

ALARIS ROYALTY CORP.

TRADING AND BLACKOUT POLICY

Purpose

The purpose of this Policy is to ensure compliance with applicable Canadian securities laws governing trading in securities of Alaris Royalty Corp. (**Company**) while in possession of material non-public information concerning the Company, and tipping or disclosing material non-public information to outsiders.

Once a person becomes an insider (as described below), his or her security holdings in the Company, and any change therein, must be reported to the appropriate securities commissions. The responsibility for compliance with insider reporting obligations rests with the insiders and not with the Company. However, the Company has an interest in monitoring the holdings of its insiders and ensuring that insider holdings are accurately reported.

Scope

- A. This Policy applies to all officers, directors, employees and consultants of the Company and its subsidiaries (collectively, **Alaris**). Directors, officers, employees and consultants are responsible for ensuring compliance by their families and other members of their households.
- B. This Policy applies to any transactions in any securities of the Company, including shares, debentures, options under the Company's share option plan (**Option Plan**), rights or awards under the Company's restricted share unit plan (**RSU Plan**) and any other securities exchangeable or exercisable into shares, as well as exchange-traded options or other derivative securities that are not issued by the Company but are based on securities of the Company (collectively, **Securities**).
- C. This Policy applies not only to the Securities which a director, officer, employee or consultant owns, but also those over which control or direction is exercised (for example as a trustee or executor of an estate) and also to the Securities that are indirectly owned (for example by a corporation controlled by a director, officer, employee or consultant or by an immediate family member of a director, officer, employee or consultant).
- D. This Policy applies not only during the course of a director's, officer's, employee's or consultant's service to Alaris, but also after the completion of such service to the extent the relevant person possesses material non-public information at the time such service is completed.

Insiders

The directors and senior officers of the Company are considered to be insiders of the Company pursuant to applicable securities laws and as such are subject to a higher standard of scrutiny and disclosure requirements than other persons who may trade in Securities. Insiders should contact the Secretary of the Company when considering a transaction in Securities to ensure that there is no material non-public information which has not been widely disseminated.

Each director and senior officer shall contact the Secretary before initiating or completing any trade of Securities, in order to ensure that no undisclosed material information exists of which the director or senior officer is not aware.

The CFO shall contact either the CEO or a member of the Compensation and Governance Committee before initiating or completing any trade of Securities.

The CEO shall contact at least one member of the Compensation and Governance Committee before initiating or completing any trade of Securities.

In addition, each director and senior officer must report to the Secretary, or such other person as may be designated by the Board, every trade he or she makes in Securities within 10 days of the date of the trade. If the director or senior officer reports his or her trades using other personnel other than Alaris personnel, copies of insider trading reports must be furnished to the Secretary, or other such person as may be designated by the Board, promptly after filing such report.

Reporting by Insiders – Regulatory Requirements

A. Initial Reports

An initial report must be filed within ten days of the date on which a person becomes an insider. An initial report is not required, however, when a person becomes an insider if he or she has no direct or indirect beneficial ownership, control or direction over Securities.

B. Changes in Beneficial Ownership

A person who is an insider must report any changes in his or her direct or indirect beneficial ownership of, or control over, Securities within ten days of the date such change takes place.

C. Rights to Securities

A person who is an insider is reminded that the grant of an option under the Option Plan or an award under the RSU Plan and the issue of Securities pursuant thereto, gives rise to reporting obligations and an insider report must be filed with respect to these matters within ten days of the date such transaction takes place.

D. Filing

A person who is an insider is required to use the System for Electronic Disclosure by Insiders (**SEDI**) for reporting insider trades. Reporting through SEDI can be completed by insiders themselves through the internet or through an agent, such as the Company's legal counsel or the Secretary. Insiders are referred to the internet website for SEDI at www.sedi.ca. As well, insiders are encouraged to contact the Secretary with respect to any questions about filing through the SEDI system.

Definition of Material Non-Public Information and Non-public Information

A. Material Information

Securities legislation and this Policy make frequent reference to material information. In this Policy, material information is any information relating to the business and affairs of the Company that results in, or would reasonably be expected to affect the investment decisions of a reasonable holder of Securities or an investor or if the information would reasonably be expected to affect the market price or value of any of the Securities.

B. Non-public Information

Material information is "non-public" if it has not been generally disclosed. Information is considered to have been generally disclosed if: (i) the information has been disseminated in a manner calculated to effectively reach the marketplace, and (ii) public investors have been given a reasonable amount of time to analyze the information. For the purposes of this Policy, information will be considered public; i.e., no longer non-public, after information has been generally disclosed by means of a broadly disseminated press release and the trading has closed on the first full trading day following such press release.

If you are unsure whether the information that you possess is material or non-public, the Secretary should be consulted before trading in any Securities.

