



AVESORO RESOURCES INC.

Insider Trading Policy

Table of Contents

1. Introduction	3
2. Insider Trading/Tipping Restrictions.....	3
2.1 Insider Trading/Tipping Restrictions.....	3
2.2 Material Information	4
2.4 Prohibition against Insider Trading, Tipping and Speculating	5
2.4.1 Insider Trading	5
2.4.2 Tipping.....	5
2.4.3 Speculating.....	7
2.5 Blackout Periods and Additional Trading Restrictions for all Directors and Officers	7
3. Pre-clearance and pre-approval of Trades	9
4. SEDI Reporting Requirements.....	9
5. Other Insider Trading Rules	10
6. Consequences of Non-Compliance with this Policy.....	10
7. Communication of this Policy	10
Attachment A.....	11
Attachment B.....	13

1. Introduction

Avesoro Resources Inc. (the “Company”) is a publicly traded company and a reporting issuer under Canadian securities legislation. Under applicable securities laws and stock exchange rules:

- (a) the Company must make prompt public disclosure of all Material Information (as defined in this Policy) relating to the Company or its material subsidiaries;
- (b) every person or company in a special relationship with the Company that has Material Information that has not been generally disclosed is not permitted to:
 - (i) inform (or “tip”) others of Material Information that has not been generally disclosed, except in the necessary course of business; or
 - (ii) purchase or sell securities of the Company with knowledge of Material Information that has not been generally disclosed; and
- (c) every reporting insider, including significant shareholders, directors and officers of the Company, must report their trades in securities of the Company.

This Insider Trading Policy (the “Policy”) is intended to outline the restrictions on trading in securities of the Company by directors, officers and other employees of the Company or its subsidiaries (as well as other persons who may be in a “special relationship” with the Company within the meaning of applicable securities laws in Canada), and the insider reporting requirements applicable to certain insiders of the Company.

It is the personal responsibility of each director, officer and employee of the Company to ensure that, when they trade or propose to trade in the securities of the Company or of companies with which the Company has business dealings, they comply with all applicable insider trading restrictions including, but not limited to, those referred to in this Policy. The provisions of this Policy are qualified by the specific provisions of applicable law, which shall always apply regardless of this Policy, and which supersede this Policy. For greater certainty and without limiting individuals’ responsibilities under this Policy, any breach of insider trading or tipping laws shall be deemed to be a breach of this Policy.

2. Insider Trading/Tipping Restrictions

2.1 Insider Trading/Tipping Restrictions

Insider trading is strictly regulated by Canadian securities law, which provides for fines, imprisonment and other penalties in the event of violations of the prescribed restrictions on trading in the securities of a reporting issuer. Other penalties may include being banned from being a director or officer of a Canadian reporting issuer, disgorgement orders, and orders prohibiting the use of certain exemptions under Canadian securities laws. For this

purpose, securities include, but are not limited to, any of the Company's shares, phantom shares, debt instruments, puts, calls, options or other rights to purchase or sell securities of the Company, and any securities the market price of which varies materially with the market price of the securities of the Company (collectively "Securities").

Securities legislation in Canada sets out two main prohibitions in relation to insider trading/tipping:

- A person in a special relationship with a reporting issuer may not purchase or sell securities of the reporting issuer with knowledge of Material Information (as defined below) that has not been generally disclosed. Failure to comply with the foregoing is known as "insider trading".
- A person in a special relationship with a reporting issuer may not inform another person or company, other than in the necessary course of business (as described in **Attachment B**), of Material Information before the Material Information has been generally disclosed. Failure to comply with the foregoing is known as "tipping".

2.2 Material Information

In this Policy, "Material Information" consists of both "material facts" and "material changes". A "material fact" in relation to a reporting issuer means a fact that would reasonably be expected to have a significant effect on the market price or value of the securities of the reporting issuer. A "material change" in relation to a reporting issuer means a change in the business, operations or capital of the reporting issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the reporting issuer and includes a decision to implement such a change if such a decision is made by the board of directors of the reporting issuer or other persons acting in a similar capacity or senior management of the reporting issuer who believe that confirmation of the decision by the board of directors or other persons acting in a similar capacity is probable.

