

# SUNWARD RESOURCES LTD.

## Corporate Disclosure Policy

### 1.0 INTRODUCTION

The Board of Directors of Sunward Resources Ltd.<sup>1</sup> has determined that, on the recommendation of the Corporate Governance Committee, Sunward should formalize its policy on corporate disclosure in accordance with the provisions of National Instrument 51-102 – Continuous Disclosure Obligations and National Policy 51-102 - Disclosure Standards.

### 2.0 OBJECTIVES OF THE POLICY

The objectives of this Corporate Disclosure Policy (the “Policy”) are to:

- a) reinforce Sunward’s commitment to compliance with the continuous disclosure obligations imposed by Canadian securities law and the rules and regulations of the TSX Venture Exchange (“TSX”);
- b) ensure that all communications to the investing public about the business and affairs of Sunward are:
  - i) informative, timely, factual and accurate; and
  - ii) consistent and broadly disseminated in accordance with all applicable legal and regulatory requirements;
- c) confirm in writing Sunward’s disclosure policies, guidelines and procedures to ensure compliance with such laws, rules and regulations as well as to ensure timely and accurate information is provided equally to all shareholders and market participants regarding Sunward ; and
- d) establish a disclosure committee to help achieve the above objectives.

### 3.0 APPLICATION OF THE POLICY

This Policy applies to all directors, officers, employees, consultants and contractors of Sunward who have access to confidential corporate information as well as those persons authorized to speak on behalf of Sunward (collectively “Subject Persons”). This Policy also covers all disclosure made in documents filed with stock exchanges, securities regulators, all financial and non-financial disclosure, including management’s discussion and analysis and written statements made in Sunward’s annual and quarterly reports, press releases, letters to shareholders, presentations by senior management and information contained on Sunward’s

---

<sup>1</sup> This Policy applies to Sunward Resources Ltd. and all of its subsidiaries. Accordingly this Policy will refer to Sunward and its subsidiaries as “Sunward”.

website(s) and other electronic communications. It extends to all oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as presentations, speeches, press conferences, conference calls and webcasts.

#### **4.0 COMMUNICATION OF THE POLICY**

To ensure that all Subject Persons are aware of the Policy, a copy of the Policy will be distributed to all Subject Persons, or alternatively they will be advised that the Policy is available on Sunward 's website for their review. All Subject Persons will be informed whenever significant changes are made. New Subject Persons will be provided with a copy of this Policy and will be educated about its importance.

#### **5.0 ADMINISTRATIVE RESPONSIBILITY**

##### **5.1 General**

Sunward 's Chief Executive Officer and Chief Financial Officer are the members of senior management responsible for overseeing Sunward 's disclosure practices, setting benchmarks for the assessment of materiality, determining when developments justify public disclosure and ensuring adherence to this Policy.

Within the members of senior management enumerated above, the Chief Financial Officer is the individual primarily responsible for ensuring that Sunward complies with all legal and regulatory disclosure requirements and for:

- a) overseeing Sunward 's corporate disclosure practices and monitoring compliance with this Policy;
- b) initiating, with input and advice from the other members of senior management,, disclosure of material information in accordance with the processes and procedures set out in this Policy; and
- c) dealing with any issues which may be raised from time to time by the regulatory authorities.

Sunward 's Chief Executive Officer and Chief Financial Officer, and those individuals designated by the Chief Executive Officer, are the individuals responsible for communication with investment analysts, shareholders, potential investors and the media, for initiating and overseeing presentations, conference calls and other communications with analysts and other members of the financial community and for overseeing the electronic communications aspect of this Policy. In carrying out their responsibilities, the Chief Executive Officer, the Chief Financial Officer and those individuals designated by the Chief Executive Officer will ensure that no undisclosed material information is made available to any select group. If, for any reason, undisclosed material information is selectively disclosed to analysts, investors, the media or others, the Chief Executive Officer and Chief Financial Officer of Sunward should be immediately notified.

## **5.2 Disclosure Committee**

Sunward has established a disclosure committee (the “Disclosure Committee”) which is responsible for determining whether information is material information, the timely disclosure of material information in accordance with applicable securities laws and stock exchange rules and regulations, monitoring compliance with this Policy, and overseeing Sunward’s disclosure controls and procedures.

