



BLACK-OUT POLICY

INTRODUCTION

This constitutes the Black-Out Policy (“**Policy**”) of Aurcana Corporation (“**Aurcana**”). A Black-Out Policy is a policy that describes when it is not appropriate for certain parties who are close to Aurcana to be exercising stock options and trading in Aurcana’ securities and/or trading in the securities of a company with which Aurcana has business dealings and/or a company with which Aurcana has signed a confidentiality agreement and Aurcana 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 trades in Aurcana’ securities or Targetco’s securities, or exercises Aurcana’ 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’ 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 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 (“**Aurcana 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 Associate until the later of: (i) 30 days after such Aurcana Associate ceases to be an Aurcana Associate, and (ii) the date that any Black-Out (as defined below) which is in effect on the date such Aurcana Associate ceases to be an Aurcana Associate is lifted.



"Corporate Group" means Aurcana 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 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 to perform functions for Aurcana 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 BLACK-OUT?

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

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

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

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

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



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

Certain exercisable or convertible securities, including stock options issued to Aurcana Associates that are issued to Aurcana Associates may expire during a Black-Out 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).

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

WHEN WILL BLACK-OUT BE INVOKED?

Black-Out will be invoked by management, typically by order of the CEO or CFO, from time to time in its discretion. Aurcana 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 Associates will have to wait to be advised.

For the purposes of determining when Black-Out will apply to individuals, management will divide the Aurcana 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 Associates not in the "Senior Group".

Aurcana Associates can expect Black-Out 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 Associates can expect Black-Out 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 Associates can also expect Black-Out 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. Black-Out 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, Black-Out 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 Black-Out. Aurcana retains the full unfettered right to determine if and when Black-Out will be imposed and when it will be lifted.

"material change" means a change in the business, operations, assets or ownership of Aurcana that would reasonably be expected to have a significant effect on the market price or value of any of the securities of Aurcana 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 Associates are in possession of non-public material information that would prohibit them from trading in Aurcana' or Targetco's securities or exercising stock options will depend on the particular facts of each case. If an Aurcana 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 who believe that confirmation of the decision by the directors is probable; or
- the directors of Aurcana.

"trading day" means any day of the week on which the stock market or trading facility on which any of Aurcana' or Targetco's securities are listed is open, whether or not Aurcana' 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 announces the transaction on a Monday and Black-Out 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 Associate's dismissal for cause.
- Entitle Aurcana to terminate any employment or independent contractor agreement with an Aurcana Associate with no negative consequences to Aurcana other than to make any payments earned and owing to such Aurcana Associate to the date of termination and only that date.
- Entitle Aurcana to be indemnified by the Aurcana Associate for any liability or damages Aurcana may incur as a result of the Aurcana Associate's breach of this Policy.

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

Aurcana may include a cross-reference to this Policy in its employment and independent contractor agreements whereby the Aurcana Associate will be asked to acknowledge this Policy and agree to abide by it. Notwithstanding this, all Aurcana 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 Associates have in law or pursuant to a management, employment, consulting or other similar agreement with any member of the Corporate Group. Aurcana Associates acknowledge that this Policy is not necessarily exhaustive of these obligations and that it is the responsibility of each Aurcana Associate to determine if there are any other legal obligations and to keep apprised of any changes to them.

For example, certain Aurcana 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 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 Corporation
FROM: The undersigned signatory (the "Aurcana Associate")
RE: **BLACK-OUT POLICY**
Effective August 14, 2012

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

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

Dated this ____ day of _____, 20____.

SIGNED, SEALED and DELIVERED by the
Aurcana Associate:

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

Per:

Signature of Aurcana Associate

Signature

Name of Aurcana Associate