

# SITKA GOLD CORP

1500-409 Granville Street, Vancouver, BC, V6C 1T2, 604-979-0509

## **Corporate Governance**

Sitka Gold Corp's ("SIG") reputation and success is due largely to the integrity and competence of the people who conduct its business. This Code of Business Conduct and Ethics (the "Code") applies to every director, officer and employee and other representative (each a "Representative" and collectively the "Representatives") of SIG, its direct and indirect subsidiaries and every joint venture managed by it (all such entities collectively the "Corporation"). The provisions of the Code are mandatory.

The Corporation expects its Representatives to adhere to high standards of personal and professional integrity and to avoid any conduct that might reflect unfavorably upon himself or herself, other Representatives or upon the Corporation. The Corporation's business goals are important and demanding but these goals must be achieved honestly and ethically. With these qualifications in mind, the Corporation has adopted this Code which sets forth the standards of behavior that the Corporation requires of the Representatives. Action or failure of action, in contravention of the Code may be considered as unauthorized and outside the course of employment, and the Corporation may not indemnify the officer or employee for his or her costs that arise out of such conduct.

SIG's operations are expected to adopt the Code and to disseminate its provisions to their Representatives. It will be the responsibility of the Chief Executive Officer and each of its operations to ensure that the provisions of this Code are complied with. Compliance is mandatory under all circumstances. Every Representative who has executive or managerial responsibilities is expected to ensure that the provisions of this Code are communicated to Representatives reporting to him or her. The Code affirms in specific terms the Corporation's commitment to uphold high moral and ethical standards and sets out basic behavioral standards required of those conducting its business. Over zealotry, good intentions and failure to seek timely legal advice will not excuse violations of this Code. While the Corporation's activities are subject to a variety of laws and customs in the various jurisdictions throughout the world in which it operates, the Board believes that honesty is the essential standard to be observed. Though legal customs may vary, the Corporation's activities are to be based on honesty, integrity and fairness.

## **B. REPORTING CONTRAVENTIONS OF CODE**

If any Representative believes that this Code has been contravened, or might be contravened, by any other Representative, the Representative must contact an "independent" director and will investigate all such reports.

## **C. STANDARDS**

1. The Corporation and its Representatives will comply with all legal requirements applicable to Corporation's business.

Ignorance of the law is not a defense. Moreover, agreements or arrangements need not necessarily be in writing for contravention to be inferred from the conduct of the parties. If this Code does not cover a particular situation or if the application or interpretation of a local law is uncertain, or in circumstances where the proper course of ethical conduct is unclear, Representatives should seek the assistance of their supervisor who, if necessary, should seek competent local legal advice or, if necessary, the advice of the Corporation's counsel. If there is insufficient time to obtain such advice, Representatives should conduct themselves in a manner they would not hesitate to have fully publicly disclosed. Supervisors, on learning of any contravention of this Code, shall take appropriate corrective action.

2. All dealings between Representatives and public or private officials must be conducted in a manner that will not compromise the integrity, or place in question, the reputation of the Corporation or such officials.

No unlawful or otherwise improper payment or gift is to be made or offered with a view to assisting the Corporation to obtain or retain business, to affect the enactment or enforcement of any laws, or otherwise to obtain favors.

3. Representatives shall not offer, nor furnish on behalf of the Corporation, extravagant gifts or excessive entertainment or benefits to others.

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Modest gifts, reasonable entertainment and other courtesies may be extended by appropriate Representatives to persons or entities doing business or otherwise having dealings with the Corporation if such activity can be justified to further the Corporation's best interests.

No gift or entertainment should be of such value as to constitute a real personal enrichment of the recipient. Public scrutiny of the gift, entertainment or courtesy should not be embarrassing to or reflect unfavorably upon the Corporation or the recipient.

4. Representatives must not use their position to obtain personal gain or benefit from those doing or seeking to do business with the Corporation.

Representatives are required to select and deal with suppliers, customers and others doing or seeking to do business with the Corporation in a completely impartial manner, without favor or preference based upon any considerations other than the best interests of the Corporation.

Representatives must not seek nor accept, directly or indirectly, any gifts, payments, services, loans or other benefits from a supplier or other individual or entity that does or seeks to do business with, or is a competitor of the Corporation. This prohibition does not extend to the borrowing on commercial terms from entities in the business of lending and does not prevent Representatives from accepting modest gifts, favors or entertainment provided the conditions set forth in Section 4 are met. No such gift, favor or entertainment shall be of such nature as might affect, or reasonably be thought by others to affect, the representative's judgment or conduct in matters involving the Corporation.

