

## REDZONE RESOURCES LIMITED

### Disclosure and Trading Policy

#### 1. Purpose of This Policy

The purpose of this disclosure and trading policy (the “**Policy**”) of Redzone Resources Limited (“**Redzone**” or the “**Company**”) is to set out certain policies to ensure that:

- the Company complies with its timely disclosure obligations as required under applicable exchange rules, Canadian and any other applicable securities laws;
- the Company prevents the selective disclosure of Material Information (as defined herein) to analysts, institutional investors, market professionals and others;
- documents released by the Company or public oral statements made by a person with actual, implied or apparent authority to speak on behalf of the Company that relates to the business and affairs of the Company do not contain a misrepresentation (as defined herein); and
- all appropriate parties who have Undisclosed Material Information (as defined herein) are prohibited from trading in securities of the Company and from Tipping (as defined herein).

All person to whom this Policy applies will exercise their powers and discharge their duties and will act honestly and in good faith with a view to the best interests of the Company.

#### 2. Application of This Policy

This Policy applies to the groups of persons set out in attached Schedule “A” attached. If the application of any section of the Policy is limited to certain groups of persons, that section will describe which groups of persons are subject to that section. Otherwise, this Policy applies to persons in all of the groups set out in Schedule “A”.

#### 3. Disclosure Committee

##### 3.1 Structure of the Disclosure Committee

The board of directors of the Company has created a corporate disclosure committee (the “**Disclosure Committee**”) which is responsible for implementing this Policy. The Disclosure Committee will consist of the Chief Executive Officer, the Chief Financial Officer, and such other persons as may be designated by the Chief Executive Officer and Chief Financial Officer. Notwithstanding the foregoing, the composition of the Disclosure Committee may change from time to time. The Disclosure Committee may adopt disclosure controls and procedures in addition to those set out in this Policy.

### 3.2 Mandate of the Disclosure Committee

The Disclosure Committee will have the responsibility to:

- (a) evaluate the necessity of making public disclosures;
- (b) review and approve, before it is Generally Disclosed (as defined herein), each Document (as defined) to assess the quality of the disclosures made in the Document including, but not limited to, whether the Document is accurate and complete in all material respects;
- (c) review and approve the guidelines and procedures to be distributed to appropriate management and other Company personnel designed to gather the information required to be disclosed in Core Documents (as defined herein);
- (d) establish timelines for the preparation of Core Documents, which timelines will include critical dates and deadlines during the disclosure process relating to the preparation of drafts, the circulation of drafts to appropriate Company personnel, the Company's independent auditors, and the Chairman of the appropriate Committee, the receipt of comments and the review of the comments by the Disclosure Committee. Such timelines should allow for circulation of draft Core Documents to such persons sufficiently in advance of the applicable filing deadline in order to enable such persons to review carefully the filing and discuss any questions and comments related thereto;;
- (e) make determinations about whether:
  - (i) a material change (as defined below) has occurred;
  - (ii) selective disclosure has been or might be made; or
  - (iii) a misrepresentation has been made;
- (f) oversee the design and implementation of this Policy and the Company's "**disclosure controls and procedures**", which are defined as controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by the Company in its Documents is recorded, processed, summarized and reported within the specified time periods;
- (g) periodically evaluate the effectiveness of the Company's disclosure controls and procedures, particularly prior to the filing of each Core Document, and assist the Chief Executive Officer and the Chief Financial Officer with their evaluation of the effectiveness of such disclosure controls and procedures;
- (h) in its discretion, conduct interim evaluations of the Company's disclosure controls and procedures in the event of a significant change in securities regulatory requirements, Canadian GAAP or other applicable accounting standards, legal or

other regulatory policies, or stock exchange requirements, or if it otherwise considers such evaluations appropriate;

- (i) educate the Directors, Officers, Employees and Contractors about the matters contemplated by this Policy;
- (j) monitor the effectiveness of, and compliance with, this Policy and report to the Audit Committee of the Board on the operation of this Policy, or to the Chief Executive Officer and the Chief Financial Officer in the case of the effectiveness of the disclosures made in Documents, and recommend any necessary changes to this Policy;
- (k) annually review and reassess the adequacy of this Policy and, if necessary, recommend any changes to the Chief Executive Officer and the Chief Financial Officer for approval such that it complies with changing requirements and best practices;
- (l) accumulate information which may be required to be reported upon or disclosed and communicated to the executive officers of the Company to allow the Company to meet its disclosure obligations on a timely basis; and
- (m) if requested by the Board, report to the Chief Executive Officer and the Chief Financial Officer prior to such officers executing their certifications related to the Company's financial statements or other Core Documents, as applicable, or prior to filing Core Documents on SEDAR if no certification is required, setting out the evaluation, findings and conclusions of the Disclosure Committee regarding the effectiveness of the Company's disclosure controls and procedures and the Disclosure Committee's assessment of the quality of the disclosures made in the Company's Core Documents.

