



BLACKOUT POLICY

Applicable to:	<i>Directors and Senior Officers, managers, employees working in an office of each entity of the Corporate Group, ongoing legal, accounting, tax and other professional advisors, and independent contractor to whom management of the board believe the Policy should apply known as an “Aurcana Silver Associate”.</i> <i>Corporate Group means: the Company and its directly or indirectly controlled subsidiaries.</i>
Actions Required:	<i>A copy of the Policy is to be provided to each Aurcana Silver Associate (any director, officer, employee, contractor of the Company and its subsidiaries.) when retained and they must sign the Acknowledgment form. CEO or CFO to announce when Blackout invoked.</i>
Responsibility of:	
Review Schedule:	<i>Annually</i>
Last Reviewed:	
Next Review:	Audit Committee Meeting at the time of the 2021AGM

BRIEF SUMMARY **(For information purposes only)**

Describes when it is not appropriate for certain parties who are close the Company to trade the Company’s securities or exercise stock options when it would not be appropriate to do so. A Blackout means that until it is lifted, Aurcana Silver Associates (see above) must not exercise or convert, sell or buy an Securities of the Company. A Security is a common share, stock option, warrant, convertible note, debenture, right or obligation for shares.

Blackout is invoked by the CEO or CFO as follows:

Senior Group – Ten trading days before the announcement of any financial results until two complete trading days after the day of the announcement. The Senior Group includes Senior Officers (basically any officer) directors, professional advisors or others having insider information.

Junior Group – Five trading days before the announcement of any financial results until two complete trading days after the day of the announcement. The Junior Group includes everyone who is an Aurcana Silver Associate other than the Senior Group.

When there is a “**material transaction**” or “**material change**”, a Blackout will stay in effect during negotiations or the change is pending, until two complete trading days have elapsed after the trading day of the announcement.

Failure to comply is grounds for termination or dismissal with cause.



BLACKOUT POLICY

August 14, 2012

INTRODUCTION

This constitutes the Blackout Policy (“**Policy**”) of Aurcana Silver Corporation (“**Aurcana Silver**”). A Blackout Policy is a policy that describes when it is not appropriate for certain parties who are close to Aurcana Silver to be exercising stock options and trading in Aurcana Silver’ securities and/or trading in the securities of a company with which Aurcana Silver has business dealings and/or a company with which Aurcana Silver has signed a confidentiality agreement and Aurcana Silver is still actively reviewing the company (“**Targetco**”).

OBJECTIVE

The objective of this Policy is to take reasonable steps to ensure that no one closely associated with Aurcana Silver trades in Aurcana Silver’ securities or Targetco’s securities, or exercises Aurcana Silver’ stock options, at a time when it would not be appropriate to do so. This goes beyond the legal obligation of ensuring that applicable insider trading laws, regulations and policies are being met, to also cover practical situations where Aurcana Silver’ Board of Directors (the “**Board**”) feels that it is not, from a market perception perspective, appropriate for exercising or trading to be occurring by parties who are close to Aurcana Silver or Targetco.

INFORMATION OFFICER

For purposes of this Policy, the Chief Executive Officer (primary) and the Chief Financial Officer (backup) have been designated as the Information Officer(s).

APPLICABILITY

This Policy applies to the following parties associated with Aurcana Silver (“**Aurcana Silver Associates**”):

- The directors and Senior Officers (as defined below) of each entity in the Corporate Group (as defined below).
- The managers (or employees acting in a management-like capacity) of each entity in the Corporate Group.
- The employees working in an office of each entity in the Corporate Group.
- The ongoing legal, accounting, tax and other professional advisors of each entity in the Corporate Group.
- Any company, partnership, trust or other organized legal entity controlled by any one or more of the foregoing (i.e. such as a personal holding company or a family trust).
- Any independent contractor or other party associated with an entity of the Corporate Group that may be, from time to time, designated by management or the Board as a party to whom this Policy should apply.

This Policy continues to apply to an Aurcana Silver Associate until the later of: (i) 30 days after such Aurcana Silver Associate ceases to be an Aurcana Silver Associate, and (ii) the date that any Blackout (as defined below) which is in effect on the date such Aurcana Silver Associate ceases to be an Aurcana Silver Associate is lifted.

"**Corporate Group**" means Aurcana Silver Corporation and its directly or indirectly controlled subsidiary companies, corporations, partnerships, LLCs and other legal entities.

“**Senior Officer**” means:

- (1) the Chair or a vice-chair of the board of directors, the President and Chief Executive Officer (the “**CEO**”), the Chief Financial Officer, the Chief Operating Officer and any person holding the position of Vice-President of Aurcana Silver or any other office and any of its directly or indirectly controlled subsidiaries or any of their operating divisions; or
- (2) any other individual who performs or is engaged by Aurcana Silver to perform functions for Aurcana Silver or any of its directly or indirectly controlled subsidiaries similar to those normally performed by an individual occupying any of the offices listed in (1) above.