Community and local public relations shall always be conducted with integrity and sensitivity to others with the intent to build an image that will facilitate the Corporation's ability to achieve its goals while providing cooperation and support to its neighbors and host governments, as appropriate. Within guidelines established by the CEO, the Corporation may provide physical and/or financial assistance, on a local basis, to develop a cooperative relationship with its neighbors by active involvement in public works, education, medical and health services and other non-political matters where the Corporation's resources can compliment local operations and activities.

5. The Corporation's books, records and accounts must reflect, in an accurate and timely manner, all the Corporation's transactions.

The Corporation's books, records and accounts are to reflect accurately, fairly and in reasonable detail, all transactions in accordance with the highest standards of integrity and applicable generally accepted accounting principles.

Appropriate records must be kept of all transactions and there are to be no cash funds, bank accounts, investments or other assets, which are either not recorded or inadequately recorded on the books. No payment is to be approved without adequate supporting documentation.

Individuals and entities with whom the Corporation deals may request that commissions, service fees and other amounts be remitted to third persons or bank accounts in third countries. Such payments may only be made if:

- (i) the amount payable does not arise from artificial additions to normal pricing;
- (ii) payment is authorized in writing by the individual or entity earning the commission, fee or other amounts;
- (iii) payment is made to the same individual or entity to which it is owed or to an affiliate under common ownership, and
- (iv) payment will not violate applicable law.

Frank disclosure is to be made to all reasonable enquiries of the Corporation's auditors and legal advisors.

6. Representatives must avoid all situations in which their personal interests conflict with or might appear to conflict with their duties to the Corporation.

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The Corporation's basic policy is that, though Representatives are entitled to privacy in their personal affairs, each Representative has a duty to be free of those outside interests, activities and influences which might impair the exercise of his or her independent judgment, fiduciary responsibility, initiative or efficiency in acting for the Corporation, or expose the Representative to legal liability or public criticism.

Potential conflicts of interest are so varied that it is impracticable to establish universal criteria in this Code as to what constitutes a prohibited conflict of interest. Set forth below are examples of the types of situations which indicate a conflict of interest and which Representatives should avoid unless prior written approval has been obtained from the CEO of SIG or the Chief Executive Officer of a subsidiary Corporation; which in the case of a director or officer of the Corporation, the Board and, in the case of other Representatives, approval shall only be given if it will not result in a detriment to the Corporation:

- (a) the holding, directly or by a member of the Representative's immediate family, of a substantial financial interest in any business entity that does or seeks to do business with, or is in competition with the Corporation. A substantial financial interest will be presumed where ownership is in excess of 1% in a Corporation traded on a stock exchange and the investment constitutes more than 5% of the Representative's total assets or where an ownership interest in any other business contributes more than 10% of the annual income of the Representative and his or her immediate family;
- (b) a partnership, profit sharing arrangement, creditor/debtor relationship with any such entity;
- (c) a Representative or member of his or her immediate family serving as an agent, representative, director, officer or employee of, or consultant to, any such entity; and
- (d) the acceptance of any loan, service or other benefits from any such entity (other than borrowing on commercial terms from entities in the business of lending).

## 7. Outside activities must not interfere with Employees' responsibilities.

The Corporation commends part-time participation by its employees in public service and management will, whenever practicable, approve and support such activity. Employees should, however, obtain such approval before assuming any office or directorship or participating in any activity that would tend to deprive the Corporation of the time and attention required of the employee to perform his or her duties properly.

## 8. Trading Restrictions and Quiet Periods

No Representative in a "special relationship" with the Corporation shall purchase or sell securities of the Corporation while in possession of material information concerning the Corporation that has not been previously disclosed to the public, nor, except in the necessary course of business, shall a Representative inform any individual or entity of any such material information.

### (a) General

Representatives are subject to legal restrictions with respect to trading in securities of the Corporation or related securities such as options on the Corporation's securities.

At no time may a Representative or any other person in a "special relationship" with the Corporation, purchase or sell, directly or indirectly, the Corporation's securities with knowledge of material information which has not been generally disclosed to the public. This prohibition ends at the end of the first business day after release of the material information. A Representative must not pass on material information to other people before the material information has been generally disclosed to the public (i.e. no "tipping").

(Definitions including "material information" and "special relationship" are set out in Part 8(c))

Examples of material information include, but are not limited to, a significant mineral discovery, unpublished sales or earnings figures, a stock split, proposed merger or acquisition, a change in dividend policy, a technical advance of unusual economic significance, or any other information, favorable or unfavorable, that would reasonably be expected to affect the market price or value of the Corporation's shares.

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A Representative must not, at any time, sell short any of the securities of the Corporation, unless such short position is covered by shares to be issued within 10 days of the short sale on the exercise of rights or options. A Representative must not sell a call or buy a put in respect of a security of the Corporation.

## (b) Directors and Senior Officers

The following additional conditions apply to directors and senior officers of the Corporation.