### **3.3 Meetings of the Disclosure Committee**

The Disclosure Committee will meet every quarter or as circumstances dictate and minutes of such meetings will be maintained by the Corporate Secretary of the Company. Any member of the Disclosure Committee may call a meeting of the Disclosure Committee, with or without notice as circumstances dictate, to consider any matter within the mandate of the Disclosure Committee. Unless otherwise set out in this Policy, or as established by the Disclosure Committee from time to time, all of the rules of procedure with respect to meetings and other activities of the board of directors will apply to the Disclosure Committee. A majority of the members of the Disclosure Committee present in person or by conference call at the time a meeting is convened will constitute a quorum for all purposes. The Disclosure Committee may also approve any matter by unanimous consent resolution executed by all members of the Disclosure Committee, in lieu of a meeting.

### 3.4 Consulting Outside Advisors

The Disclosure Committee may consult with the Company's legal counsel and other appropriate expert advisers as it considers necessary in connection with this Policy.

## 4. Individuals who are Authorized to Speak on Behalf of the Company

4.1 Unless otherwise authorized by the Disclosure Committee, only the following individuals ("**Spokespersons**") are authorized to make public oral statements or initiate contacts with analysts, the media and investors. As well, only the Spokespersons are authorized to respond to analysts, the media and investors on behalf of the Company and only with respect to the areas noted opposite their names. The list may be changed by the Disclosure Committee from time to time.

| <u>Spokesperson</u>     | <u>Area</u> |
|-------------------------|-------------|
| Chief Executive Officer | All Areas   |
| Chief Financial Officer | All Areas   |
| Chief Operating Officer | All Areas   |

4.2 If you are not a Spokesperson and are approached by the media, an analyst, investor or any other member of the public to comment on the business and affairs of the Company, you must refer all inquiries to the Chief Executive Officer and immediately notify the Chief Executive Officer that the approach was made.

4.3 A Spokesperson may, from time to time, designate in writing (1) other Directors or Officers, or (2) with the approval of the Disclosure Committee, any other person (including Employees), to speak on behalf of the Company as back-ups or to respond to specific inquiries. The Spokesperson will advise the Chief Executive Officer that such a designation has been made prior to such designee speaking on the Company's behalf.

## 5. Procedures Regarding the Preparation and Release Documents

5.1 The procedures in this section apply to all Directors, Officers, Employees and Contractors.

5.2 A "**Document**" means a written communication, including a communication prepared and transmitted in electronic form:

- that is required to be filed with the British Columbia Securities Commission ("**BCSC**") or any other applicable Canadian securities commission on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") web site at [www.sedar.com](http://www.sedar.com) or otherwise;
- that is not required to be filed with the BCSC or any other applicable Canadian securities commission and that is so filed;

- that is filed or required to be filed with a government or an agency of a government under applicable securities or corporate law or with any stock exchange or similar institution under its bylaws, rules or regulations; or
- that is any other communication the content of which would reasonably be expected to effect the market price or value of the securities of the Company.

**5.3** A “**misrepresentation**” means:

- an untrue statement of a material fact (as defined herein); or
- an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the circumstances in which it is made.

**5.4** The securities regulatory authorities distinguish between “core documents” and “non-core documents”.

For the purpose of this Policy, the following documents are “**Core Documents**”:

- prospectuses;
- take-over bid circulars;
- issuer bid circulars;
- directors’ circulars;
- rights offering circulars;
- management’s discussion and analysis (“**MD&A**”);
- annual information forms;
- information circulars;
- annual financial statements;
- interim financial statements; and
- material change reports.