Members of the Disclosure Committee will be:

- (a) President and Chief Executive Officer;
- (b) Chief Financial Officer;
- (c) Chief Commercial Officer;
- (d) Chief Legal Officer/General Counsel;
- (e) Corporate Controller; and
- (f) Chairman of the Board of Directors if no more than three of the positions above are filled at any time.

Each member of the Disclosure Committee may appoint a designee to act in his or her absence. Normally, decisions of the Disclosure Committee will be made by a majority of its members or their designees.

The Chief Financial Officer will organize all meetings of the Disclosure Committee, prepare agendas, assemble and circulate relevant draft and supporting documentation and keep minutes of meetings and decisions of the Disclosure Committee, and provide a copy of such records to the Audit Committee.

## **5.3 Disclosure Committee to be Fully Informed of Corporate Developments**

All employees of Sunward, directly or through their immediate supervisor, must keep all members of the Disclosure Committee sufficiently apprised of potentially material developments so they can discuss and evaluate any events that might give rise to a disclosure obligation.

## **5.4 Sub Certification for CEO/CFO Regulatory Certification**

Members of the Disclosure Committee will be required to provide sub-certifications to the Chief Executive Officer and Chief Financial Officer on relevant and appropriate matters in connection with the annual and quarterly CEO/CFO certifications required accompanying to the publication of annual and quarterly financial statements and results.

## **6.0 GENERAL GUIDELINES**

### **6.1 Principals of Disclosure of Material Information**

In complying with the continuous disclosure obligations imposed by Canadian securities law and the rules and regulations of the TSX, Sunward will observe the following principles in disseminating material information:

- a) subject to the determination of confidentiality as described in b) below, material information will be publicly disclosed promptly by way of press release, the dissemination of which will include all applicable regulators;
- b) material changes in the business and affairs of Sunward will be described in a material change report, which will be filed with the applicable Canadian securities regulators as soon as practical and in any event no later than ten (10) days after the material change occurs. In the event of a material change which the Chief Executive Officer has determined should remain confidential, upon approval by the Board of Directors, a confidential material change report will be filed with the applicable Canadian securities regulators, and the Chief Executive Officer and the Board will review their decision to keep the information confidential not less than every ten (10) days;
- c) there is no distinction between favourable and unfavourable material information for disclosure purposes, and both types of information must be promptly and fully disclosed in accordance with this Policy;
- d) disclosure must be complete and include any information which by omission would make the rest of the disclosure misleading;
- e) there must not be selective disclosure, whether to an analyst, significant investor or other person;
- f) disclosure should, to the fullest extent possible, be written in accordance with the plain language principles set forth in Companion Policy 51-102CP; and
- g) everyone to whom this Policy applies who becomes aware of information that appears to be material must immediately disclose that information to at least one of the members of the Disclosure Committee enumerated in Section 5.2.

### **6.2 Material Information**

Material information is any information relating to the business and affairs of Sunward that results in, or would reasonably be expected to result in; a significant change in the market price or value of any of Sunward's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions. Both positive and negative information can be material.

When determining whether or not information is material, the following principles must be taken into account:

- a) the nature of the information, the volatility and liquidity of Sunward 's securities and how prevailing market conditions will impact on materiality;
- b) the determination of whether or not information is material often involves the exercise of sound business judgments based upon experience; and
- c) both positive and negative information can be material. Because disclosure (or non-disclosure) will be evaluated after the fact with the benefit of hindsight, questions concerning the materiality of particular information should be resolved by treating such information as being material.

Material information includes, but is not limited to:

- a) significant changes to major assets and operations;
- b) financial performance and significant changes in financial performance;
- c) business and strategic plans;
- d) major corporate acquisitions and dispositions;
- e) significant changes in senior management;
- f) significant changes in corporate structure, such as reorganizations;
- g) significant litigation;
- h) changes in capital structure and public or private sale of securities;
- i) borrowing of a significant amount of funds;
- j) entering into or loss of significant contracts; and
- k) takeover bids or issuer bids.

