

POLICY ON TIMELY DISCLOSURE

Introduction

As a company which has applied for listing on The Toronto Stock Exchange (the “TSX”), the Corporation must comply with two sets of rules (collectively, the “Disclosure Rules”) regarding the timely disclosure of material information to the public:

- securities law governing corporate disclosure, confidentiality and employee trading; and
- the TSX’s Policy Statement on Timely Disclosure, which expands on the requirements of securities law.

The governing philosophy for this policy on timely disclosure is to provide the public with equal access to information that may affect their investment decisions, thereby placing all participants in the market on an equal footing. The Corporation is committed to providing timely, accurate and balanced disclosure of material information about the Corporation, consistent with legal and regulatory requirements. The Corporation will disseminate good news and bad on a timely basis, except where confidentiality issues require a delay. It is imperative that all parties in the investment community have timely access to this information.

This policy extends to all employees and officers of the Corporation and its board of directors. This policy sets out the Corporation’s disclosure obligations and the procedures that the Corporation, its board of directors, officers and its employees must follow to ensure that material information is disclosed to the public on a timely basis and is not disclosed in circumstances that are contrary to law.

The board of directors will approve the adoption of this policy on timely disclosure and insider trading.

Disclosure Policy Committee

The board of directors of the Corporation has established a Disclosure Policy Committee consisting of the President and Chief Executive Officer (“CEO”), the Director of Investor Relations and the Chief Financial Officer (the “CFO”).

The Disclosure Policy Committee will determine when developments justify public disclosure and will meet as conditions dictate. It is essential that the Disclosure Policy Committee be fully apprised of all material information (see discussion below) in order to evaluate and discuss those events to determine the appropriateness and timing for public release of information or whether the information should remain confidential, and if so, how that information will be controlled.

The Disclosure Policy Committee will be responsible for the administration of this policy, including the completion of the tasks required to comply with and implement this policy, and will report on such matters to the board of directors of the Corporation. In addition, the Disclosure Policy Committee will create a crisis communication policy for the review and

approval of the board of directors of the Corporation and will control all communication during a crisis.

Material Information

Material information is any information relating to the business and affairs of the Corporation that has a significant effect, or would reasonably be expected to have a significant effect, on the market price or value of the Corporation's listed securities. A rule of thumb that you may wish to use to determine if information is material is to consider as material any information which a reasonable investor would likely consider important in making an investment decision.

The following are examples of situations when disclosure must be made:

1. changes in share ownership that may affect control of the Corporation;
2. changes in corporate structure, such as reorganizations, amalgamations, etc.;
3. take-over bids or issuer bids;
4. major corporate acquisitions or dispositions;
5. changes in capital structure;
6. borrowing of a significant amount of funds;
7. public or private sale of additional securities;
8. development of new products and major developments affecting the Corporation's technology, products or market;
9. entering into or loss of significant contracts;
10. firm evidence of significant increases or decreases in near-term earnings prospects;
11. changes in capital investment plans or corporate objectives;
12. significant changes in management;
13. significant litigation;
14. major labour disputes or disputes with major contractors or supplies;
15. events of default under financing or other agreements; and
16. any other developments relating to the business and affairs of the Corporation that would reasonably be expected to significantly affect the market price or value of any of the Corporation's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

Generally, drilling results for a particular hole are not inherently indicative or meaningful in isolation but must be considered in the context of prior drilling results in order for a proper assessment of materiality to be made. Accordingly, as a matter of practice, the Corporation will not disclose drilling results on a hole-by-hole basis so as to permit adequate compilation and meaningful interpretation of data, unless the circumstances warrant otherwise.

Since determining what is “material” in the context of the Corporation involves making subjective judgments, it may not always be clear when disclosure must be made. In case of uncertainty whether certain information is material, the Corporation will consult the Corporation’s counsel and, in appropriate circumstances, the Market Surveillance Division of Market Regulation Services Inc. (a body established to provide market regulation services to the TSX including administration of the TSX’s timely disclosure requirements) (the “Market Surveillance Division”) for assistance.

Forecasts of earnings and other financial forecasts need not be disclosed. In addition, forecasts should not be provided on a selective basis to any investors if the investors are not involved in the management of the affairs of the Corporation.

