

## INSIDER TRADING POLICY

### 1. Introduction

Bonterra Resources Inc. (the “**Corporation**”), a publicly trading corporation, listed on the TSX Venture Exchange, encourages all employees, officers and directors to become shareholders of the Corporation on a long-term investment basis. Some of these individuals may, from time to time, become aware of corporate developments or plans or other information that may affect the value of the Corporation’s Securities (defined in Section 2) before these developments, plans or information are made public. Trading Securities of the Corporation while in possession of such information before it is generally disclosed (known as “**insider trading**”), or disclosing such information to third parties before it is generally disclosed (known as “**tipping**”), is against the law and may expose an individual to criminal prosecution or civil lawsuits. Such action will also result in a lack of confidence in the market for the Corporation’s Securities, harming both the Corporation and its shareholders. Accordingly, the Corporation has established this Policy to assist the Corporation Personnel (defined in Section 2) in complying with the prohibitions against insider trading and tipping and to understand their obligations before and after trading in the Securities.

The procedures and restrictions set forth in this insider trading policy (the “**Policy**”) are only a general framework to assist the Corporation Personnel in ensuring that any purchase or sale of securities occurs without actual or perceived violation of applicable securities laws. The Corporation Personnel have the ultimate responsibility for complying with applicable securities laws and should obtain additional guidance, including independent legal advice, as may be appropriate for their own circumstances. The Corporation may at any time impose additional restrictions or obligations to Corporation Personnel in securities trading that, although not illegal, may expose them and/or the Corporation to potential reputational risk.

The Corporation’s Board of Directors (the “**Board**”) will designate one or more individuals from time to time as *Insider Trading Policy Administrators* (the “**Administrator(s)**”) for the purpose of administering this Policy. At the date hereof, the Chief Executive Officer has been designated Administrator.

### 2. Application and Scope of the Policy

#### 2.1. Persons that are Subject to this Policy

The following persons are required to observe and comply with this Policy:

- a) All directors, officers<sup>1</sup> and employees of the Corporation or its subsidiaries.

---

<sup>1</sup> “officer” means the chair or vice-chair of the board of directors, the chief executive officer, the chief operating officer, the chief financial officer, the president, the vice-president, the secretary, the assistant secretary, the treasurer, the assistant treasurer or the general manager of an issuer or of a registrant, or any natural person designated as such by the issuer or the registrant or acting in a similar capacity.

- b) Any other person retained by or engaged in business of professional activity on behalf of the Corporation or any of its subsidiaries (such as a consultant, independent contractor or adviser).
- c) Any family member, spouse or other person living in the household or a dependent child of any of the individuals referred to in Sections 2.1(a) and (b) above.
- d) Partnerships, trusts, corporations and similar entities over which any of the above- mentioned individuals exercise control or direction.

For the purposes of this Policy, the persons listed above are collectively referred to as “**Corporation Personnel**”. Sections 2.1(c) and (d) should be carefully reviewed by Corporation Personnel; those sections have the effect of making various family members or holding companies or trusts of the persons referred to in Sections 2.1(a) and (b) subject to the Policy.

## 2.2. Trades that are Subject to this Policy

Under this Policy, all references to trading in securities of the Corporation include:

- a) any sale or purchase of common shares, warrants and other convertible securities, options, debt obligations and contractual rights linked to such securities (the “**Securities**”) of the Corporation,
- b) the granting of equity-based incentives (stock options) by the Corporation and exercise thereafter; and,
- c) any derivatives-based or other transaction or arrangement that would be required to be reported by insiders in accordance with applicable laws or regulations relating to derivatives or equity monetization transactions (including *National Instrument 55-104 – Insider Reporting Requirements and Exemptions* (“NI 55-104”)).

## 3. Prohibition against trading the Corporation’s Securities

### 3.1. While in possession of Privileged Information (defined below) and until:

One full business day after the disclosure to the public of the Privileged Information, whether by way of press release or a filing made with securities regulatory authorities; or the Privileged Information ceases to be material (e.g. a potential transaction that was the subject of the information is abandoned, and either Corporation Personnel are so advised by the Administrator or such abandonment has been generally disclosed).

“**Privileged information**” is defined under the *Securities Act* (Quebec) and “means any information that has not been disclosed to the public that could affect the decision of a reasonable investor”. This would include a “**Material Fact**” means a fact that may reasonably be expected to have a significant effect on the market price or value of securities issued or securities proposed to be issued and a “**Material Change**” means a change in the business, operations or capital of the issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the issuer, or a decision to implement such a change made by the directors or by senior management of the issuer who believe that confirmation of the decision by the directors is probable.

Common Examples (the following examples are not exhaustive).

- Proposed or pending financings, new strategic investor
- Material exploration results
- Material acquisitions or dispositions of assets
- Material changes or developments including resources discoveries and declines in resources or reserves
- Changes in senior management or control of the Corporation
- Results of a resources estimate, a pre-feasibility or feasibility study
- The financial condition and results of operations of the Corporation
- Material legal proceedings
- Defaults in material obligations
- The results of the submission of matters to a vote of securityholders
- Related party transactions; transactions with directors, officers or principal securityholders
- The granting of options or payment of other compensation to directors or officers
- Material increases or decreases in the amount of outstanding securities or indebtedness
- Proposed changes in corporate structure including amalgamations and reorganizations, acquisitions of other companies including take-over bids or mergers and, confidentiality agreements in respect thereof.