A director or senior officer of the Corporation must file an insider report with the Canadian provincial and territorial securities regulations within 5 days of a purchase or sale of the Corporation's securities or grant of stock option.

In order to reduce the likelihood of the violation of these trading and tipping restrictions, the Corporation has adopted the following policy:

- (i) Trading in the Corporation's securities, or related securities such as options, must not take place during blackout periods.
- (ii) Each year the Corporation holds an annual shareholder meeting. In connection with these meetings, it mails out a proxy circular to its shareholders giving notice of the shareholder meeting and providing information to shareholders with respect to matters of business to be dealt with at the meeting. A director or senior officer must not trade from the date of mailing until the end of the fifth business day following the date of mailing of a proxy circular to shareholders. This restriction also applies to special or extraordinary shareholder meetings. If there are any doubts as to when this period applies, contact the CFO.
- (iii) Directors and senior officers are encouraged to give prior notice to the CFO of their intention to exercise a stock option and obtain confirmation that any sale of securities in connection with the exercise of a stock option will not occur during a blackout period.

## (c) Definitions

"Material facts" or "material changes" are often referred to as material information. Material information is information that significantly affects, or would reasonably be expected to have a significant affect, on the market price or value of any of the Corporation's securities. Persons or companies in a "special relationship" with the Corporation include:

- (i) employees, directors, officers, affiliates or associates of:
  - the Corporation; • a person or company proposing to make a takeover bid for the Corporation; • a person or company proposing to become a party to a merger or business combination with the Corporation; • a person or company that are, or were, involved in the provision of services to the Corporation;
- (ii) a person or company that learned of material information with respect to the Corporation while they were a person or company described in (i);
- (iii) a person or company that learns of material information concerning the Corporation, from any person identified in (i) through (iii), and knows or ought to know that the other person is a person or company that has such a relationship with the Corporation.

Item (iii) would include family members of an employee, director or officer. "Affiliates" means a person or company (the "Controlling Shareholder") and the company of which the Controlling Shareholder owns more than 50% of all of the voting securities and any other company of which the Controlling Shareholder owns more than 50% of the voting securities. i.e. if ABC Inc. owns 55% of the voting securities of the Corporation, ABC Inc. and the Corporation are affiliated; if ABC Inc. also owns 60% of the voting securities of XYZ Inc., ABC Inc., the Corporation and XYZ Inc. are affiliated.

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“Associate”, where used to indicate a relationship with any person or company means: (i) any company of which such person or company owns more than 10% of the voting securities of the company; (ii) any partner of that person or company; (iii) any trust or estate in which such person or company has a substantial interest or which such person serves as trustee; (iv) any relative of that person who resides in the same home as that person; (v) any person who resides in the same home as that person and to whom that person is married, or who resides in the same home and with whom that person has a conjugal relationship; and (iv) any relative of a person mentioned in (v) and resides in the same home with such person.

“Senior Officer” means: (a) the chair or vice chair of the board of directors, the president, a vice president, the secretary, the treasurer or the general manager, or any person acting in a similar capacity on behalf of the Corporation; and (b) each of the five highest paid employees of the Corporation, including any person referred to in (a).

“Officer” means the chair or vice chair of the board of directors, the president, a vice president, the secretary, the assistant secretary, the treasurer, the assistant treasurer, the comptroller, the general counsel and the general manager of the Corporation, and any other person designated as officer of the Corporation by by-law, or any person acting in a similar capacity on behalf of the Corporation.

There is an exception to the restriction on “tipping” which applies if material information is provided to another person “in the necessary course of business”, such as the Corporation’s bankers, lawyers and other persons having a business association with the Corporation where it is necessary to make such disclosure. This exception does not permit the disclosure of material information to analysts and investors in advance of the disclosure of such information to the public.

9. Representatives must not make personal use of corporate information, assets or business opportunities.

Unless previously published, the Corporation’s technical, commercial and financial information is proprietary and confidential and Representatives are prohibited from revealing such information to any person, except in the necessary course of business, without proper authorization.

The Corporation has valuable resources in the form of tangible assets such as materials, supplies and equipment and intangible assets such as services, computer systems and confidential information. Representatives are given access to such assets in confidence so that they may be used within the limits of the employee’s authority for the advancement of the Corporation’s business and not otherwise.

10. Representatives shall disclose promptly and in writing any personal situation or transaction, which is or may be in conflict with the intent of this Code.

In the case of an employee, disclosure shall be made in writing to the employee’s immediate supervisor. The Supervisor shall determine what action, if any, the supervisor should take and what action the employee should take and shall recommend that action in writing for approval by the next higher level of management. In the case of a director or officer of the Corporation, disclosure shall be made in writing to the Chairman.