**5.5** Prior to the time that any Document is to be released to the public and/or filed with a securities regulatory authority, or filed on SEDAR, the following procedures must be observed:

- the Document must be prepared in consultation with, and be reviewed by, personnel in all applicable internal departments of the Company, and input from external experts and advisors should be obtained as necessary;

- any Core Document, other than a material change report, must be reviewed and approved by the Disclosure Committee;
- any press release which contains Material Information or any material change report must be reviewed and approved by the Chief Executive Officer and at least one other member of the Disclosure Committee, or such other person or persons as they may designate from time to time;
- any press release which contains financial information based on the Company's financial statements prior to the release thereof must be reviewed and approved by the Audit Committee;
- in the event a report, statement or opinion of any expert is included or summarized in a Document, the written consent of the expert to the use of the report, statement or opinion or extract thereof and the specific form of disclosure will be obtained. In addition, the Disclosure Committee must be satisfied that:
  - (i) there are no reasonable grounds to believe that there is a misrepresentation in the part of the Document made on the authority of the expert; and
  - (ii) the part of the Document made on the authority of the expert fairly represents the expert report, statement or opinion;
- Core Documents, other than material change reports, must be provided to the Directors sufficiently in advance of the time they are to be filed or released to allow the Directors to review and comment on such documents. It is recognized that the requirement to make prompt disclosure of material changes by way of press releases may make it difficult to have certain press releases and material change reports reviewed by the Directors;
- in the case of interim financial statements, annual financial statements and interim and annual MD&A, such documents must be reviewed and approved by the Audit Committee of the board of directors of the Company in accordance with the Audit Committee Charter following approval of the Disclosure Committee and prior to submission to the board of directors as a whole; and
- the Company must comply with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* as well as relevant exchange and applicable securities law standards.

**5.6** In the event that a Document contains any Forward-Looking Information (as defined below) this information must be specifically identified as such and must include: (a) meaningful cautionary language; (b) the material factors or assumptions that were used in drawing a conclusion or making a forecast or projection set out in the forward-looking information; (c) the Company's practice for updating Forward-Looking Information and (d) the material factors that could cause the actual results to differ materially from the conclusion, forecast or projection contained in the forward-looking information.

If the forward-looking information is contained in a public oral statement (as defined below), such public oral statement shall: (a) include a cautionary statement that to the effect that it contains forward-looking information; and (b) if applicable, identify a readily-available Document where additional information can be found with respect to the forward-looking information. A Document is readily available if it has been filed on SEDAR.

**5.7 “Forward-Looking Information”** means all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes future oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. An example would be the discussion of trends and prospects for the Company in its MD&A.

## **6. Procedures Regarding Public Oral Statements**

**6.1** The procedures in this section apply to all Directors, Officers, Employees, Contractors, Spokespersons and any other person with actual or implied authority to make a public oral statement (as defined below).

**6.2** A “**public oral statement**” is any oral statement made in circumstances in which a reasonable person would believe that information contained in the statement will become generally known by the public whether by way of Generally Disclosure or otherwise. Examples include speeches, presentations, news conferences, interviews and discussions with analysts where the Company’s business and affairs, prospectus or financial condition is discussed. The following procedures should be observed in respect of any public oral statements made by or on behalf of the Company:

- such public oral statements should be made only by the Spokespersons authorized by this Policy to make public oral statements on behalf of the Company; and
- the Spokespersons must ensure that any public oral statements on behalf of the Company do not contain a misrepresentation and comply with this Policy.

## **7. Timely Disclosure of Material Information**

**7.1 “Material Information”** consists of both “material facts” and “material changes”. A “**material fact**” means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Company. A “**material change**” means a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company and includes a decision to implement such a change if such a decision is made by the board of directors or by senior management of the Company who believe that confirmation of the decision by the board of directors is probable.

**7.2** Any person to whom this Policy applies who becomes aware of information that has the possibility of being Material Information must immediately disclose that information to the Chief Executive Officer or the Chief Financial Officer and the Chief Executive Officer or Chief Financial Officer will advise the Disclosure Committee. Schedule “B” attached lists examples of Material Information.

**7.3** Upon the occurrence of any change that may constitute a material change in respect of the Company, the Disclosure Committee, in consultation with such other advisors as it may consider necessary, will:

- consider whether the event constitutes a material change;
- if it does constitute a material change, prepare a press release and a material change report describing the material change as required under applicable securities laws;
- determine whether a reasonable basis exists for filing the material change report on a confidential basis; and
- issue the news release and make the applicable filings.