### **3.2. During Blackout Periods**

No Corporation Personnel shall trade in Securities of the Corporation during a Backout Period.

A “**Blackout period**” means, any time any Corporation Personnel is restricted by the terms of this Policy or applicable securities law from trading in Securities of the Corporation or securities of other companies.

a) **Scheduled Blackout period relating to financial reports**

Prior to the release of any financial statements by the Corporation, all directors, officers, finance and accounting staff and corporate communications staff directly involved in the dissemination of the financial results are prohibited from trading during the following Blackout:

for quarterly financial results, the period beginning 15 days prior to the scheduled publication date of the financial results and until one clear trading days after the release of financial statements.

for annual financial results, the period beginning 15 days prior to the scheduled publication date and until one clear trading day after the annual financial results are publicly disclosed.

b) **Blackout prior to material announcements**

The Corporation will impose a Blackout if there is a pending undisclosed material development to all Corporation Personnel. In such circumstances, the Administrators will issue a notice instructing the relevant Corporation Personnel not to trade in Securities of the Corporation until further notice. This notice will contain a reminder that the fact that there is a restriction on trading may itself constitute Privileged Information or information that may lead to rumors and must be kept confidential. The notice will be sent by email to the Corporation Personnel at their email address of

record. The Blackout will remain in effect until one clear trading day after the press release is issued by the Corporation, in connection with the undisclosed Privileged Information, or until the Administrators revoke it by written notice.

For greater certainty, no trading is permitted even after the close of a Blackout Period if an individual possesses material undisclosed information at such time.

All efforts will be made to advise of Blackout Periods as soon as possible, however, it is your responsibility to ensure that you are not in violation of the prohibition against trading during a Blackout Period and to pre-clear transactions in accordance with this Policy. The Administrator will keep a record of the dates of all trading blackout periods and the reason for the blackout period.

#### **4. Prohibition Against Speculating & Short-Selling**

Certain types of trades in Corporation Securities by Corporation Personnel can raise particular concerns about potential breaches of applicable securities law or that the interests of the persons making the trade are not aligned with those of the Corporation. Corporation Personnel are therefore prohibited at any time from, directly or indirectly, undertaking any of the following activities:

- a) Speculating in securities of the Corporation, which may include buying with the intention of quickly reselling such securities, or selling securities of the Corporation with the intention of quickly buying such securities (other than in connection with the acquisition and sale of shares issued under the Corporation's stock option plan or any other Corporation benefit plan or arrangement); and
- b) Short selling a security of the Corporation or any other arrangement that results in a gain only if the value of the Corporation's securities declines in the future.

#### **5. Prohibition Against Tipping**

Corporation Personnel are prohibited from communicating Privileged Information to any person outside the Corporation, unless:

- a) disclosure is in the necessary course of the Corporation's business provided that the person receiving such information first enters into a confidentiality agreement in favor of the Corporation (which should contain, among other things, an acknowledgement by the recipient of the requirements of applicable securities laws relating to such recipient trading securities with knowledge of a material fact or material change in respect of the Corporation that has not been generally disclosed and to such recipient disclosing information to another person or Corporation such material fact or material change) and the disclosure is made pursuant to the proper performance by such Corporation Personnel of his or her duties on behalf of the Corporation;
- b) disclosure is compelled by judicial process; or
- c) disclosure is expressly authorized by the Administrators.

Subject to the above, Privileged Information is to be kept strictly confidential by all Corporation Personnel until after it has been generally disclosed. Discussing Inside Information within the hearing of, or leaving it exposed to, any person who has no need to know is to be avoided at all times. Corporation Personnel with knowledge of Privileged Information shall not encourage any other person or Corporation to trade in the securities of the Corporation, regardless of whether the

Inside Information is specifically communicated to such person or Corporation. If any Corporation Personnel has any doubt with respect to whether any information is Privileged Information or whether disclosure of Privileged Information is in the necessary course of business, the individual is required to contact the Administrator.

## **6. Reporting Requirements**

The directors, certain officers and certain other employees of the Corporation and its subsidiaries are “Reporting Insiders” under applicable Canadian securities laws. Reporting Insiders are required to file reports with Canadian provincial securities regulators, pursuant to the electronic filing system known as SEDI, of any direct or indirect beneficial ownership of, or control or direction over, securities of the Corporation and of any change in such ownership, control or direction (please refer to details in Schedule “B” attached). **It is the sole responsibility of the Insider (and not the Corporation) to comply with these reporting requirements**, and Reporting Insiders are required to provide the Administrators with a copy of any insider report completed by the Insider concurrent with or in advance of its filing. The Corporation may assist any Insider in the preparation and filing of insider reports upon request.

Insiders who are exempted from these requirements remain subject to all of the other provisions of applicable securities law and this Policy.