If a conflict exists, and there is no failure of good faith on the part of the Representative, it will be the Corporation’s policy to allow a reasonable amount of time for the Representative to correct the situation in order to prevent undue hardship or loss. Decisions in this regard shall, however, be within the sole discretion of the Corporation’s Board, whose first concern must be in the interest of the Corporation.

## **Disclosure Policy**

### **1. INTRODUCTION**

Purpose – It is fundamental that all persons investing in securities have equal access to information that may affect their investment decisions. Securities laws and stock exchange policies require timely disclosure of material information concerning the business and affairs of public companies. This ensures that investors have confidence in the integrity of the market.

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This disclosure policy of Sitka Gold Corp. ("SIG" or the "Company") is intended to:

- Create a process for SIG to fulfil its disclosure obligations.
- Promote an understanding among directors, officers, employees, consultants, spokespersons and others of SIG's disclosure obligations and the trading restrictions applicable to them.

Applicable Law and Stock Exchange Policies – SIG is governed by the *Business Corporations Act*. The Corporation is a reporting issuer under the securities legislation in various provinces in Canada and its common shares are listed on the TSX Venture Exchange. The Investment Industry Regulatory Organization of Canada (IIROC) carries out the market surveillance function of the TSX Venture Exchange.

The following publications are particularly relevant:

- Canadian Securities Administrators National Policy 51-201 – *Disclosure Standards*
- Canadian Securities Administrators National Instrument 51-102 – *Continuous Disclosure Obligations* (especially Part 4A – *Forward-Looking Information* and Part 4B – *FOFI and Financial Outlooks*)
- TSX Venture Exchange Corporate Finance Manual Policy 3.2 – *Filing Requirements and Continuous Disclosure*
- TSX Venture Exchange Corporate Finance Manual Policy 3.3 – *Timely Disclosure*
- TSX Venture Exchange Corporate Finance Manual Appendix 3B – *Guidelines for Disclosure, Confidentiality and Employee Trading*

## 2. OBJECTIVE AND SCOPE

Objective – The objective of this disclosure policy is to ensure that communications with the investing public about SIG are:

- timely, factual and accurate
- generally disclosed in accordance with securities laws and stock exchange policies

Persons Bound – This policy applies to SIG's:

- directors
- officers
- employees and consultants
- authorized spokespersons

Disclosure Covered – This policy covers both written and oral statements.

- Written statements:
  - news releases, plus any related material change reports
  - annual and quarterly financial statements, including related management's discussion and analysis and accompanying reports to shareholders
  - other public filings with securities commissions and stock exchanges (for example, annual information forms and information circulars for shareholder meetings)
  - letters to shareholders
  - presentations by senior management
  - website information
  - other electronic communications
- Oral statements:
  - meetings and telephone conversations with analysts and investors
  - presentations at industry conferences
  - interviews with the media
  - speeches, press conferences and conference calls

## 3. DISCLOSURE COMMITTEE

Creation and Members – SIG's board of directors has established a Disclosure Committee. The initial members of the Disclosure Committee are the following officers:

- Chief Executive Officer
- President
- Chief Financial Officer
- Independent Director Officers

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At a minimum, the Committee will meet quarterly and seek the advice of outside counsel when appropriate.

Responsibilities – The Disclosure Committee is generally responsible for meeting all disclosure obligations and for overseeing SIG's disclosure practices. This includes:

- monitoring the effectiveness of and compliance with this policy
- educating directors, officers, employees, consultants, spokespersons and others about SIG's disclosure obligations and trading and tipping restrictions
- determining if material information should be disclosed or kept confidential
- reviewing and authorizing disclosure (both written and oral) before public release
- monitoring the website
- maintaining a disclosure record
- keeping minutes of Committee meetings
- reporting to the board of directors

The Disclosure Committee must be kept informed of all pending material SIG developments. The Committee will evaluate those developments to determine the appropriateness and timing for public release of information. If it is determined that material information should remain confidential, then the Committee will determine how that confidential information will be controlled.

Disclosure Record – The Disclosure Committee should maintain a five-year record of all public information about SIG, including:

- news releases (and any related material change reports)
- other continuous disclosure documents (such as financial statements, management's discussion and analysis, accompanying annual and quarterly reports to shareholders, annual information forms and information circulars for shareholder meetings)
- presentation materials
- newspaper articles or other publications, if SIG spokespersons are quoted

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## 4. MATERIAL INFORMATION AND DISCLOSURE OBLIGATIONS

Material Information – Material information is any information relating to the business and affairs of SIG that results in, or would reasonably be expected to result in, a significant change in the market price or value of its securities.

Material information consists of both material changes and material facts:

- A "material change" is a change in the business, operations or capital of SIG that would reasonably be expected to have a significant effect on the market price or value of any of its securities. It includes a decision to implement the change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable.
- A "material fact" is a fact that would reasonably be expected to have a significant effect on the market price or value of SIG's securities.