Immediate Disclosure

The Corporation must disclose material information concerning its business and affairs forthwith upon the information becoming known to management. In the case of information previously known but not disclosed, it must be disclosed forthwith upon it becoming apparent that the information is material.

A significant announcement is to be released immediately. Release of certain announcements may be delayed until the close of trading subject to the approval of the Market Surveillance Division.

Any announcement made about the Corporation’s intention to proceed with a transaction must be made at the time that the transaction is approved by the Corporation’s board of directors. Subsequent updates must be provided at least every 30 days. In certain cases, announcements may have to be made at the date a letter of intent is entered into even if it is non-binding.

Exception To Disclosure Requirement

In restricted circumstances, the Disclosure Rules allow information to be kept confidential for a limited period of time if the early disclosure of material information would be unduly detrimental to the Corporation.

If disclosure of material information is delayed, complete confidentiality must be maintained. That is, the material information should not be disclosed to anybody, except in the necessary course of business, and precautions should be taken to assure that there is no selective disclosure to third parties. This is tipping which is prohibited under securities laws. In the event that such confidential information, or rumours respecting the same, are divulged in any manner (other than in the necessary course of business), the Corporation would be required to make an immediate announcement on the matter.

Accordingly, to maintain confidentiality, the Corporation will:

1. not disclose the information to anyone (including others within the Corporation) except in the necessary course of business;
2. make sure that if the information has been disclosed in the necessary course of business that everyone understands that it is to be kept confidential;
3. if necessary, share in a locked cabinet any confidential documents and refer to confidential information using code names;
4. ensure that confidential documents cannot be accessed through shared servers; and
5. make sure that there is no selective disclosure of confidential information to third parties, e.g. during the course of a meeting with an analyst. This would be considered tipping, prohibited under securities law.

If selective disclosure of confidential information inadvertently occurs, the Corporation must immediately disclose the information publicly by issuing a press release.

The Corporation will advise all employees that they should not discuss confidential information with other employees in areas where they may be overheard, e.g. in elevators, bars and at parties.

Quiet Period

The Corporation will decline discussions with the investor community relating to financial performance during the 14-day period which precedes the release of quarterly information or annual financial information. During such 14-day period, the Corporation may, however, respond to strictly factual questions concerning publicly available and/or non-material information unrelated to financial performance.

Rumours, Leaks And Inadvertent Disclosures

Unusual market activity is often caused by the presence of rumours. While management may not be aware of, or be in a position to comment on, all rumours, the TSX may request that the Corporation make a clarifying statement. A trading halt may be instituted pending a “no corporate developments” statement from the Corporation. If a rumour is correct in whole or in part, the Corporation must make immediate disclosure of the relevant material information and a trading halt will be instituted pending release and dissemination of the information.

Any unauthorized disclosure of information must be reported immediately to the corporate disclosure manager. If the information is price sensitive, the Corporation will issue a press release. If the information is not material, the Corporation will give investors access to the background information related to the rumour, leak or inadvertent disclosure on the Corporation’s web site.

It is the Corporation’s policy not to comment on market rumours or speculation. This also applies to rumours on the Internet. If the TSX or a securities regulator requests that the

Corporation make a statement in response to a market rumour, the corporate disclosure manager will consider the matter and make a determination as to the nature and content of any response from the Corporation.

Unauthorized leaks of information can place the Corporation in contravention of the legal requirement to disclose material information first to the TSX. If there is an unauthorized or inadvertent leak of information, the person responsible for the disclosure must inform the corporate disclosure manager immediately, even if the information is not material.

Insider Trading

In order to take an active role in the prevention of insider trading violations by the Corporation's officers, directors, employees and other related individuals, the Corporation has adopted a written policy on insider trading which should be read in conjunction with this public disclosure policy.

Procedures For Disclosure

The Corporation has developed a routine procedure for disclosing material information. This procedure consists of drafting a press release; circulating it for review and approval to appropriate members of management; pre-clearing the release with the TSX, if required; and disseminating the release through a national wire service and other distribution channels so as to effect broad dissemination to all public entities.