Press releases disclosing Material Information will be transmitted to the stock exchange upon which securities of the company trade, relevant regulatory bodies and major news wire services that disseminate financial news to the financial press. Such press releases must be pre-cleared by Regulation Services if issued during trading hours.

## **8. Internet Chat Rooms and Bulletin Boards**

**8.1** Directors, Officers, Employees and Contractors must not discuss or post any information relating to the Company or its subsidiaries, if any, or trading in securities of the Company in Internet chat rooms, newsgroups or bulletin boards.

**8.2** Directors, Officers, Employees and Contractors must advise the Chief Executive Officer if they are aware of any discussion of information regarding the Company in a chat room, newsgroup or bulletin board.

## **9. Rumours**

So long as it is clear that the Company was not the source of a market rumour, the Company will not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet. Spokespersons will respond consistently to those rumours, saying “It is our policy not to comment on market rumours or speculation.” If a relevant stock exchange or securities regulatory authority requests that the Company make a statement in response to a market rumour, the Disclosure Committee will consider the matter and make a recommendation to the Chief Executive Officer as to the nature and context of any response.



## **10. Website**

**10.1** The Chief Financial Officer is responsible for updating the Company's website and is responsible for monitoring all information placed on such website. All such information shall be dated when posted or modified.

**10.2** All information on the Company's website will be retained for a period of time required by applicable law.

**10.3** The Company's website must include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures. Any inaccurate information must be promptly removed from the website and a correction must be posted.

**10.4** If the Company is considering a distribution of its securities, the content of the website must be reviewed with the Company's legal counsel before and during the offering to ensure compliance with applicable securities laws.

## **11. Confidentiality of Undisclosed Material Information**

**11.1** "**Undisclosed Material Information**" of the Company is Material Information about the Company that has not been "**Generally Disclosed**", that is, disseminated to the public by way of a press release together with the passage of a reasonable amount of time (24 hours, unless otherwise advised that the period is longer or shorter, depending on the circumstances) for the public to analyze the information.

**11.2** Any person to whom this Policy applies and who has knowledge of Undisclosed Material Information must treat the Material Information as confidential until the Material Information has been Generally Disclosed.

**11.3** Undisclosed Material Information will not be disclosed to anyone except in the necessary course of business. The securities regulators have issued guidance on the circumstances in which disclosure may be in the necessary course of business. If Undisclosed Material Information has been disclosed in the necessary course of business, anyone so informed must clearly understand that it is to be kept confidential, and, in appropriate circumstances, execute a confidentiality agreement. When in doubt if this Policy applies, consult with the Chief Executive Officer to determine whether disclosure in a particular circumstance is in the necessary course of business. For greater certainty, disclosure to analysts, institutional investors, other market professionals and members of the press and other media will not be considered to be in the necessary course of business. "**Tipping**", which refers to the disclosure of Undisclosed Material Information to third parties outside the necessary course of business, is prohibited.

**11.4** In order to prevent the misuse or inadvertent disclosure of Undisclosed Material Information, the procedures set forth below should be observed at all times:

- documents and files containing confidential information 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;
- confidential matters should not be discussed in places where the discussion may be overheard such as elevators, hallways, restaurants, airplanes or taxis;
- transmission of documents containing Undisclosed Material Information by electronic means will be made only where it is reasonable to believe that the transmission can be made and received under secure conditions; and
- unnecessary copying of documents containing Undisclosed Material Information must be avoided and extra copies of documents must be removed from meeting rooms and work areas at the conclusion of the meeting and must be destroyed if no longer required.

## **12. Quiet Period**

Each period (1) beginning the last day of each fiscal quarter and each fiscal year, and (2) ending when the financial results for that quarter or year have been Generally Disclosed, will be a “**Quiet Period**”. In addition, the Disclosure Committee may designate additional Quiet Periods from time to time. During a Quiet Period, Spokespersons must not provide any Forward-Looking Information relating to the business and affairs of the Company or any of its subsidiaries, including information relating to expected revenues, net income or profit, earnings per share, expenditure levels and other information commonly referred to as earnings guidance (“**Earnings Guidance**”) or comments with respect to the financial results for the current fiscal quarter or current fiscal year. Notwithstanding these restrictions, the Company may Generally Disclose Forward-Looking Information during the Quiet Period when the Forward-Looking Information constitutes Undisclosed Material Information. During a Quiet Period, Spokespersons may respond to unsolicited inquiries about information either that is not Material Information or that has been Generally Disclosed.