WHAT IS BLACKOUT?

Blackout is a situation that will be imposed by management on some or all of the Aurcana Silver Associates from time to time. When Blackout is imposed it will mean that, until it is lifted, the affected Aurcana Silver Associates will **not** be entitled to:

- **exercise or convert any stock options** or other convertible or exercisable securities of the Aurcana Silver or Targetco; or
- **sell any shares** or other securities of Aurcana Silver or Targetco whether privately or through the market;
- **purchase any shares** or other securities of Aurcana Silver or Targetco whether privately or through the market.

As an alternative to a total prohibition on trading during a Blackout, management may make the determination that trades or exercises of stock options may occur during the Blackout but only with the express prior approval by the Information Officer of each such trade. This alternative will only be available during a Blackout if the written notice of such Blackout so states.

The term "**securities**" includes, without limitation, the following:

- **common shares** and shares of any other class of Aurcana Silver or Targetco;
- **stock options** and **warrants** of Aurcana Silver or Targetco;
- securities of Aurcana Silver or Targetco convertible into shares or other securities of Aurcana Silver or Targetco such as **convertible notes** and **debentures**;
- **rights** and **obligations** of Aurcana Silver or Targetco **exercisable for shares** or other securities of Aurcana Silver or Targetco; and
- any other right of Aurcana Silver or Targetco which would constitute a security under securities legislation (if you are in doubt, you are expected to consult with the CEO).

When Blackout is lifted, Aurcana Silver Associates will again be entitled to convert or exercise convertible or exercisable securities and purchase and sell securities of Aurcana Silver or Targetco or exercise stock options.

Certain exercisable or convertible securities, including stock options issued to Aurcana Silver Associates that are issued to Aurcana Silver Associates may expire during a Blackout and such exercisable or convertible securities may be exercisable or convertible for a period of time, as determined by the Board, after such expiry date, at the sole discretion of the Board (subject to any required regulatory approval).

Blackout is a restriction over and above "**insider trading**" restrictions that exist at law. Any Aurcana Silver Associate that is also an "**Insider**" of Aurcana Silver or Targetco is required to comply with applicable insider trading rules.

WHEN WILL BLACKOUT BE INVOKED?

Blackout will be invoked by management, typically by order of the CEO or CFO, from time to time in its discretion. Aurcana Silver Associates will be advised when it is invoked and when it has been lifted. In certain situations, management will be able to advise in advance when it is to be lifted. In others, Aurcana Silver Associates will have to wait to be advised.

For the purposes of determining when Blackout will apply to individuals, management will divide the Aurcana Silver Associates into two groups as follows:

- **“Senior Group”** includes Senior Officers, directors, professional advisors and others having inside information in the circumstances.
- **“Junior Group”** includes all other Aurcana Silver Associates not in the “Senior Group”.

Aurcana Silver Associates can expect Blackout to be invoked in respect of the release of financial information for the **“Senior Group”** as follows:

- **Ten trading days before the announcement of any financial results**, such as the quarterly financial results and annual financial results, **until two complete trading days have elapsed after** the trading day on which the financial results are publicly announced.

Notwithstanding the foregoing, which is only a recommended minimum blackout period, in the event that any preliminary financial information becomes available to a member of the Senior Group, any trading or tipping with respect to such information would be considered a breach of securities legislation and this Policy.

Aurcana Silver Associates can expect Blackout to be invoked in respect of the release of financial information for the **“Junior Group”** as follows:

- **Five trading days before the announcement of any financial results**, such as the quarterly financial results and annual financial results, **until two complete trading days have elapsed after** the trading day on which the financial results are publicly announced.

While the following is by no means exhaustive or set in stone, Aurcana Silver Associates can also expect Blackout to be invoked for the **“Senior Group”** and/or the **“Junior Group”** or selected individuals from either group, at the discretion of management from time to time as follows:

- **During negotiations of any material transaction** until it has been determined that the transaction will go ahead or not proceed. Blackout will stay in effect **until two complete trading days have elapsed after the trading day on which the transaction is publicly announced**, if it is proceeding, or until the trading day following the day discussions about the transaction have terminated, if it is not proceeding.
- While there is a **"material change" pending** which has not yet been publicly announced. Once announced, Blackout will remain in effect **until two full trading days have elapsed after the trading day on which the material change was publicly announced**.
- At any other time management deems it appropriate to be in Blackout. Aurcana Silver retains the full unfettered right to determine if and when Blackout will be imposed and when it will be lifted.

"material change" means a change in the business, operations, assets or ownership of Aurcana Silver that would reasonably be expected to have a significant effect on the market price or value of any of the securities of Aurcana Silver or Targetco. Examples of such information would include: annual or quarterly financial results; significant changes in management; acquisitions of, or mergers with Targetco; significant new contracts or loss of business. This list is not intended to be exhaustive.