The determination of whether or not information constitutes Material Information involves the exercise of careful judgment based on experience and objective assessment of the likely effect on the market price of the Securities resulting from disclosure of the Material Information. Examples of information which may be material information include, but are not limited to, those examples listed on **Attachment A – Examples of Potentially Material Information**. This list is not exhaustive.

2.3 Persons in Special Relationship

A "person in a special relationship" with an issuer (which includes a reporting issuer and any other issuer whose securities are publicly traded) includes a wide variety of persons and companies:

- (a) each director, officer, or employee of the Company or any subsidiary;
- (b) a person or company that is a holder of 10% or more of the outstanding voting securities of the Company, and its affiliates and associates, as well as its directors, officers and employees;
- (c) a person or company that is considering or evaluating whether to make a take-over bid for the Company, or that is considering or evaluating whether to become a party to a reorganization, amalgamation, merger or arrangement with the Company;
- (d) a person or company that learns of Material Information from any of the foregoing where that persons knows, or ought to have known, that the person or company was in a special relationship; and
- (e) a relative of any of the foregoing who resides at the same home as that person.

An “officer” is defined as the chair and any vice-chair of the board of directors, the chief executive officer, the chief operating officer, the chief financial officer, the president, any vice-president, the secretary, the assistant secretary, the treasurer, the assistant treasurer, the general manager, every other individual who performs functions for the issuer similar to those normally performed by an individual occupying any of the above offices and every individual who is designated as an officer under a by-law or similar authority of the issuer.

2.4 Prohibition against Insider Trading, Tipping and Speculating

2.4.1 Insider Trading

- (a) **Prohibition on Trading with Knowledge of Undisclosed Material Information.** No person to whom this Policy applies shall purchase or sell securities of the Company with knowledge of Material Information that has not been generally disclosed. This includes instances that apparently run counter to the Material Information in question, such as selling Securities while in possession of positive Material Information that has not been generally disclosed.
- (b) **Trading on Third Party Information.** If the Material Information that has not been generally disclosed concerns a transaction, or proposed transaction, between the Company and one or more third parties, no person to whom this Policy applies shall trade in securities of such third party or third parties if its securities are publicly listed anywhere in the world.

2.4.2 Tipping

- (a) **Corporate Information.** All persons to whom this Policy applies are prohibited from disclosing any Material Information about the Company that has not been generally disclosed, except in accordance with this Policy.

- (a) **Third Party Information.** The Company is generally required to keep confidential information it receives from third parties such as customers, suppliers, business partners or other persons with which the Company is involved in a transaction or proposed transaction, other than in the necessary course of business. Any person to whom this Policy applies must keep this third party information strictly confidential and take the same measures with respect to the confidential information of the third party as they take with respect to confidential information of the Company.
- (b) **Necessary Course of Business.** Material Information that has not been generally disclosed may be disclosed by a person to whom this Policy applies to selected individuals if doing so is in the necessary course of business and on a strict need-to-know basis. Disclosure in the necessary course of business may include communications with those persons or entities listed on **Appendix B – Examples of Disclosure in the Necessary Course of Business**, but this list is not exhaustive. The individual to whom Material Information that has not been generally disclosed is provided must be advised that:
- (i) the information constitutes Material Information that has not been generally disclosed and may not be disclosed to anyone else, other than in the necessary course of business (and then only with the prior consent of the Company); and
 - (ii) such individual, as a result of receiving that information becomes a person in a special relationship subject to insider trading laws, and cannot trade, or assist others to trade, in the Company's or, if applicable, a third party's listed securities until the Material Information is generally disclosed.

In appropriate circumstances, an outside party receiving confidential information in the necessary course of business may be required to sign a confidentiality agreement, even if such confidential information is not Material Information.

Disclosure to market participants (including analysts), investors (including institutional investors), shareholders and the media of Material Information that has not been generally disclosed is **not** considered to be in the necessary course of business, and constitutes tipping.