Statement of Policy and Procedures

A. Prohibited Activities

1. No insider, employee or consultant may trade in Securities while in possession of material non-public information concerning the Company.
2. No insider, employee or consultant may trade in Securities outside of the "trading windows" described below, or during any designated special trading blackout periods.
3. No insider, employee or consultant may trade in Securities during any trading blackout period imposed on employees and consultants generally.
4. No insider, employee or consultant may disclose material non-public information concerning Alaris to any outside person (including family members, analysts, individual investors and members of the investment community and news media) unless such disclosure is necessary in the course of business and in accordance with the Company's External Communications Policy. In any instance where such information is disclosed to outsiders in the necessary course of business, the outsider must be advised that they must not disclose the information to anyone else, other than in the necessary course of business, and they may not trade in Securities until the information has been generally disclosed.
5. No insider, employee or consultant may give trading advice of any kind relating to Securities to anyone while possessing material non-public information about the Company, except that insiders, employees and consultants should advise others not to trade Securities if such trade might violate the law or this Policy.
6. No insider, employee or consultant may (a) trade in securities of any other public company, trust, partnership or other entity (a "**company**") while possessing material non-public information concerning that company; (b) "tip" or disclose material non-public information concerning any company to anyone; or (c) give trading advice of any kind to anyone concerning any other company while possessing material non-public information about that company that such insider, employee or consultant learned in the course of service to Alaris.
7. No insider, employee or consultant may (a) engage in short sales of Securities, or (b) buy or sell puts, calls or other derivatives in respect of Securities.
8. In order to avoid possible inadvertent conflict with this Policy, it is recommended that no insider, employee or consultant leave with a broker any outstanding sell or purchase orders. Insiders and

completing any transaction of Securities, to ensure that there is no material non-public information which has not been widely disseminated and to ensure that no blackout periods (defined below) apply.

B. **Trading Windows and Blackout Periods**

1. *Definition of Blackout Period and Trading Window*

A "**blackout period**" is any time where an insider, employee or consultant is restricted by the terms of this Policy or applicable securities law from trading in Securities. Alternatively, a "**trading window**" is the period of time between blackout periods where an insider, employee or consultant is not restricted by the terms of this Policy or applicable securities law from trading in Securities.

2. *Designation of Blackout Periods*

The Company will use reasonable efforts to notify insiders, employees and consultants by e-mail when a general blackout period is in effect. However, it is the obligation of every insider, employee and consultant to ensure, prior to effecting a trade, that a blackout period is not in effect or such person is not otherwise restricted from trading in Securities. In the event that an insider, employee or consultant is unsure whether they may trade in Securities, they should contact the Secretary to determine if a general blackout period is in effect or if the insider, employee or consultant is in possession of material undisclosed information.

3. *Trading Windows for Insiders, Employees and Consultants*

A quarterly blackout period will begin on the day following the end of each financial quarter that the auditors of the Company attend at the Company's premises to begin the audit of such financial quarter, and will terminate at the end of the first business day after a news release is issued disclosing the quarterly results for that quarter. During this period, no director, officer, employee or consultant and no other person involved in the preparation of, or having actual knowledge of financial or other information to be contained in, the Company's quarterly or annual financial statements may purchase or sell Securities.

Directors, officers, employees and consultants with knowledge of any undisclosed material information relating to the Company will be subject to the trading blackouts. Any other party negotiating a material transaction with Alaris will likely also be subject to trading blackouts. They will be prohibited from trading in Securities until the end of the first business day after the information has been publicly disclosed.

Apart from quarterly blackout periods, other blackout periods may be prescribed from time to time by the Board as a result of special circumstances relating to the Company which could give rise to the disclosure of material information which has not been disseminated to the public, pursuant to which directors, senior officers, employees and consultants shall be prohibited from trading in Securities. All other persons with knowledge of the special circumstances will also be subject to the blackout. Such parties may include external advisors, such as legal counsel or bankers. In the case of a prescribed blackout, involved individuals will be informed as to the application of the blackout to them.

4. ***No Trading While in Possession of Material Non-public Information or During Blackout Periods***

No insider, employee or consultant possessing material non-public information concerning the Company may trade in Securities even during applicable trading windows. Persons possessing such information may trade during a trading window only after the close of trading on the next full trading day following the widespread public release of the information.

No insider, employee or consultant may trade in Securities outside of applicable trading windows or during any designated blackout periods. No insider, employee or consultant may disclose to any outside third party that a special blackout period has been designated.

C. **Priority of Statutory or Regulatory Trading Restrictions**

The trading prohibitions and restrictions set forth in this Policy are superseded by any greater prohibition or restrictions prescribed by applicable Canadian securities laws and regulations.

Enforcement

The consequences of prohibited insider trading or tipping can be severe. Below are the penalties under Canadian securities legislation for insider trading.

A. **Penalties Under Canadian Securities Laws**

Under securities laws, persons violating insider trading or tipping rules may be required to disgorge the profit made or the loss avoided by trading, pay the loss suffered by the persons who purchased securities from or sold securities to the insider tippee, pay fines up to the greater of \$1,000,000 and three times the profit made or loss avoided, pay administrative penalties of up to \$500,000 and serve a jail term of up to five years less a day. The Company may also be required to pay penalties and could, under certain circumstances, be subject to private lawsuits by traders for damages suffered as a result of illegal insider trading or tipping by persons under Alaris' control.

B. **Discipline of Insider, Employee or Consultant by the Company**

Violation of this Policy or Canadian insider or tipping laws by any insider, employee or consultant may subject such person to disciplinary action up to and including termination for cause in the case of an insider or employee, or termination of the consulting contract in the case of a consultant.

If it is discovered that anyone subject to these policies has violated applicable securities laws, the matter may be referred to the appropriate regulatory authorities.

Approved: March 11, 2009

On Behalf of the Board:

Director