

INSIDER TRADING POLICY
GEOMEGA RESOURCES INC.
(the "Corporation")

1. PURPOSE OF THE POLICY

Insider trading is a priority of market surveillance organizations. The fundamental rule is to the effect that insiders cannot trade securities when they have knowledge of material facts that are unknown to the general public and that, if known, could affect the decision of an ordinary investor to trade in the security. The major protection to circumvent illegal insider trading is insider reporting obligations which serve two purposes. First, it provides information to the market about the trading activities of those who manage or control the reporting issuers. Second, it serves to deter insider trading based on confidential information since insiders must disclose all of their trades to the public.

The rules and procedures outlined below have been approved by the Corporate Governance and Compensation Committee and by Board of Directors of the Corporation in order to prevent improper insider trading and to ensure that the directors, officers and employees of the Corporation and persons or companies related to or controlled by them act, and are perceived to act, in accordance with applicable laws and the highest standards of ethical and professional behaviour.

2. INSIDERS

The insiders of the Corporation include its directors and officers as well as any person or corporation who exercises control over more than 10% of the voting rights attached to all voting securities of the Corporation for the time being outstanding.

3. INSIDER TRADING

Insiders cannot, for their purposes or for others, use or disclose any material information, i.e., information not yet known to the public and which is likely to influence the decision of a reasonable investor or information likely to affect the market value or price of the Corporation securities. Material information consists of both material facts and material changes. Examples of material information are set out in Schedule A. Material information, material changes and material facts are hereinafter collectively called "**Privileged Information.**"

Any person who has Privileged Information from an insider of the Corporation and any person with whom the Corporation or one of the previously designated persons is associated under the terms of the applicable legislation are also covered by this prohibition.

4. INSIDER TRADING AND OTHER REPORTS

a. Initial Reports

Every reporting insider (within the meaning of *Regulation 55-104 respecting Insider Reporting Requirements and Exemptions*) must register as such and file an initial report within ten calendar days of becoming a reporting insider of the Corporation. This report must disclose:

- a) any beneficial ownership of, or control or direction over, whether direct or indirect, securities of the Corporation; and
- b) any interest in, or right or obligation associated with, a related financial instrument.

Accordingly, the Canadian Securities Administrators have implemented the System for Electronic Disclosure by Insiders (“SEDI”), which all reporting insiders must use to file insider reports (www.sedi.ca).

b. Subsequent Trades

Reporting insiders have a period of five (5) calendar days from the date of the trade to declare any trades involving:

- a) the acquisition of the Corporation shares, on the market or otherwise (including through a managed account under a discretionary mandate);
- b) the sale of the Corporation shares;
- c) the sale of shares following the exercise of stock options (“Options”);
- d) the award of Options;
- e) the exercise, disposal or transfer of Options resulting from a discretionary decision on the part of the reporting Insider; and
- f) a change in a reporting insider’s rights or interests in any related financial instrument or obligations associated with such an instrument.

c. Early Warning Reports

An “early warning” requirement is triggered under the *Securities Act* (Québec) and under the securities legislation of certain other provinces of Canada when an investor acquires beneficial ownership of or control or direction over 10% or more of the Corporation’s common shares taking into consideration the securities convertible into securities as of the date of the report.

As a result, it is imperative that any director, officer or employee who intends to complete a share acquisition that will result in the crossing of the threshold referred to above consult with the Chief Financial Officer or the Corporate Secretary of the Corporation to determine the nature of the individual’s reporting obligations under applicable Canadian securities legislation.

5. BLACKOUT PERIODS

a. Scheduled Blackout Periods

Insiders of the Corporation must refrain from trading in the Corporation securities during a specific period of time beginning on the seventh (7th) day before the end of a quarter and ending forty-eight (48) hours after the date of disclosure of the interim financial and annual financial statements of the Corporation (unless such persons are privy to Privileged Information).

b. Temporary Prohibitions

The Chairman of the board or the President and Chief Executive Officer may announce from time to time the dates of any blackout period that coincide with unscheduled corporate developments, the availability of new inside information or other such material undisclosed information or potential transaction details.

Anyone with knowledge of the special circumstances or corporate developments is subject to the blackout period. This can include, but not limited to, external advisors such as the Corporation's legal counsel and financial advisors. The length of the blackout and waiting period between the dissemination of the material information and resumption of insider trading rights will be determined by the Chairman of the board and the President and Chief Executive Officer and will be communicated to affected officers, directors, employees and other individuals, as considered appropriate in the circumstances.