A determination as to whether Aurcana Silver Associates are in possession of non-public material information that would prohibit them from trading in Aurcana Silver' or Targetco's securities or exercising stock options will depend

on the particular facts of each case. If an Aurcana Silver Associates think s/he is in possession of such information, s/he should refrain from trading.

A Material Change includes a decision to implement that change made by:

- senior management of Aurcana Silver who believe that confirmation of the decision by the directors is probable; or
- the directors of Aurcana Silver.

"trading day" means any day of the week on which the stock market or trading facility on which any of Aurcana Silver' or Targetco's securities are listed is open, whether or not Aurcana Silver' or Targetco's securities actually trade on that day or not.

EXAMPLE

The elapse of two full trading days after the trading day on which an announcement is made or an event occurs means the following. If, for example, Aurcana Silver announces the transaction on a Monday and Blackout is in effect, no trading can occur until the opening of the market on Thursday. Tuesday and Wednesday are the two full trading days that must elapse before trading can occur.

The foregoing assumes that the market is open all four days. If there were a holiday during this period resulting in the market being closed on one or more of those days, then the holiday days do not count and the period would have to be extended accordingly. Only trading days are counted.

CONSEQUENCES OF FAILURE TO COMPLY

Failure to comply with this Policy may result in any one or more of the following consequences:

- Constitute grounds for the Aurcana Silver Associate's dismissal for cause.
- Entitle Aurcana Silver to terminate any employment or independent contractor agreement with an Aurcana Silver Associate with no negative consequences to Aurcana Silver other than to make any payments earned and owing to such Aurcana Silver Associate to the date of termination and only that date.
- Entitle Aurcana Silver to be indemnified by the Aurcana Silver Associate for any liability or damages Aurcana Silver may incur as a result of the Aurcana Silver Associate's breach of this Policy.

The obligation to comply with this Policy is solely the responsibility of the Aurcana Silver Associate and Aurcana Silver assumes no liability on behalf of the Aurcana Silver Associate of any kind whatsoever should the Aurcana Silver Associate fail to comply with this Policy and personally incur liability or suffer damages.

Aurcana Silver may include a cross-reference to this Policy in its employment and independent contractor agreements whereby the Aurcana Silver Associate will be asked to acknowledge this Policy and agree to abide by it. Notwithstanding this, all Aurcana Silver Associates (other than professional advisors) will be asked to sign the Acknowledgment attached hereto and by doing so agree that this serves as an amendment to any employment agreement or independent contractor agreement that they may have signed with any member of the Corporate Group.

GENERAL

Nothing in this Policy in any way detracts from or limits any other obligations that Aurcana Silver Associates have in law or pursuant to a management, employment, consulting or other similar agreement with any member of the Corporate Group. Aurcana Silver Associates acknowledge that this Policy is not necessarily exhaustive of these obligations and that it is the responsibility of each Aurcana Silver Associate to determine if there are any other legal obligations and to keep apprised of any changes to them.

For example, certain Aurcana Silver Associates may have insider reporting requirements under National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*, as amended from time to time.

CONFIDENTIALITY

A copy of this Policy will be provided to each Aurcana Silver Associate when employed or retained and the attached Acknowledgment will be signed (professional advisors need not sign). A copy of the Acknowledgement will be kept in their personnel file. The Policy will otherwise be kept confidential and the recipient agrees to keep it confidential.

Adopted by the Board of the Company effective August 14, 2012.



ACKNOWLEDGMENT

TO: Aurcana Silver Corporation

FROM: The undersigned signatory (the "**Aurcana Silver Associate**")

RE: **BLACKOUT POLICY**

The undersigned Aurcana Silver Associate hereby acknowledges to and agrees with Aurcana Silver that:

1. He, she or it has been advised that Aurcana Silver is a public company and, as such, Aurcana Silver wishes to ensure that there is no trading in the securities of Aurcana Silver or Targetco (as defined in the Blackout Policy), or exercise of Aurcana Silver' stock options by the Aurcana Silver Associate when it would not be appropriate to do so;
2. Aurcana Silver has implemented a Blackout Policy to address the matter referred to in paragraph 1 above, and Aurcana Silver requires that certain parties that are closely associated with it be apprised of its Blackout Policy and agree to abide by it;
3. the Aurcana Silver Associate has been given a copy of Aurcana Silver' Blackout Policy and has read it, understood it and agrees to abide by it; and
4. If the Aurcana Silver Associate is party to an employment agreement or independent contractor agreement with Aurcana Silver or any of its directly or indirectly controlled subsidiary companies, corporations, partnerships, LLCs or other legal entities (the "**Corporate Group**"), then the Aurcana Silver Associate acknowledges and agrees that such agreement is hereby amended by the Blackout Policy.

Dated this ____ day of _____, 20 ____.

SIGNED, SEALED and DELIVERED by the
Aurcana Silver Associate:

Acknowledged and agreed to by Aurcana Silver and
the relevant members of the Corporate Group.

Signature of Aurcana Silver Associate

Authorized Signatory

Name of Aurcana Silver Associate