

**ANY QUESTIONS CONCERNING THIS POLICY SHOULD BE DIRECTED TO:
James G. Evaskevich**

This Policy applies to all directors, officers, employees and agents (“**Employees**”) of Yangarra Resources Inc. 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 Inc. 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 or 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 labeled “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 server secure);

- (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.

1. Canadian securities laws provide that Employees or Tippees (see definition) who trade on the basis of undisclosed Material Information may be subject to prosecution 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 rumors 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 has 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.

Schedule "A" Definitions

The following definitions are used in this Policy:

"Blackout Officer(s)" means James Evaskevich

"Employees" means all officers, employees and agents of the Corporation or its associated companies or subsidiaries.

"Insiders" means all directors, senior officers and major shareholders of the Corporation and its affiliates and subsidiaries.

"Material Information" means any information relating to the business or affairs of the Corporation which, if released, would result in or would reasonably be expected to result in a significant change in the market price or value of the Corporation's shares (or the securities of other companies with whom the Corporation may have an ownership position or be conducting confidential negotiations). Examples of information which may be Material Information include, but are not limited to:

- (a) changes in share ownership that may affect control of the corporation;
- (b) changes in corporate structure, such as amalgamations;
- (c) take-overs bids in respect of the Corporation's securities of a company with which the Corporation is related or is conducting any transactions with, or bids by the Corporation of its own securities;
- (d) major acquisitions or dispositions;
- (e) changes in capital structure of the Corporation, including dividend decisions;
- (f) borrowing a significant amount of funds;
- (g) public or private sale of the Corporation's securities;
- (h) significant development affecting the Corporation's resources, technologies, products or markets
- (i) entering into a loss of significant licenses or contracts;
- (j) firm evidence of significant increases or decreases in near-term earnings prospects;

- (k) changes in capital investment plants or corporate objectives;
- (l) significant changes in management;
- (m) significant litigation;
- (n) major disputes with major contractors, suppliers or customers;
- (o) events of default under financing or other agreements; and
- (p) any other development relating to the business and affairs of the Corporations that would reasonably be expected to significantly affect the market price or value of the Corporations securities or that would reasonably be expected to have an influence on a reasonable investors investment decisions.

“**Tippees**” means any persons who obtain or receive undisclosed Material Information from an Employee or Restricted Person or who subsequently receive such information, where such persons knew or ought to reasonably have known that the information originated from an Employee.

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Restricted Persons should clear all trades through the Blackout Officer(s) before placing a buy or sell order or otherwise committing to trade. Trading in certain of the Corporation’s securities may be prohibited from time to time as a result of there being undisclosed Material Information. Restricted Persons who request clearance to trade the Corporation’s securities may be advised by the Blackout Officer(s) that trading in such securities is temporarily prohibited. No further explanation for the trading prohibition will be provided.

In addition, Canadian securities laws require a person who is an Insider of the Corporation to disclose, through an insider report, any direct or indirect beneficial ownership of or control or direction over securities.

Every Insider is personally responsible for filing insider reports. Insiders should contact Blackout Officer(s) for assistance to prepare and file insider reports. Insiders who file their own insider reports are asked to provide a copy of all reports to Blackout Officer(s).

Trading Blackouts are periods of time during which Restricted Persons are not allowed to trade, or cause others (i.e. family, friends, business associates, etc.) to trade the Corporation’s securities or other companies’ securities whose price may be affected by a pending announcement of the Corporation.

Trading Blackouts are used to prevent certain persons from trading in securities of the Corporation during periods when the price of those securities may be affected by a pending corporate announcement.

The Corporation will have scheduled and unscheduled announcements of Material Information.

Scheduled announcements are public announcements of quarterly financial statements and year-end financial statements.

A trading blackout will be in effect from the time the accounting books are closed for each fiscal quarter or year-end until at least one (1) clear day following the day of disclosure to the public of such information by press release.

In the case of a pending transaction, the particular circumstances will determine the period during which trading is prohibited. In some cases it may be appropriate to stop trades as soon as discussions about a transaction begin. In other cases, a Trading Blackout may commence immediately upon conclusion of a transaction.

For scheduled and unscheduled announcements, the Blackout Officer(s) will notify Restricted Persons that a Trading Blackout is in effect and the period of the Blackout.

Trading with knowledge of undisclosed Material Information is a breach of securities laws. Failure to observe this Policy may result in penal sanctions, civil liability and/or disciplinary action, including termination of employment.