## **13. Avoiding Selective Disclosure**

**13.1** When participating in shareholder meetings, news conferences, analysts' conferences and private meetings with analysts or institutional investors, Spokespersons must only disclose information that either (1) is not Material Information or (2) is Material Information but has previously been Generally Disclosed. Any selective disclosure of Undisclosed Material Information, including Earnings Guidance, is not permitted.

**13.2** If Undisclosed Material Information is inadvertently disclosed, the Disclosure Committee will take immediate steps to ensure that the information is Generally Disclosed and the Company will contact the parties to whom the Material Information was disclosed and inform them: (a) that the information is Undisclosed Material Information, and (b) of their legal obligations with respect to the Material Information. The Company should also take immediate steps to ensure that a full public announcement is made.

## **14. Analyst Reports**

**14.1** When reviewing analysts' reports, comments of Directors, Officers, Employees and Contractors must be limited to identifying and or pointing out inaccuracies of factual information that has been Generally Disclosed. No comfort or guidance will be expressed on the analysts' earnings models or earnings estimates and no attempt will be made to influence an analyst's opinion or conclusion.

**14.2** Analysts' reports will not be posted on or linked from the Company's website.

## **15. Trading of Securities of the Company**

**15.1** No Person in a Special Relationship with the Company will purchase or sell or otherwise monetize securities of the Company while in possession of Undisclosed Material Information.

**15.2** Directors, Officers and those Employees and Contractors who participate in the preparation of the Company's financial statements or who are privy to material financial information relating to the Company are prohibited from purchasing or selling securities of the Company during the period of time beginning on: (1) 15 business days prior to the last day of a fiscal quarter, or fiscal year end, and (2) ending on the close of business on the second business day after the financial results of a fiscal quarter or fiscal year end have been disclosed (the "**Executive Blackout**"). The Corporate Secretary will disseminate a notice to all applicable parties, communicating the commencement and end dates of an Executive Blackout period.

**15.3** All Directors, Officers, Employees and Contractors who are so advised by the Disclosure Committee will be prohibited from purchasing or selling securities of the Company during any other period designated by the Disclosure Committee (the "**Specific Blackout**"). The Corporate Secretary will disseminate a notice to all applicable parties, communicating the commencement and end dates of any Specific Blackout period.

**15.4** Notwithstanding Sections 15.2 and 15.3, a Director, Officer, Employee and Contractor may purchase or sell securities during any blackout period (an Executive Blackout or a Specific Blackout, as may be applicable) with the prior written consent of the Chief Financial Officer if he or she does not have knowledge of Undisclosed Material Information. The Chief Financial Officer will grant permission to purchase or sell during a blackout period only in the case of unusual, exceptional circumstances.

**15.5** The trading prohibitions in Sections 15.1, 15.2, 15.3 and 15.4 do not apply to the acquisition of securities through the exercise of share options but do apply to the sale of the securities acquired through the exercise of share options.

## **16. Insider Reports**

**16.1** A Reporting Insider is required to file an initial insider report within ten (10) days of becoming a Reporting Insider and subsequent insider reports within five (5) days following any trade of securities of the Company. If a Reporting Insider does not own or have control over or direction over securities or related financial instruments of the Company, or if ownership or

direction or control over securities or related financial instruments of the Company remains unchanged from the last report filed, a report is not required.

**16.2** If a Reporting Insider enters into, materially amends, or terminates an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the Reporting Insider's economic exposure to the Company and involves, directly or indirectly, a security of the Company or a related financial instrument involving a security of the Company, and the Reporting Insider is not otherwise required to file an insider report, the Reporting Insider must, within 5 days of this event, file an insider report in respect of the Company.

**16.3** If a Reporting Insider has questions or requires assistance with the filing of an insider report, such Reporting Insider may contact the Chief Financial Officer or Corporate Secretary for information.

## **17. Commitment**

To demonstrate our determination and commitment to the purposes of this Policy, the Company asks each Contractor, Employee and Officer review this Policy periodically throughout the year. Take the opportunity to discuss with management any circumstances that may have arisen that could be a breach of this Policy.

