

## Insider Policy

This policy applies to all directors, officers, employees and agents ("Employees") of Yangarra Resources Ltd. or its associated companies or subsidiaries ("the Corporation") who have access to confidential information of the Corporation. Note that any reference to the Corporation refers not only to Yangarra Resources Ltd. but also to its subsidiaries and associated companies. Capitalized terms have the meaning set forth in Schedule "A" unless they are otherwise defined.

Securities legislation is based on the premise that the public should have the opportunity to decide whether to buy or sell securities on the basis of information equally available to all. Directors, officers and employees and other individuals of a corporation sometimes, directly or indirectly, acquire knowledge of material information concerning the business affairs of the Corporation which has not yet been disclosed to the public. These individuals would have an unfair advantage if they were to trade securities of the Corporation with a less informed party who may have made a different investment decision had they been equally informed.

All Employees must familiarize themselves and at all times comply with the following measures:

1. Access to undisclosed Material Information shall be limited to those who "need to know" such information.
2. No person having knowledge of undisclosed Material Information relating to the Corporation shall:
  - (a) disclose the information to any person other than in the necessary course of business or with the express written consent of his or her supervising director, officer or manager; or
  - (b) buy sell, or acquire an option to buy or sell, any security of the Corporation or of a third party involved in activity or negotiation with the Corporation;

before the Material Information has been fully disclosed to the public by way of press release and at least one (1) clear day following the day on which the press release is made.

3. The director, officer or employee for an activity or negotiation which could be Material Information shall be responsible for initiating and maintaining adequate procedures and controls to restrict knowledge of the activity or negotiation such as:
  - (a) restricting participation and knowledge of the activity or negotiation to a minimum number of Employees; and
  - (b) notifying, in writing, all involved Employees of their confidentiality obligations; and
  - (c) ensure all correspondence relating to undisclosed Material Information is labelled "CONFIDENTIAL".
4. Employees shall observe the following precautions in addition to any specific precautions which may be imposed on them:
  - (a) refrain from discussing undisclosed Material Information while in the vicinity of uninformed persons;
  - (b) refrain from using cellular phones to openly discuss undisclosed Material Information. Any conversation on a cellular phone should be made on the assumption that others are listening;
  - (c) refrain from discussing any aspect of the Corporation in on-line chat groups, or otherwise via the internet;

- (d) ensure that all e-mail containing information regarding the Corporation is encrypted and transmitted via a secure server (the Blackout Officer(s) will determine whether Employee e-mail is properly encrypted and transmitted via a secure server);
- (e) do not leave correspondence or other documents concerning undisclosed Material Information in plain view unattended;
- (f) if activities, negotiations or other affairs of the Corporation have been assigned a code name, use the code name on all correspondence. Refrain from using specific corporate names whenever possible; and
- (g) report any information leaks or suspected information leaks to the person responsible for the matter.

Strict compliance with this policy is required. All persons subject to this Policy should be aware of the following potential consequences of non-compliance:

1. Canadian securities laws provide that Employees or Tippees (see definition) who trade on the basis of undisclosed Material information may be subject to persecution which may result in fines of up to \$1,000,000 (or three times the profit made in the illegal trade) or to imprisonment for a term of up to five (5) years, or both. In addition to fines and imprisonment, violation may result in civil liability to shareholders affected.
2. If Material Information is leaked or adequate disclosure not forthcoming, securities exchanges or regulatory authorities may require the untimely disclosure by the Corporation of information in order to deny or confirm rumours or to account for unusual trading activity. Securities exchanges or regulatory authorities may halt trading of the Corporation's Securities for an indeterminate period until satisfied that adequate public disclosure had been made.

In addition to the foregoing consequences, any Employee who fails to adhere to this Policy will be subject to disciplinary action by the Corporation which could result in termination of employment for cause.

Any questions regarding this policy should be directed towards the Chief Executive Officer of Yangarra Resources Ltd.



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Jim Evaskevich  
Chief Executive Officer  
Yangarra Resources Ltd.