breach of securities legislation.

(3) The "necessary course of business" exception to the prohibition on "tipping" would not generally permit the Corporation to make a selective disclosure of material information to an analyst, institutional investor or other market professional.

(4) If the Corporation discloses material information under the "necessary course of business" exception, it should make sure those receiving the information understand that they cannot pass the information onto anyone else (other than in the necessary course of business), or trade on the information, until it has been generally disclosed.

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(5) Securities legislation does not provide a safe harbour which allows companies to correct an unintentional selective disclosure of material information. If the Corporation makes an unintentional selective disclosure it should take immediate steps to ensure that a full public announcement is made. This includes contacting the relevant stock exchanges officials and requesting that trading be halted (if during trading hours) pending issuance of the news release. Pending the public release of the material information, the Corporation should also contact those parties who have knowledge of this information that the information is material and that it has not been generally disclosed.

### 13. MAINTAINING CONFIDENTIALITY

(1) Any employee with access to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information and such persons will be advised that the information is to be kept confidential.

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

- (a) Documents and files containing confidential information (per 5 above), uncontrolled dissemination of which could have a material impact on the value of the securities of the Corporation, 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.
- (b) Confidential matters involving material information should not be discussed in places where the discussion may be overheard.
- (c) Confidential documents containing material information should not be read or displayed in public places and should not be discarded where others can retrieve them.
- (d) Employees must ensure they maintain the confidentiality of material information in their possession outside of the office as well as inside the office.
- (e) Transmission of documents containing material information by electronic means, such as by fax, email or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- (f) Unnecessary copying of confidential documents should be avoided and documents containing material information should be promptly removed from conference rooms and work areas after meetings have concluded.
- (g) Access to confidential electronic data containing material information should be restricted through the use of system passwords.

### 14. PRESS RELEASES

(1) Once the Committee determines that a development is material, it will authorize the issuance of a press release, unless the Committee determines that such developments must remain confidential for the time being, appropriate confidential filings are made and control of that inside information is instituted. Should a material statement inadvertently be made in a selective forum, the Corporation will promptly



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issue a press release in order to fully disclose that information. If the stock exchange upon which shares of the Corporation are listed is open for trading at the time of a proposed announcement, prior notice of a press release announcing material information must be provided to the market surveillance department of the stock exchange to enable a trading halt, if deemed necessary by the stock exchange. If a press release announcing material information is issued outside of trading hours, the stock exchange must be notified before the market opens. Annual and interim financial results will be publicly released promptly following Board of Directors' approval of the financial statements.

(2) Press releases will be disseminated through an approved news wire service that provides simultaneous national distribution. Press releases will be broadly distributed in accordance with the wire services standard distribution protocols.

(3) Press releases will be posted on the Corporation's website promptly upon release.

### 15. CONFERENCE CALLS

(1) Where the Committee deems it necessary to satisfy the objectives of this disclosure policy, conference calls may be held to discuss financial results and major corporate developments, whereby discussion of key aspects is accessible simultaneously to all interested parties, some as participants by telephone or via a webcast over the Internet. The Corporation will provide advance notice, via a news release, of the conference call and webcast by announcing the date and time 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 invited to participate. A recording of the conference call and/or an archived audio webcast on the Internet will be made available following the call, for anyone interested in listening to a replay.

(2) At the beginning of the call, a Corporation spokesperson will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties.

### 16. CONTACTS WITH ANALYSTS, INVESTORS AND THE MEDIA

(1) Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Corporation intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a news release.

(2) 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 disclosure policy.

(3) The Corporation will provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information, recognizing that an analyst or investor may misprint this information. The Corporation cannot alter the materiality of information by breaking down the information into smaller, non-material components.

### 17. REVIEWING ANALYST DRAFT REPORTS AND MODELS

(1) The Corporation may be asked to review analysts' draft research reports or models. The Corporation will review the report or model for the purpose of pointing out errors of fact based on publicly disclosed information. The Corporation will limit its comments in responding to such inquiries to non

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material information. The Corporation will not confirm, or attempt to influence, an analyst's opinions or conclusions.

### 18. DISTRIBUTING ANALYST REPORTS

Analyst reports are proprietary products of the analyst's firm. Accordingly, the Corporation should not post such information on its website. The Corporation may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who are known to provide research coverage on the Corporation. If provided, such list will not include links to the analysts' or any other third party websites or publications.

### 19. EARNINGS GUIDANCE AND FORWARD-LOOKING STATEMENTS

(1) Should the Corporation elect to disclose forward-looking information in continuous disclosure documents, speeches, conference calls or otherwise, it shall attempt to ensure that it has a reasonable basis for making such statements and include with their forward-looking statements appropriate statements of risks and cautionary language.

(2) The Corporation's Board of Directors and Audit Committee will review quarterly news releases prior to the release of such guidance or news release.

(3) If the Corporation has issued a forecast or projection in connection with an offering document covered by National Instrument 51-102 Continuous Disclosure or a successor to such policy, the Corporation will update that forecast or projection periodically, as required by such policy.

### 20. RESPONSIBILITY FOR ELECTRONIC COMMUNICATIONS

(1) This disclosure policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures shall also be responsible for electronic communications.

(2) The Chief Financial Officer is responsible for updating the investor relations section of the Corporation's website and is responsible for monitoring all Corporation information placed on the website to ensure that it is accurate, complete, up to date and in compliance with relevant securities laws. All documents filed on SEDAR should be concurrently posted to the Corporation's website.

(3) The Chief Financial Officer must approve all links from the Corporation website to a third party website.

(4) Investor relations material shall be contained within a separate section of the Corporation'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 data posted to the website, including text and audiovisual material, shall show the date such material was issued. Any material changes in information must be updated promptly.

(5) Outdated information should be moved to an archive section of the Corporation's website. Archiving allows the public to continue to access information that may have historical or other value even though it is no longer current.

(6) Disclosure on the Corporation's website alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on its website will be preceded by the issuance of a press release.

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(7) The Chief Financial Officer shall also be responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this disclosure policy shall be utilized in responding to electronic inquiries.

(8) In order to ensure that no material undisclosed information is inadvertently disclosed, employees are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to the Corporation's activities or its securities. Employees who encounter a discussion pertaining to the Corporation should advise the Chief Financial Officer immediately, so the discussion may be monitored.

### **21. COMMUNICATION AND ENFORCEMENT**

(1) This disclosure policy extends to all directors, officers and employees of the Corporation and its subsidiaries. New directors, officers and employees will be provided with a copy of this disclosure policy and will be advised of its importance. This disclosure policy will be available to all employees.

(2) Any employee who violates this disclosure policy may face disciplinary action. If it appears that an employee may have violated securities laws, the Corporation may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.