Materiality Determinations – What is material information cannot be captured in a simple bright-line standard or test. The nature of the information, the volatility of the Corporation's securities and prevailing market conditions are relevant factors. The materiality of a particular change or fact may vary between companies according to their size, the nature of their operations and many other factors. A change or fact that is material for a smaller company may not be material to a larger company. Examples of potentially material information are set out in Schedule A to this policy.

Disclosure Obligations under Securities Law and Stock Exchange Policies

- Securities Law – Canadian securities law makes a disclosure distinction between "material changes" and "material facts".
- Material Changes – Material changes must be immediately disclosed. This is accomplished by promptly issuing and filing a news release and then filing a material change report within ten days.
- Material Facts – Material facts do not have to be immediately disclosed. They may be kept confidential, but eventually must be disclosed. In the meantime, persons with knowledge of the material fact cannot trade in the Corporation's securities.
- Stock Exchange Policies – TSX Venture Exchange timely disclosure obligations exceed those found in securities legislation. The TSXV requires the timely disclosure of "material information", which includes both material changes and material facts.

In restricted circumstances, material information may be kept confidential if immediate release of the information would be unduly detrimental to the interests of SIG. The test is whether the potential harm to the Corporation or to investors caused by immediate disclosure outweighs the undesirable consequences of delaying disclosure. Examples are:

- Release of the information would prejudice the Corporation's ability to pursue specific and limited objectives or to complete a transaction. For example, premature disclosure of the fact that the Corporation intends to make a significant acquisition may increase the cost of making the acquisition.
- Disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations.
- Disclosure would provide competitors with confidential corporate information that would be of significant benefit to them. The information may be kept confidential if the detriment to SIG resulting from disclosure would outweigh the detriment to the market in not having the information.

If material information is kept confidential, then consideration should be given to advising IIROC so that trading in the Corporation's shares can be monitored.

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## 5. MAINTAINING CONFIDENTIALITY

### Internal and External Communications

- Internal Personnel – Any director, officer, employee or consultant who is privy to confidential information is prohibited from communicating that information to anyone else, other than in the necessary course of business. Efforts will be made to limit access to confidential information to only those who need to know the information. Those persons should be advised that the information is to be kept confidential.
- External Persons – Outside parties privy to confidential information concerning SIG should be told that they must not divulge this information to anyone else, other than in the necessary course of business. Outside parties may be asked to sign a confidentiality agreement.

**Procedural Safeguards** – To prevent the misuse or inadvertent disclosure of material confidential information, the following procedures should be observed:

- Access to confidential information should be restricted to persons who "need to know" that information in the necessary course of business.
- Documents and files containing confidential information should be kept in a safe place. Code names should be used if necessary.
- Access to confidential electronic data should be restricted through the use of passwords.
- Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
- Confidential matters should not normally be discussed on cell phones or other wireless devices.
- Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- Persons must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- Transmission of documents by electronic means, such as by e-mail and fax, should be made only if it is reasonable to believe that the transmission can be made and received under secure conditions.
- Unnecessary copying of confidential documents should be avoided. Documents containing confidential information should be removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.

## 6. INSIDER TRADING AND TIPPING

Insider Trading – It is illegal for a person in a "special relationship" with SIG to purchase or sell its securities with knowledge of material non-public information about the Corporation. This is called "insider trading".

Trading can occur only after the information has been generally disclosed and a reasonable period has passed for it to be widely disseminated. A news release is the typical manner of dissemination.

The special relationship definition is broad and complex. Key special relationship persons are:

- directors, officers and employees
- shareholders who own more than 10% of the voting securities of SIG
- persons engaging in professional or business activities with or on behalf of SIG
- persons proposing a take-over bid, business combination or substantial property acquisition with the Corporation
- "tippees" who receive the information from another special relationship person.

Tipping – It is also illegal to inform another person of material non-public information, other than in the necessary course of business. This is called "tipping". What constitutes the necessary course of business must be determined on a case-by-case basis, but it can include communications with:

- directors, officers, employees and consultants
- legal counsel, auditors, lenders, underwriters and financial and other professional advisors to the Corporation
- parties to negotiations
- vendors, suppliers and strategic partners
- credit rating agencies
- securities commissions, stock exchanges and other regulators

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## 7. DISCLOSURE PRINCIPLES

SIG will adhere to the following basic disclosure principles:

- Material information will be generally disclosed by immediate news release.
- If the Disclosure Committee determines that disclosure would be unduly detrimental to the interests of SIG, then the information will be kept confidential until the Committee determines it is appropriate to disclose. The Committee will take steps to preserve confidentiality, periodically review any decision to keep information confidential and be alert to rumors.
- Disclosure must be factual, balanced and sufficiently detailed. Information will not be omitted if the result would be to make the rest of the disclosure misleading.
- Unfavorable material information must be disclosed as promptly and completely as favorable information. Unnecessary detail, exaggeration and overly promotional language should be avoided.
- A website posting does not by itself constitute general disclosure of material information.
- There must be no selective disclosure. Material information must not be disclosed to selected individuals (for example, in an investor meeting or during a telephone conversation with an analyst). If unintentional selective disclosure occurs, then IIROC will be contacted and the material information will be generally disclosed by immediate news release. In the meantime, recipients of selective disclosure must be told that the information is material and has not been generally disclosed.
- Disclosure must be corrected immediately if it is subsequently learned that earlier disclosure contained a material error at the time it was given.

## 8. NEWS RELEASES

### Authorization

- Disclosure Committee – The Disclosure Committee will review and authorize the issue of all SIG news releases.
- Financial Results or Earnings Guidance – News releases announcing financial results, containing financial information based on unreleased financial results or providing earnings guidance will also be reviewed by the audit committee or board of directors.

### Release Procedures

- Immediate Dissemination – News releases will be issued immediately after authorization by the Disclosure Committee and, if the news release contains financial information or earnings guidance, the audit committee or board of directors.
- IIROC Pre-Notification if Material Information
- If a news release announcing material information is to be issued during stock exchange trading hours, then prior notice must be provided to IIROC. IIROC may impose a trading halt to allow the information to be disseminated.
- If a news release announcing material information is issued outside of trading hours, then IIROC must be notified promptly and in any event before the market reopens.
- A draft of each news release announcing material information should be provided to IIROC and the stock exchange before release.
- Newswire Dissemination – Material news releases will be disseminated through a newswire service that provides simultaneous national distribution. The Corporation may also send a news release directly to selected analysts, investors, media and others after newswire release.
- Securities Commission Filings – All news releases will be filed with Canadian securities commissions via SEDAR (the System for Electronic Document Analysis and Retrieval) after dissemination over the newswire. If a news release relates to a material change, then a material change report will be filed via SEDAR within ten days.
- Website Posting – News releases will be posted on SIG's website immediately after confirmation of dissemination over the newswire. The website will advise the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures.

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## 9. AUTHORIZED SPOKESPERSONS

**Authorized Spokespersons** – A limited number of people will be authorized to speak on behalf of SIG to analysts, investors and the media. The official spokespersons for the Corporation will be the following officers:

- Chief Executive Officer
- President
- Chief Financial Officer
- Independent Director Officer(s)

These officers may, from time to time, designate others within SIG with authority to speak on behalf of the Corporation as back-ups or to respond to specific enquiries.

Enquiries Made to Others – Directors, officers, employees and consultants who are not authorized spokespersons must not respond to enquiries from analysts, investors, the media or others, unless specifically asked to do so by an authorized spokesperson. All enquiries should be referred to an authorized spokesperson.

## 10. RUMORS

**Basic Principle:** No Comment – SIG will not comment, positively or negatively, on rumors. This also applies to rumors on the Internet. Corporation spokespersons will respond consistently to any rumors by saying, "It is our policy not to comment on market rumors or speculation."

Exception: Forced Response – If IIROC or a stock exchange requests that SIG make a definitive statement in response to a market rumor that is causing significant volatility in the trading of its common shares, then the Disclosure Committee will consider the matter. If the rumor is true in whole or in part, this may be evidence of a leak, and SIG will immediately issue an appropriate news release.

## 11. CONFERENCE CALLS

**Basic Principle** – Conference calls may be held after issuing news releases for quarterly earnings and major corporate developments (but are not mandatory).

### Procedure

- Conference calls will be accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the Internet.
- Advance notice will be provided by a news release announcing the date, time and topic and how to access the call and webcast. These details will be posted on SIG's website. Any non-material supplemental information provided to participants will also be posted to the website for others to view.
- Invitations may be sent to analysts, investors, the media and others.
- At the beginning of the call, a cautionary statement will be made regarding any forward-looking information. Participants will be directed to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties applicable to the news.
- Where practical, statements and responses to anticipated questions should be scripted in advance.
- A tape replay of the conference call will be made available for a minimum of seven days and an archived audio webcast and/or text transcript will be made available on SIG's website for a minimum of 30 days.
- The Disclosure Committee should hold a debriefing meeting immediately after the conference call. If the Committee determines that selective disclosure of previously undisclosed material information has occurred, then the material information will be generally disclosed by immediate news release.

