



SUNWARD RESOURCES LTD
c/o NovaCopper Inc.
Suite 1950, 777 Dunsmuir Street
Vancouver, BC
Canada V7Y 1K4
T: 604-638-8088
Email: Info@sunwardresources.com

October 22, 2015

Attention: U.S. SHAREHOLDER

IMPORTANT TAX NOTICE

Re: 2015 PFIC status

This statement is provided for shareholders of Sunward Resources Ltd. who are required to file a United States federal income tax return. It is not relevant to other shareholders.

Sunward Resources Ltd. and its non-U.S. subsidiaries ("Sunward") collectively may be considered a passive foreign investment company ("PFIC") under Section 1297 of the United States Internal Revenue Code (the "Code") for the taxable year ended March 31, 2015. For shareholders of Sunward that are subject to U.S. federal income tax ("U.S. Shareholders"), certain significant and potentially adverse United States federal income tax consequences result from this designation. These consequences may be generally mitigated by making a timely and effective election to treat Sunward as a Qualified Electing Fund under Section 1295 of the Code (a "QEF Election").

Pursuant to the requirements of Treasury Regulation Section 1.1295-1(g)(1), the attached PFIC Annual Information Statement is being provided to US Shareholders who have made or intend to make a QEF Election. The attached PFIC Annual Information Statement contains information to enable you or your tax advisor to prepare your tax return if you make the QEF Election.

A U.S. Shareholder who makes a QEF Election is required to annually include in his or her income his or her pro rata share of the ordinary earnings and net capital gains of Sunward. The QEF Election is made by completing and attaching Form 8621 to your federal income tax return filed by the due date of the return.

THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST U.S. SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. WE STRONGLY URGE U.S. SHAREHOLDERS TO CONSULT WITH THEIR OWN TAX ADVISOR TO DETERMINE WHETHER THEY ARE SUBJECT TO U.S. FEDERAL INCOME TAX, AND IF SO, WHETHER THEY ARE ELIGIBLE TO MAKE ANY APPLICABLE ELECTIONS PERTAINING TO THE COMPANY'S STATUS AS A PFIC. ANY DECISION TO MAKE (OR REFRAIN FROM MAKING) ANY ELECTION THAT MAY BE AVAILABLE TO THEM WILL DEPEND UPON THEIR OWN PARTICULAR TAX SITUATION AND MAY HAVE SIGNIFICANT AND CONTINUING US TAX CONSEQUENCES. THE COMPANY IS UNABLE TO GIVE ADVICE IN THIS REGARD.

Further information on PFIC rules is available on the internet at the Internal Revenue Service website. Detailed information about PFICs and the QEF election: www.irs.gov/instructions/i8621/ch01.html
Instructions to complete Form 8621: www.irs.gov/pub/irs-pdf/i8621.pdf
Form 8621: www.irs.gov/pub/irs-pdf/f8621.pdf

PFIC Annual Information Statement

- (1) This Information Statement applies to the taxable year of Sunward Resources Ltd., Sunward Holdings Ltd., Sunward Investments Ltd., Sunward Resources Limited., and Sunward Resources Sucursal Colombia beginning on April 1, 2014 and ending on March 31, 2015.
- (2) The total ordinary earnings and net capital gain of the entities specified in paragraph (1) for the taxable year specified in paragraph (1) are:

	Sunward Resources Ltd.	Sunward Holdings Ltd.	Sunward Investments Ltd.	Sunward Resources Ltd. (BVI)	Sunward Resources Sucursal Colombia
Ordinary earnings	\$NIL	\$NIL	\$NIL	\$NIL	\$NIL
Net capital gain	\$NIL	\$NIL	\$NIL	\$NIL	\$NIL
Each shareholder's pro-rata share of ordinary earnings	\$NIL	\$NIL	\$NIL	\$NIL	\$NIL
Each shareholder's pro-rata share of net capital gain	\$NIL	\$NIL	\$NIL	\$NIL	\$NIL

- (3) The amount of cash and fair market value of property distributed or deemed distributed by the entities specified in paragraph (1) during the taxable year specified in paragraph (1) is as follows:

	Sunward Resources Ltd.	Sunward Holdings Ltd.	Sunward Investments Ltd.	Sunward Resources Ltd. (BVI)	Sunward Resources Sucursal Colombia
Cash	\$NIL	\$NIL	\$NIL	\$NIL	\$NIL
Fair Market Value of Property	\$NIL	\$NIL	\$NIL	\$NIL	\$NIL

- (4) The Company will permit its shareholders to inspect and copy the permanent books of account, records, and such other documents as may be maintained by the entities specified in paragraph (1) that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in section 1293(e) of the Internal Revenue Code, are computed in accordance with U.S. income tax principles.

Sunward Resources Ltd.

Signed: /s/ "Elaine Sanders"

By: Elaine Sanders
Title: Chief Financial Officer

Date: October 22, 2015