### **Penalties and Civil Liability**

The applicable laws impose insider trading and tipping prohibitions and also impose substantial penalties and civil liability for any breach of those prohibitions, including namely criminal fines, prison sentences for insider trading and tipping and civil liability for compensation to the seller or purchaser of the relevant securities for damages as a result of the trade. Where a Corporation is found to have committed an offence, the directors, officers and supervisory Corporation Personnel of the Corporation may be subject to the same or additional penalties.

**All directors, officers, employees and consultants of the Corporation and its subsidiaries will be provided with a copy of this Policy, and shall execute a certification & acknowledgement. It is a condition of their appointment, employment or engagement that each of these persons at all times abide by the standards, requirements and procedures set out in this Policy unless a written authorization to proceed otherwise is received from an Administrator. Any such person who violates this Policy may face disciplinary action up to and including termination of his or her employment or appointment with or engagement by the Corporation without notice. The violation of this Policy may also violate certain securities laws. If it appears that a director, officer, employee or consultant may have violated such securities laws, the Corporation may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.**

## SCHEDULE "A"

### **Reporting under Canadian Securities Laws**

#### **Who has to file reports?**

Under securities laws, "Insider" means a director, officer or 10% shareholder of the Corporation and a director or officer of a Corporation that is an insider or a subsidiary of the Corporation.

A "reporting insider" means an insider of a reporting issuer if the insider is

- the CEO, CFO or COO of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;
- a director of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;
- a person or Corporation responsible for a principal business unit, division or function of the reporting issuer;
- a significant shareholder of the reporting issuer;
- a significant shareholder based on post-conversion beneficial ownership of the reporting issuer's securities and the CEO, CFO, COO and every director of the significant shareholder based on post-conversion beneficial ownership;
- a management Corporation that provides significant management or administrative services to the reporting issuer or a major subsidiary of the reporting issuer, every director of the management Corporation, every CEO, CFO and COO of the management Corporation, and every significant shareholder of the management Corporation;
- an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (a) to (f);
- the reporting issuer itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or
- any other insider that in the ordinary course receives or has access to information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed; and directly or indirectly, exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the reporting issuer;

"significant shareholder" means a person or Corporation that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, securities of an issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or Corporation as underwriter in the course of a distribution;

### **When do you have to report?**

Insider reports must be filed within 5 calendar days (not business days, which includes weekends and holidays) of any change in the reporting insider's beneficial ownership of such securities. The deadline begins to run on the date of the trade, not the date of the settlement.

An initial insider report must be completed within 10 calendar days of the date a person becomes a reporting insider (provided that an insider who does not own or control securities of the Corporation at that time is not required to file a "nil" report).

You must also file and update your insider profile (i) if there is a change in the Corporation's name, in your relationship to the Corporation or if you cease to be a reporting insider within 10 calendar days of the event, or (ii) if there is any other change to your profile, at the time you next file an insider report.

### **How do you report?**

Insider reports are completed by accessing [www.sedi.ca](http://www.sedi.ca) and registering as a SEDI user. Once you complete the form and follow the instructions, you will receive your access information and can then login as a registered user and complete your filings online.

### **What do you have to report?**

Each reporting insider is required to file reports with the Canadian securities commissions as to his or her direct or indirect beneficial ownership of or control or direction over any securities of the Corporation. This includes, but is not limited to, purchases and sales of such securities, the grant and exercise of stock options, the exercise of warrants, the conversion or exchange of other securities, the acquisition of underlying securities on the exercise of options, warrants or other convertible or exchangeable securities, and the sale of shares acquired upon exercise of stock options. Reporting Insiders must also include any monetization, non-recourse loan or similar arrangement, trade or transaction that changes the Reporting Insider's economic exposure to or interest in securities of the Corporation and which may not necessarily involve a sale, whether or not required under applicable law.

The following information is required for filing insider reports:

- Security designation (i.e., common shares, preferred shares, stock options);
- Ownership type and registered holder (if applicable), ownership type includes:
  - a) Direct ownership – indicates that the security is held directly; for example, the reporting insider holds the securities in an account with a broker and the account is in his/her name;
  - b) Indirect ownership – indicates that the security is held indirectly; for example, the reporting insider beneficially owns common shares in the Corporation, but the registered owner is another entity, such as a holding Corporation that the reporting insider owns;
  - c) Control or direction – indicates that the insider has control or direction over a security. The reporting insider has control or direction if, directly or indirectly, he/she has or shares voting power or investment power through any contract, arrangement, understanding or relationship. For example, the reporting insider may have been granted authority to vote or trade securities owned by family members, friends or associates.
- Opening balance of securities held.
- Date of transaction.
- Nature of transaction – for example, acquisitions and dispositions (open market or private), grant of options, gifts, inheritances, exercises of options, sale of shares acquired upon exercise of options, exercise of warrants.
- Number/value of securities acquired or disposed.
- Unit price or exercise price for convertible securities as well as the expiry date.
- Closing balance of securities held.

\* The exercise of convertible securities, for example options or warrants, usually requires 2 filings: one to declare the exercise and reduce the outstanding convertible security and one to add to your holding of common shares.

Please contact the Administrator if you have any questions.