## 12. CONTACTS WITH ANALYSTS, INVESTORS AND THE MEDIA

**Investor Relations** – Meetings and calls with analysts and investors are an important element of SIG's investor relations program. The Corporation will from time to time meet with analysts and investors individually or in small groups and will initiate contacts or respond to calls. Materials supplementary to SIG's public filings with securities commissions may be provided to analysts and investors. Those materials can include fact sheets, fact books, maps, slides of investor presentations and transcripts of speeches and webcasts.

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All meetings and calls with analysts and investors will be conducted in a timely, consistent and accurate fashion in accordance with this policy. All analysts will receive fair treatment regardless of whether they are recommending buying, holding or selling SIG's securities.

**Selective Disclosure** – Disclosure in individual or group meetings or calls does not constitute adequate disclosure of material information. If material information is to be announced at an analyst or shareholder meeting or a press conference or conference call, then the announcement must be preceded by a news release.

The materiality of information cannot be altered by breaking it down into smaller, non-material components. An analyst or investor could construct this information into a mosaic that results in material information. SIG will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors and may post this information on its website.

Notes of Meetings and Calls – Notes should be kept of meetings and calls with analysts, investors and the media. Where practicable, more than one SIG representative will be present at meetings. A debriefing should be held after meetings. If selective disclosure of previously undisclosed material information has occurred, then the material information will be generally disclosed by immediate news release.

## 13. ANALYST REPORTS

**Review of Reports and Models** – If requested, SIG may review analysts' draft research reports or financial models. Any review will be limited to confirming factual accuracy based on publicly disclosed information. SIG will not confirm an analyst's opinions or conclusions and will not express comfort with or provided guidance on the analyst's report, financial model or earnings estimates.

To avoid appearing to endorse an analyst's report or model, SIG will provide its comments orally or will attach a disclaimer to written comments to indicate that the report was reviewed only for factual accuracy.

Distributing Analyst Reports – Analyst reports are proprietary products of the analyst's firm. Distributing or referring to analyst reports, or providing website links to them, might be viewed as an endorsement by SIG of the reports. The Corporation will not provide analyst reports to persons outside of the Corporation. Analyst reports will not be posted on its website, but the Corporation may post a complete listing, regardless of recommendation, of all the investment firms and analysts who have provided research coverage on SIG over the previous twelve months. If provided, this list will not include links to the analysts' or any other third party websites or publications.

Monitoring Analyst Reports – Analyst reports will be provided to the Corporation's directors and senior officers, but not generally to employees. This will permit SIG to monitor its communications and assist in understanding how the marketplace values the Corporation and how corporate developments affect the analysis. Analyst reports may also be provided to SIG's financial and professional advisors in the necessary course of business.

## 14. EARNINGS GUIDANCE AND FORWARD-LOOKING INFORMATION

Earnings Guidance – SIG will try to ensure, through its regular public disclosure that analysts' estimates are in line with the Corporation's expectations. If SIG determines that it will be reporting results materially below or above publicly held expectations, then it may disclose this information in a news release to enable discussion without risk of selective disclosure.

**Forward-Looking Information** – Forward-looking information is disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. It 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.

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If forward-looking information is disclosed, including through an earnings guidance news release, then the following guidelines will be observed:

- **Cautionary Language and Material Risk Factors** – When material forward-looking information is disclosed:
  - The information will be identified as forward-looking.
  - Users will be cautioned that actual results may vary from the forward-looking information.
  - The material risk factors that could cause actual results to differ materially from the forward-looking information will be identified.
  - The material factors or assumptions used to develop the forward-looking information will be stated.
- **Previously Disclosed Material Forward-Looking Information** – After material forward-looking information is disclosed:
  - If subsequent events or circumstances occur that are reasonably likely to cause actual results to differ materially from material forward-looking information, then SIG will discuss the expected differences in, depending on the degree of materiality, a news release or in the management's discussion and analysis for SIG's next interim or annual financial statements. If disclosed in a news release, then the next management's discussion and analysis will identify the news release, state its date and state that it is available on [www.sedar.com](http://www.sedar.com).
  - If SIG decides to withdraw previously disclosed material forward-looking information, then SIG will disclose the decision and discuss the events and circumstances that led to that decision, including a discussion of the assumptions underlying the forward-looking information that are no longer valid. The disclosure will be in, depending on the degree of materiality, a news release or in the management's discussion and analysis for SIG's next interim or annual financial statements. If disclosed in a news release, then the next management's discussion and analysis will identify the news release, state its date and state that it is available on [www.sedar.com](http://www.sedar.com).

## 15. QUIET PERIODS

**Commencement and Duration** – To avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, SIG will observe quiet periods prior to quarterly and annual earnings announcements or when material changes are pending. Regular quiet periods will:

- commence on the earlier of (a) if known, one week before the directors' meeting to approve quarterly or annual financial results and (b) one week before the filing deadline for the quarterly or annual financial results; and
- end with the news release disclosing results for the quarter or year.