### **6.3 Issuing Press Releases**

The Disclosure Committee will make the determination whether any particular material information should be disclosed and the timing of such disclosure. Thereafter:

- a) the Chief Financial Officer will prepare a draft of the press release which will be circulated to the members of the Disclosure Committee, and such other persons as may be appropriate given the contents of the proposed press release, for their review and approval;

- b) once completed, the press release will be submitted to the Disclosure Committee and, in cases where the press release contains financial information, the Audit Committee and the Board of Directors for final review, approval and authorization for dissemination;
- c) once approved, the press release will be submitted to the market surveillance department of the TSX for approval;
- d) when market surveillance has approved its release, the press release will be forwarded to Canada Newswire Inc. for dissemination to the public;
- e) after the press release has been disseminated, Sunward will forthwith file it on SEDAR and post its contents in full on the Sunward Website;
- f) where the press release contains financial information, Sunward will concurrently file the financial statements and all supporting documents on SEDAR;
- g) if a conference call is planned, Sunward will provide advance notice by way of press release of the date and time of any conference call to discuss the material information, the subject matter of the call and the means for accessing it;
- h) Sunward will hold the conference call in an open manner, permitting investors and others to listen either by telephone or through internet webcasting; and
- i) Sunward will provide dial-in and/or webcast replay or make transcripts of the call available for a reasonable period of time after the analyst conference call.

#### **6.4 Designated Spokespeople**

The designated spokespersons for Sunward, responsible for communication with the media and the investment community, are the Chief Executive Officer and Chief Financial Officer, and any other person designated by the Chief Executive Officer. Designated spokespersons for any subsidiary of Sunward will be determined by the Chief Executive Officer. Directors, officers and employees other than the designated spokespersons must not respond under any circumstances to inquiries from the investment community, the media, regulatory authorities or others unless specifically authorized by one of the spokespersons identified above. All such communications must be referred to an authorized spokesperson.

## **6.5 Confidentiality of Information**

All Subject Persons are legally bound not to disclose confidential information to anyone outside of Sunward . In addition to the legal requirements, Subject Persons are expected to observe the following:

- a) do not discuss Sunward 's business and affairs in places where the discussion may be overheard by persons not authorized to have the information;
- b) confidential documents should not be read or displayed in public places or discarded where they can be retrieved;
- c) documents and files containing confidential information should be kept in a safe place with restricted access;
- d) transmission of documents by fax, email or other electronic means should be made only where it is reasonable to assume that transmission can be made and received under secure conditions; and
- e) documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded and extra copies of confidential documents should be destroyed.

Every effort must be made to limit access to confidential information to only those persons who need to know the information, and such persons must be advised that the information is to be kept confidential.

Outside parties who receive or are privy to undisclosed confidential information in the course of conducting business with Sunward must confirm their commitment to non-disclosure in a written confidentiality agreement.

## **6.6 Selective Disclosure**

All Subject Persons are legally bound not to disclose confidential information to anyone outside of Sunward who is not subject to a confidentiality obligation. Disclosure of such information that has not been publicly disclosed to any person or select group, including investment analysts, institutional investors, other market professionals and the media, is considered selective disclosure. Selective disclosure is illegal and is prohibited.

## **6.7 Unintentional Selective Disclosure**

Disclosure of material information that has not previously been publicly disclosed by a person who either did not know or was reckless in not knowing, prior to making the disclosure, is unintentional selective disclosure. If unintentional selective disclosure has been made, then the Disclosure Committee must be immediately notified. The Disclosure Committee must immediately take all appropriate steps including:

- a) notify the TSX immediately of the unintentional selective disclosure and determine with the TSX whether a trading halt should be instituted pending issuance of a press release;
- b) publicly disclose the material information by way of press release as soon as practicable; and
- c) notify the person to whom the unintentional selective disclosure was made that such information has not been publicly disclosed and must remain confidential and that he or she may not trade in securities of Sunward until the information is generally disclosed.

## **7.0 DEALING WITH REGULATORS**

If requested by a stock exchange or other securities regulatory authority to make a public statement, including in response to a rumor, the Disclosure Committee will consider whether to make a statement and determine the content of the disclosure, if any. In making its decision, the Disclosure Committee may consider the advice of the securities regulatory authority or other external advisors, as it deems appropriate.

The Chief Financial Officer will be responsible for receiving inquiries from the Market Surveillance Division of the stock exchanges with respect to unusual trading activity or market rumors.

The Chief Financial Officer is responsible for contacting the Market Surveillance Divisions of the stock exchanges in advance of a news release of material information, to seek approval of the news release, to watch unusual trading, and to determine if a halt in trading is required.