Officers, directors, employees or any other person affected by the implementation of a trading blackout will be notified by the Chairman of the Board and/or the President and Chief Executive Officer and/or the Corporate Secretary. Should a trade have been initiated before such notification but not completed by the time trading blackout takes effect, that trade may be completed; however, no new trades may be initiated. Any person affected by a trading blackout that has a trade outstanding must notify Chairman of the Board and/or the President and Chief Executive Officer.

The above rules are designed to assist the Corporation's insiders in assuring themselves and third parties that they are trading in securities of the Corporation only at moments where it is reasonable for them to believe that any Privileged Information concerning the Corporation has been publicly disclosed.

6. TRADING RESTRICTIONS**a. Business Developments and Material Information**

No insider may trade in the Corporation's securities (including exercising Options) from the date it is reasonably expected that a material business development (that is not publicly known) may occur and the day following the public disclosure of the business development. Business developments include, but are not limited to, the acquisition of the shares or assets of a business, the formation of joint ventures, investments in another corporation by the Corporation, agreements to supply a major customer, the loss of a major customer or an anticipated loss from activities because of an unforeseen event.

b. Financial Instruments

The directors, officers and employees are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the director, officer or employee.

c. Other

It is inappropriate for any of the directors, officers or employees of the Corporation or any of the other persons or companies to whom the Policy applies, acting alone or together with any other person or corporation, to directly or indirectly engage in any activity: (i) that is or appears to be contrary to the interests of the Corporation or its ongoing success; (ii) that creates or may create a false or misleading appearance of trading activity in the shares of the Corporation; (iii) that has the direct or indirect effect of setting an artificial price for those shares; or (iv) that otherwise interferes with the free determination by the market of the market price for those shares. While it is not possible to list all of the trading activities prohibited by the foregoing, the activities listed below are typical of the type of activities that are prohibited and consequently should not be engaged in:

- selling shares of the Corporation short (i.e. selling shares not owned by the seller in anticipation of the falling price of the shares of the Corporation);
- purchasing or selling shares or other securities of the Corporation primarily for the purpose of influencing the price or the volume of trading of those shares or other securities;
- being both a buyer and a seller (directly or indirectly) of the shares or other securities of the Corporation at the same time or at approximately the same time; or
- retaining or causing to be retained any person or corporation to engage in any form of stock promotion in respect of the shares or other securities of the Corporation.

7. REPORTING INSIDERS' RESPONSIBILITIES

Reporting insiders are responsible for filing all reports relative to their status.

The information in each reporting insider report and the transmission of the report to the regulatory authorities within the prescribed timeframe, following a trade of Corporation securities, remains the personal responsibility of each reporting insider.

All reporting insiders are required to comply with this policy. Any failure to do so could constitute a violation of applicable laws, result in sanctions and have severe consequences for the Corporation.

8. COMMUNICATION

New directors, officers and employees will be informed of insider trading policy and its importance. This insider trading policy will be brought to the attention of all employees.

9. QUESTIONS

Any questions regarding this policy shall be directed to Chief Financial Officer.

SCHEDULE A

MATERIAL INFORMATION

National Policy 51-201 - Disclosure Standards, is used to determine Material Information.

Examples of Potentially Material Information

The following are examples of the types of events or information which may be material. This list is not exhaustive and any questions regarding materiality should be referred to the Corporate Governance and Compensation Committee.

Changes in Corporate or Capital Structure

- changes in share ownership that may affect control of the corporation;
- major reorganizations, amalgamations, or mergers;
- take-over bids, issuer bids, or insider bids;
- 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
- substantial modifications to the rights of security holders.

Changes in Financial Results

- a significant increase or decrease in 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 substantial change in the Corporation's accounting policy.

Changes in Business and Operations

- a significant change in capital investment plans or corporate objectives;
- major labour disputes or disputes with major contractors or suppliers;
- significant new contracts or significant losses of contracts or business;
- significant discoveries;
- changes to the board of directors or executive management, including the departure of the Corporation's CEO, CFO, COO or president (or persons in equivalent positions);
- the commencement of, or developments in, material legal proceedings or regulatory matters;
- any notice that reliance on a prior audit is no longer permissible;
- 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 corporation.

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; and
- significant new credit arrangements.

APPROVED BY THE BOARD OF DIRECTORS ON SEPTEMBER 4, 2012