## Schedule "A"

### Individuals and Entities that this Policy Applies to

"**Contractors**" means independent contractors of the Company or any of its subsidiaries;

"**Directors**" means directors of the Company or any of its subsidiaries;

"**Employees**" means full-time, part-time, contract or secondment employees of the Company or any of its subsidiaries;

"**Insiders**" means:

1. Directors or Officers of the Company;
2. persons who beneficially own, and/or have control or direction over, directly or indirectly, more than 10% of the voting rights attached to all of the Company's outstanding voting securities of the Company ("**10% Shareholders**");
3. directors or Senior Officers of a subsidiary of the Company; or
4. directors or Senior Officers of 10% Shareholders;

"**Reporting Insider**" means an insider of the Company if the insider is:

- a) the CEO, CFO or COO of the Company, of a significant shareholder of the Company or of a major subsidiary of the Company;
- b) a director of the Company, of a significant shareholder of the Company or of a major subsidiary of the Company;
- c) a person or company responsible for a principal business unit, division or function of the Company;
- d) a significant shareholder of the Company;
- e) a significant shareholder based on post-conversion beneficial ownership of the Company's securities and the CEO, CFO, COO and every director of the significant shareholder based on post-conversion beneficial ownership;
- f) a management company that provides significant management or administrative services to the Company or a major subsidiary of the Company, every director of the management company, every CEO, CFO and COO of the management company, and every significant shareholder of the management company;
- g) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (a) to (f);

- h) the Company 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
- i) any other insider that (i) in the ordinary course receives or has access to information as to material facts or material changes concerning the Company before the material facts or material changes are generally disclosed; and (ii) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the Company;

**"Officers"** means officers of the Company or any of its subsidiaries;

**"Persons in a Special Relationship with the Company"** means a person who:

1. is an insider, affiliate or associate of:
  - (a) the Company;
  - (b) a person proposing a take over bid; or
  - (c) a person proposing business combination or to acquire a substantial portion of the Company's property;
2. is engaging or proposing to engage in any business or professional activity with or on behalf of the Company or a person described in 1(b) or (c);
3. is a director, officer or employee of:
  - (a) the Company; or
  - (b) a person described in 1 (b), (c) or 2;
4. knows of a material fact or change acquired while in relationship set out in 1, 2 or 3; or
5. knows of a material fact or change acquired from:
  - (a) a person in a special relationship under this paragraph or 1 to 4; and
  - (b) knew or reasonably should have known of the special relationship

**"Senior Officers"** means:

1. the Chair, Vice-Chair, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, President, Vice-President, Corporate Secretary, Assistant Secretary, Treasurer, Assistant Treasurer and General Manager; or
2. any other individual who performs functions for the Company or any of its subsidiaries similar to those normally performed by an individual occupying any of the offices listed in (1) above.

A company is considered to be a "**Subsidiary**" of another company if (1) it is controlled by (a) that other company, (b) that other company and one or more companies, each of which is controlled by that other company, or (c) two or more companies, each of which is controlled by that other company; or (2) it is a subsidiary of a company that is a subsidiary of that other company. In general, a company will control another company when the first company owns more than 50% of the outstanding voting securities of that other company.

## Schedule "B"

### Examples of Information that May Be Material

#### Changes in corporate structure

- changes in share ownership that may affect control of the Company
- changes in corporate structure such as capital reorganizations, amalgamations or mergers
- take-over bids, issuer bids or insider bids

#### Changes in capital structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange or stock dividend
- changes in the Company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders
- any acquisitions or dispositions of the Company's own securities

#### Changes in financial results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the Company's assets
- any material change in the Company's accounting policies



### **Changes in business and operations**

- any development that affects the Company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries of, or changes to, resources
- changes to the board of directors or executive management, including the departure of the Company's CEO, CFO or person in equivalent positions
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the Company's securities or their movement from one quotation system or exchange to another
- any oral or written agreement to enter into any management contract, investor relations agreement, service agreement not in the normal course of business, or related party transaction, including a transaction involving non-arms length parties

### **Acquisitions and dispositions**

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company
- a reverse take-over, change of business or other material information relating to the business, operations or assets of a company

### **Changes in credit arrangements**

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the Company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors

- changes in rating agency decisions
- significant new credit arrangements

**REDZONE RESOURCES LTD.**  
(the "Company")

**DISLCOSURE COMMITTEE**  
(the "Committee")

**Web Site Changes:**

The following changes to the Company's web site are presented for the Committee's review and approval:

*[description inserted]*

**Presented by:**

\_\_\_\_\_

**Approved by:**

\_\_\_\_\_

**Effective date:**

\_\_\_\_\_