## **8.0 DEALING WITH THE INVESTMENT COMMUNITY**

### **8.1 General**

In communicating with investment analysts, security holders, potential investors and the media, the following practices must be avoided:

- a) announcing material information that has not previously been announced by way of a press release;
- b) selective disclosure;
- c) distribution of investment analyst reports (only lists of all analysts providing coverage will be supplied); and
- d) commenting on current period earnings estimates and financial assumptions other than as may be generally disclosed.

## 8.2 Conference Calls

Sunward may hold investor and media conference calls with investment analysts and other interested parties as soon as practicable (usually within one business day) after the release of annual and quarterly financial results. Normally, media are invited to listen to investor conference calls and investors are able to listen to media conference calls. Conference calls may also be held following announcements of material information and events, however, they are not a substitute for disclosure of material information by way of press release.

Sunward will announce the date and time of any conference call in a news release prior to the call, if appropriate, and on Sunward's website. An audio recording of the conference call will be made available by either telephone or through an internet webcast for a limited time period thereafter and Investor Relations will retain a permanent record as part of Sunward's corporate disclosure record. Sunward will normally make summary slides available at the time of the conference call on Sunward's website.

The Chief Financial Officer (and other members of the Disclosure Committee, as appropriate) normally hold a debriefing meeting as soon as practicable after any conference call. If such debriefing uncovers unintentional selective disclosure of previously undisclosed material information, the Disclosure Committee will determine the appropriate courses of action.

## 8.3 Analyst Meetings

Sunward's executives may meet with analysts and portfolio managers on an individual or small group basis as required, and initiate or respond to analysts and investor calls. Normally, the Chief Financial Officer, or his or her designee, will attend such meetings. When the Chief Financial Officer, or his or her designee, is unable to attend such meetings, he/she may brief those participating in Sunward's public disclosure prior to such meetings to help ensure consistency in messages and disclosure. Where practical, statements and responses to anticipated questions should be scripted or discussed in advance by Investor Relations. The purposes of the Chief Financial Officer's attendance at such meetings and/or the pre-briefing is to keep detailed records and/or transcripts of all meetings, and to ensure that selective disclosure of undisclosed material information does not occur, and to allow follow-up cross-briefing to other authorized spokespeople to ensure that communication is consistent amongst all authorized spokespeople.

In general, conversations with analysts should be limited to explanations or clarifications of publicly disclosed material information or other non-material information or non-confidential information. When information is formalized into a written schedule for wide distribution, it will be included in the official disclosure record containing copies of all such information, and maintained for at least five years. While Sunward must provide the same oral or written schedule information to any person who requests it, it is not required to formally capture the various non-material discussions held.

If, for any reason, material information is selectively disclosed to analysts, investors or media in any forum, the members of the Disclosure Committee should be immediately notified.

#### **8.4 Analyst Reports and Models**

No one may comment on analyst reports, financial models and their underlying assumptions. However, Sunward may correct inaccurate factual information and discuss economic and industry trends, which are generally known, that may affect it.

Analyst reports are proprietary to the analyst's firm and Sunward should not be seen as endorsing such reports by redistributing or making them generally available to the public or to employees. Notwithstanding this, Sunward can distribute analyst reports to its board of directors, senior managers, credit agencies and financial and professional advisors to assist them in monitoring communications about Sunward and how corporate developments are affecting their analysis.

Sunward will post on its website a complete listing of the analysts who have reports available for their retail clients (regardless of their recommendation), their firm and phone number. Sunward will not provide a link to their website or publications and will not post copies of analyst reports on the Sunward Websites.

#### **8.5 Analyst Revenues, Earnings and Other Estimates**

Responses to inquiries by analysts regarding Sunward's revenues, earnings, and other estimates will be limited to company forecasts and guidance already publicly disclosed, and the range and average of estimates made by other analysts. Sunward must **not** guide analysts with respect to earnings estimates.

Should management determine that future results will likely be significantly out of the range of any previously issued guidance by Sunward (particularly if earnings are expected to be below the range), the Disclosure Committee should consider the appropriateness of issuing a news release and conducting a conference call to explain the change.

#### **8.6 Industry Conferences**

Sunward may participate in various industry conferences in Canada and elsewhere. In general, conversations with interested parties should be limited to explanations or clarifications of publicly disclosed material information or other non-material information or non-confidential information. Brochures or other hand-outs must be approved by the Chief Financial Officer and, if required, by the Disclosure Committee, prior to dissemination to the public. The Chief Financial Officer should be present to monitor that material information is not disclosed.