Any person to whom this Policy applies and who is uncertain about whether disclosure is in the necessary course of business should consult with a member of the Disclosure Committee.

2.4.3 General Disclosure

Material Information is generally disclosed when it has been disclosed in a manner that is designed to effectively and widely disseminate the Material Information to the market. This is deemed to occur one (1) trading day after dissemination of the Material Information by press release through a widely utilized news wire service in Canada. Disclosure at a conference, on an investor call, or through a document placed on the Company's website does not constitute general disclosure.

2.4.4 Speculating

No person to whom this Policy applies is permitted to:

- (a) sell, directly or indirectly, a security of the Company or any affiliate of the Company if such person does not own or has not fully paid for the security to be sold, unless such person owns another security convertible into the security sold or an option or right to acquire the security sold and, within 10 days after the sale, such person (i) exercises the conversion privilege, option or right and delivers the security so acquired to the purchaser, or (ii) transfers the convertible security, option or right to the purchaser;
- (b) directly or indirectly, sell a call or buy a put in respect of a security of the Company or any affiliate of the Company.

In this Policy, one body corporate is an "affiliate" of another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person, and if two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be "affiliates" of one another.

2.5 Blackout Periods and Additional Trading Restrictions for all Directors and Officers

In order to avoid even the appearance of possible insider trading, the following additional trading restrictions apply to all Persons subject to this Policy:

- (a) Such individuals are all prohibited from trading in Securities of the Company during a Blackout Period. "Blackout Periods" include the following:
 - (i) the period of 30 calendar days immediately preceding publication of the Company's annual results (or, if longer, the period from the relevant financial year-end up to and including the end of the trading day on which the announcement is made); and

- (1) if the Company is reporting on a half-yearly basis, the period of 30 calendar days immediately preceding the announcement of its half-yearly report (or, if longer, the period from the relevant financial period end up to and including the end of the trading day on which the announcement is made); or
 - (2) if the Company is reporting on a quarterly basis, the period of 30 calendar days immediately preceding the announcement of the quarterly results (or, if longer, the period from the relevant financial period end up to and including the end of the trading day on which the announcement is made).
- (ii) a period of time as determined by the board of directors of the Company (or the Disclosure Committee) from time to time as a result of, among other things, potential undisclosed significant events involving the Company. According to the circumstances, such blackouts may apply generally to all persons to whom this Policy applies or may apply to only a subset group as determined by the board of directors considering all of the facts and circumstances of the potential undisclosed significant event. The Company will use reasonable efforts to notify persons to whom such blackout applies by e-mail when such blackout period is in effect. However, it is the obligation of every person to whom this Section applies to ensure, prior to effecting a trade, that a blackout period is not in effect or that such person is not otherwise restricted from trading in securities of the Company; and
 - (iii) any other period when an person or company that is subject to this Policy or the Company itself, is in possession of Material Information that has not been generally disclosed;
- (b) The Blackout Periods shall apply regardless of whether an individual received advance notice of the commencement of the Blackout Period;
 - (c) The trading prohibitions and restrictions set forth in this Policy will be superseded by any greater prohibitions or restrictions prescribed by applicable securities laws or stock exchange rules and policies.

The insider trading restrictions generally described in this Policy also apply to restrict trading by directors, officers and employees of the Company and its subsidiaries in securities of an issuer with which the Company has a significant business relationship or with which it is proposing to enter into transactions or business combination.

Despite the above, a director, officer or employee of the Company may purchase or sell Securities during a Blackout Period by written request submitted to the Company to obtain the prior written consent of the Chief Financial Officer of the Company or a Designated Director (as defined in the Dealing Code), but provided that the granting of any such consent does not constitute a waiver or exemption from the insider trading and tipping prohibition under Canadian securities and criminal laws. The Chief Financial Officer or Designated Director will grant permission to purchase or sell during a Blackout Period only in exceptional circumstances and only where the person or Company does not have knowledge of Material Information that has not been generally disclosed. Exceptional circumstances may include the sale of Securities in the case of financial hardship or where the timing of the sale is important for tax planning purposes or where options may be expiring. Despite the forgoing exceptional circumstance's exemption, in no event will any person or company to whom this Policy applies be permitted to trade with a third party when such person has knowledge of any Material Information that has not been generally disclosed.