**Restricted Activities** – During a quiet period, SIG will not initiate any meetings or telephone contacts with analysts and investors, but will respond to unsolicited enquiries concerning factual matters. If the Corporation is invited to participate, during a quiet period, in investment meetings or conferences organized by others, then the Disclosure Committee will determine, on a case-by-case basis, if it is advisable to accept these invitations. If accepted, caution will be exercised to avoid selective disclosure of any material, non-public information.

## 16. TRADING BLACKOUT PERIODS

**Quarterly and Annual** – Trading blackout periods will apply to all directors, officers, employees and consultants during periods when financial statements are being prepared but results have not yet been publicly disclosed.

Regular trading blackouts will:

- commence on the earlier of (a) if known, three weeks before the directors' meeting to approve quarterly or annual financial results and (b) three weeks before the filing deadline for the quarterly or annual financial results; and
- end after one full day of trading following the news release disclosing quarterly or annual financial results.

**Special** – Trading blackout periods may be prescribed from time to time by the Disclosure Committee as a result of special circumstances. All persons with knowledge of the special circumstances will be covered by the blackout.

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Exception – Trading blackout periods will not apply to trades by a participant in an automatic securities purchase plan or an automatic securities disposition plan.

## 17. ELECTRONIC COMMUNICATIONS

Website Responsibility – The Disclosure Committee will appoint a person to be responsible for the investor relations section of SIG's website and to ensure that all posted information is accurate, complete, up-to-date and in compliance with relevant securities laws. The responsible person will work with the Disclosure Committee and seek the advice of outside counsel when appropriate.

### Website Principles

- All public filings with securities commissions will be posted to the investor relations section of SIG's website or made available through a hyper-link to the SEDAR website. Materials supplementary to public filings will in most cases also be posted. These materials can include fact sheets, fact books, maps, slides of investor presentations and transcripts of speeches and webcasts.
- All information posted will show the date the material was issued. Any material changes in information must be updated immediately, following issuance of a news release. The website will include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures.
- A website posting does not by itself constitute general disclosure of material information. Any disclosure of material information on the website will be preceded by a news release.
- A log will be maintained indicating the date that material information is posted and removed from the investor relations section of the website. Continuous disclosure documents filed with securities regulators will be maintained on the website for a minimum of two years.
- The Disclosure Committee must approve all links from the Corporation's website to third party websites. A notice will advise readers that they are leaving SIG's website and that the Corporation is not responsible for the contents of the other website.

**Electronic Enquiries** – SIG's website will provide an e-mail link for investors to communicate directly with an investor relations representative. An authorized spokesperson will be responsible for responses to electronic enquiries. Only public information or information that could otherwise be disclosed in accordance with this policy will be used to respond to electronic enquiries. An e-mail distribution list may be established, permitting website users to subscribe for electronic delivery of news directly from the Corporation.

**Chat Rooms and Bulletin Boards** – Directors, officers, employees, consultants and spokespersons are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to SIG's activities or its securities.

## 18. COMMUNICATION, EDUCATION AND ENFORCEMENT

**Communication and Education** – New directors, officers, employees and consultants of SIG will be directed to this disclosure policy and educated about its importance. This policy will be posted on the Corporation's internal website and changes will be communicated to persons bound by it.

**Enforcement** – Any employee or consultant who violates this disclosure policy may face disciplinary action up to and including termination of employment or contract with SIG without notice. A violation of this policy may also violate certain securities laws, which could expose directors, officers, employees or consultants to personal liability. If a person appears to have violated those laws, then SIG may refer the matter to the appropriate regulatory authorities.

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## SCHEDULE A – EXAMPLES OF POTENTIALLY MATERIAL INFORMATION

The following are examples of the types of changes or facts that may be material. This list is not exhaustive and is not a substitute for the Disclosure Committee exercising its own judgement in making materiality determinations.

### **Changes in Corporate Structure:**

- changes in share ownership that may affect control of the Corporation;
- major reorganizations, amalgamations, or mergers; and
- 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 Corporation's dividend payments or policies;
- the possible initiation of a proxy fight; and
- 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 Corporation's assets; and
- any material change in the Corporation's accounting policy.

### **Changes in Business and Operations:**

- any development that affects the Corporation's resources, technology, products or markets;
- a significant change in capital investment plans or corporate objectives;
- major labor disputes or disputes with major contractors or suppliers;
- significant new contracts, products, patents or services or significant losses of contracts or business;
- significant resource discoveries;
- significant changes to the board of directors or executive management (including the departure of the Corporation's president and chief executive officer, chief financial officer, chief operating officer 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; and
- de-listing of the Corporation'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; and
- 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 Corporation'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; and
- significant new credit arrangements.