#### **8.7 Blackout Periods**

During blackout periods (See the Sunward Insider Trading Policy), all Sunward spokespersons are prohibited from commenting on current period earnings estimates and

financial assumptions, other than to cite or refer to existing public guidance. Communications must be limited to commenting on publicly available or non-material information. During blackout periods, all Sunward spokespersons must also avoid initiating meetings (in person or by phone) with investment analysts, security holders, potential investors and the media on items significant to investors, other than responding to unsolicited inquiries concerning factual information. Sunward does not, however, have to stop all communications with analysts or investors during this period and may, for example, participate in investment meetings and conferences organized by other parties, as long as material information which has not been publicly disclosed is not selectively disclosed.

## **9.0 DEALING WITH THE MEDIA**

In communicating with the media, the following procedures will be followed:

- a) Sunward will not provide any material information or related documents to a reporter on an exclusive basis;
- b) Media spokespeople should promptly respond to all media inquiries. Senior management or subject matter experts should be utilized in key announcements, as appropriate, to build credibility and provide more informed disclosure;
- c) Media news conferences on financial matters are normally conducted in separate forums from investors but access to information disclosed should be similar in all material respects. The Chief Financial Officer should attend media conferences to monitor that undisclosed material information has not been selectively disclosed.

## **10.0 DEALING WITH LEAKS, RUMORS AND SPECULATION**

In dealing with leaks, rumors and speculation, the following procedures will be followed:

- a) Sunward's policy is to not comment, affirmatively or negatively, on rumours. This also applies to rumours on the internet. Sunward's designated spokespersons will respond consistently to those rumours by stating "It is our policy not to comment on market rumors or speculation";
- b) If the TSX requests that Sunward make a definitive statement in response to a market rumour that is causing significant volatility in the stock, the Chief Financial Officer will consider the matter and present a recommendation as to the nature and content of a response to the Disclosure Committee and the Disclosure Committee will decide whether to make a policy exception; and
- c) If the rumour is true in whole or in part with respect to undisclosed material information an obligation to disclose such information may be created. In such circumstances, Sunward will immediately contact the TSX to discuss whether trading in Sunward's securities should be halted pending the issuance of a press release disclosing the relevant material information.

## **11.0 MAINTENANCE OF DISCLOSURE RECORD**

The Chief Financial Officer will maintain:

- a) a five year record of all disclosure documents prepared and filed with securities regulators;
- b) copies of all minutes of the meetings and decisions of the Disclosure Committee; and
- c) copies of transcripts of presentations, conference calls and webcasts, notes from meetings with the media and analysts and analyst reports on Sunward .

## **12.0 ELECTRONIC COMMUNICATIONS**

### **12.1 General**

This Policy also applies to electronic communications. Accordingly, officers and employees responsible for written and oral public disclosures are also responsible for electronic communications.

### **12.2 Websites**

- a) The Chief Financial Officer will monitor Sunward 's various websites (the "Sunward Websites") for Sunward and its principal operating subsidiary, Rosia Montana Gold Corporation S.A., to ensure that all information on the Sunward Websites is accurate, complete, up-to-date and in compliance with all relevant securities laws, the Electronic Communications Disclosure Guidelines established by the TSX (the "TSX Guidelines") for the design of a website and dissemination of information electronically, and this Policy;
- b) Disclosure on the Sunward Websites alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosure of material information on the Sunward Websites must be preceded by the issuance of a press release;
- c) If Sunward is considering a distribution of its securities, the content of the Sunward Websites must be reviewed before and during the offering to ensure compliance with applicable securities laws;
- d) All investor relations material will be contained within a separate section of the Sunward Websites and will 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 material posted to the Sunward Websites will indicate the date such material was issued. Any material changes to the material posted on the Sunward Website must be updated immediately;

e) The following information will be included in the Investors Relations section of the Sunward 's website:

(i) all public information that has been disclosed, including complete copies of all documents that have been filed with the Canadian securities regulatory authorities and on SEDAR; and

(ii) all information that is given to analysts, institutional investors and other market professionals, such as fact sheets, fact books, slides of investor presentations and material distributed at analyst and industry conferences;

f) Links from the Sunward Websites to a third party website will include a notice that advises the reader that they are leaving the Sunward Websites and that Sunward is not responsible for the contents of the other site;

g) No media articles pertaining to the business and affairs of Sunward will be posted on the Sunward Websites;

h) The Chief Financial Officer will be responsible for:

(i) posting on the Sunward Websites, forthwith after public dissemination has taken place, all public information that has been disclosed;

(ii) carrying out regular reviews of the Sunward Websites to ensure that the information on the Sunward Websites is accurate, complete, up to date and in compliance with the TSX Electronic Communications Disclosure Guidelines and any other applicable disclosure requirements, and to regularly update and correct any outdated or inaccurate information;

(iii) ensure that all outdated or inaccurate information is removed on a timely basis and electronically archived, with a link being provided to such archived information;

(iv) ensuring that the following retention periods are applied to the following categories of information on the Sunward Websites:

- A) five years for annual financial statements;
- B) two years for quarterly financial statements;
- C) two years for annual information forms
- D) one year for press releases
- E) one year for National Instrument 43-101 technical reports
- F) six months for investor presentations
- G) one month for webcasts and investor relations conferences;

(iv) maintaining a log containing details, including the date and content, of all material information that is posted and/or removed from the website;

- (v) approving all links from the Sunward Websites to third party websites and ensuring all such links will include a notice that advises the reader that he or she is leaving the Sunward Websites and that Sunward is not responsible for the contents of the other site; and
- (vi) responding to all electronic enquiries and in so doing ensuring that only information that could otherwise be disclosed in accordance with this Policy is used in such responses.

### **12.3 Internet Chat Rooms and Electronic Bulletin Boards**

In order to ensure that no material information is inadvertently disclosed, no Subject Person will participate in any internet chat room, newsgroup discussion or electronic bulletin board on matters relating to the business, affairs or securities of Sunward, unless approved by the Chief Executive Officer, Chief Financial Officer or the Disclosure Committee. All employees must report to the Chief Financial Officer any discussion pertaining to the business, affairs or securities of Sunward discovered on the Internet.

### **12.4 E-mail**

All Sunward e-mail addresses are Sunward corporate property, and all correspondence sent or received via such e-mail addresses, is considered corporate correspondence on behalf of Sunward and is subject to the provisions of this Policy.

### **13.0 FORWARD-LOOKING INFORMATION**

If Sunward decides to disclose forward-looking information in any disclosure document, presentation or other public communication, it will follow these guidelines:

- a) forward-looking information will only be released in circumstances determined by the Chief Executive Officer;
- b) to the extent any forward-looking information is provided in required disclosure documents under applicable securities laws, it will be clearly marked as forward-looking and all material assumptions used in the preparation of the forward-looking information will be described in reasonable detail;
- c) all forward-looking information will be disclosed, updated and withdrawn in compliance with all applicable securities laws and regulations;
- d) written and oral statements will be accompanied by appropriate contingency and cautionary language or notices, which will identify or refer to the risks and uncertainties that may cause the actual results to differ materially from those projected in the statements;
- e) all forward-looking information will be accompanied by a statement that disclaims Sunward's intention or obligation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise.

Notwithstanding this disclaimer, should subsequent events prove past material statements to no longer be accurate, Sunward may in its discretion choose to update or revise the forward-looking information;

f) at the beginning of any conference call or presentation, a Sunward spokesperson will make a statement that forward-looking information may be discussed. This will include appropriate cautionary language or references to cautionary statements contained in publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties; and

g) if Sunward has issued a forecast or projection in connection with an offering document pursuant to applicable securities laws, Sunward will update that forecast or projection periodically as required by applicable securities laws.

#### **14.0 CONSEQUENCES OF NON-COMPLIANCE WITH POLICY**

Failure to comply with this Policy may result in severe consequences, which could include internal disciplinary action or termination of employment or consulting arrangements without notice. The violation of this Policy may also violate Canadian securities laws. If it appears that a Subject Person may have violated such laws, then Sunward may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

#### **15.0 REVIEW OF POLICY**

The Board of Directors of Sunward will annually review and evaluate this Policy to determine whether the Policy is effective in ensuring accurate and timely disclosure in accordance with Sunward's disclosure obligations.

#### **16.0 QUERIES**

If you have any questions about how this Policy should be followed in a particular case, please contact the Chief Executive Officer or the Chief Financial Officer of Sunward .

#### **17.0 PUBLICATION OF THE POLICY ON WEBSITE**

This Policy will be posted on Sunward's website: [www.Sunwardresources.com](http://www.Sunwardresources.com)

Original Approval Date: May 31, 2011  
Board of Directors