In addition, a trade of Company securities with the Company that has been pre-approved by the Chief Executive Officer or the board of directors, an irrevocable and pre-determined decision to convert share units into shares, etc.), or the exercise of a stock option (but not the subsequent resale of the underlying share) may not be subject to this Policy.

3. Pre-clearance and pre-approval of Trades

Prior to any trades, an individual to which this Policy applies shall obtain the prior consent of the Chief Executive Officer or the Chief Financial Officer or a Designated Director (within the meaning of the Dealing Code) prior to any purchase or sale of the Securities. Requests for pre-clearance and pre-approval must be made in writing using the template form set out in Section E of the Dealing Code. The decision whether or not to grant clearance and approval during a period that is not a Blackout Period will be made on a case-by-case basis, taking into account all the circumstances at the time and in light of all applicable legal and regulatory requirements, this Policy and the requirements of the Dealing Code (if applicable).

The Company will maintain a record of the response to any request for clearance made pursuant to this Section.

If clearance is provided, the clearance will be in effect for five (5) business days and will lapse at the end of such period, or sooner, if the individual comes to have knowledge of Material Information that is not generally disclosed.

4. SEDI Reporting Requirements

Certain insiders are subject to obligations to publicly report their trades of Securities on the System for Electronic Disclosure by Insiders ("SEDI") within the time prescribed by applicable

securities laws. Any insiders seeking clarification of their obligations are to consult with the Chief Financial Officer of the Company.

The insiders themselves are legally responsible for ensuring that they are in compliance with SEDI reporting requirements. To assist such insiders in complying with SEDI requirements, the Company may arrange to file the required insider reports with the securities regulatory authorities on behalf of the insider.

5. Other Insider Trading Rules

The Company's common shares being dual listed on the Toronto Stock Exchange and the AIM Market operated by the London Stock Exchange, this Policy must be read in conjunction with the Company's Dealing Code for Directors, other PDMRs and Restricted Employees ("**Dealing Code**") established in accordance with the AIM Rules. Persons subject to this Policy must comply with the Dealing Code as well, to the extent it is applicable to them, and any trades or transactions conducted by such dual covered persons must comply with this Policy and the Dealing Code.

6. Consequences of Non-Compliance with this Policy

Anyone subject to this Policy who violates this Policy may face disciplinary action up to and including termination for cause and without notice. Violation of this Policy may also constitute a breach of Canadian criminal laws, applicable securities laws and stock exchange rules, including laws against tipping and insider trading, and the Company may refer any such breach to the appropriate authority. Accordingly, violation of this Policy could lead to fines, penalties, imprisonment and liability to investors and the Company for damages.

7. Communication of this Policy

A copy of this Policy will be placed on the Company's website so that it will be available for inspection by all directors, officers and employees of the Company. Directors, officers and employees will be informed of the Policy and any significant changes to it.

Last Updated: August 5, 2016

Attachment A
Examples of Information That May Be Material
(Reproduced from National Policy 51-201 – *Disclosure Standards*)

Changes in corporate structure

- changes in share ownership that may affect control of the Company
- major reorganisations, 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 rights of security holders

Changes in financial results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any periods
- 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 policy

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 by resource companies
- changes to the board of directors or executive management, including the departure of the Company's chief executive officer, chief financial officer, chief operating officer or president (or persons 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

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

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

Attachment B
Examples of Disclosure That May Be Necessary In The Course Of Business
(Reproduced from National Policy 51-201 *Disclosure Standards*)

The necessary course of business exceptions to the tipping prohibition would generally cover communications that are reasonably necessary in the course of business with:

- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts;
- employees, officers and board members;
- lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the Company;
- parties to negotiations;
- labour unions and industry associations;
- government agencies and non-governmental regulators; and
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available).