1. Officers Responsible for Disclosure

It is important that the Corporation be consistent in its disclosures. This applies to analyst meetings and other verbal disclosures along with written disclosures such as annual and quarterly reports and press releases. Thus, by limiting the number of authorized spokespersons, a consistency in message can be maintained. The CEO has been designated as the primary corporate disclosure manager by the Disclosure Policy Committee and is responsible for disclosing material information. The backup corporate disclosure manager will be the Director of Investor Relations of the Corporation. The primary and backup corporate disclosure manager may be changed from time to time.

The name of the designated corporate disclosure manager will be provided to the Market Surveillance Division along with the name of the assigned back-up individual that will be authorized to act if the corporate disclosure manager is unavailable.

These people are authorized to speak on the Corporation's behalf. **Other than employees so designated, no other employee may comment on material corporate developments.**

It is essential that these individuals, together with corporate counsel, be kept fully apprised of Corporation developments, including M&A discussions, extraordinary transactions, etc., in order that they be in a position to evaluate and discuss those events that may impact the disclosure process.

The corporate disclosure manager will be responsible for the following:

- (a) making sure the Corporation complies with continuous disclosure requirements;
- (b) overseeing and co-ordinating disclosure of information to the TSX, analysts, shareholders, the media and the public;
- (c) educating directors and staff on the Corporation's disclosure policies and procedures;
- (d) reviewing all briefings and discussions with analysts to ensure that shareholders are not denied access to any significant background information given to analysts;
- (e) reporting and making recommendations to the board of directors on disclosure issues;
- (f) maintaining accurate records of all disclosures of information by the Corporation, whether the information is material or not; and
- (g) approving all briefings, presentations and other information disclosures.

In addition, either the full board of directors or the audit committee of the Corporation shall review in advance of public release: (i) earnings guidance; and (ii) any news releases containing financial information based upon financial statements which financial statements have not yet been released.

2. Pre-Notification to Exchange

All material timely disclosure news releases from the Corporation must be provided to the Market Surveillance Division. If a material news release is being issued during trading hours, it will generally be necessary for the news release to be provided to the Market Surveillance Division prior to release to allow the staff to determine whether the trading of the Corporation's securities must be halted. A copy of the news release may be faxed to (416) 646-7263 or hand delivered to the Market Regulation Services Inc. - Market Surveillance Division, 145 King Street West, Suite 900, Toronto. No employee other than the corporate disclosure manager (and, if applicable, authorized back-up individuals) may issue or discuss the dissemination of a news release.

3. Dissemination of Material Information

- (a) Through a wire service

The Corporation will transmit all news releases by a wire service that provides national and simultaneous coverage. The wire service must meet the following criteria:

- dissemination of the full text of the release to the national financial press and to daily newspapers that provide regular coverage of financial news;

- dissemination to all the TSX members; and
- dissemination to all relevant regulatory bodies.

(b) Through the Corporation Web Site

The Corporation will maintain a web site to make available to investors all documents provided under the TSX's timely disclosure requirements as well as other investor relations information, such as the annual report, publicly disclosed financial statements, any annual information forms, news releases, material change reports and management proxy circulars.

Supplemental information provided at briefings to analysts and institutional investors will also be posted on the web site.

All information posted in the web site must not be misleading and must be kept up to date and accurate. No material information may be posted on the Corporation web site that has not first been publicly disclosed in compliance with the Disclosure Requirements. As a general practice, the Corporation should not post any investor relations information in the web site that is authorized by a third party, unless the information was prepared on behalf of the Corporation or is general in nature and not specific to the Corporation.

An e-mail link will be provided on the web site for investors to communicate directly with the corporate disclosure manager of the Corporation.

The web site will clearly distinguish between investor relations information and promotional material posted on the Corporation web site.

4. Contents of Announcements

The content of each announcement must be factual and balanced without over-emphasizing favourable news or under-emphasizing unfavourable news. The corporate disclosure manager's name and telephone number will be provided in each release.

The guiding principle is to communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or any commentary which is designed to colour the public's perception of the announcement one way or the other.

5. Briefing Analysts, Investors and the Media

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. Where possible, officers of the Corporation who will be making a presentation during a meeting or press conference or conference call will prepare a script in advance of their remarks in order to reduce the risk of inappropriate statements being made. All presentations must be reviewed and approved by the Disclosure Policy Committee before being made. If the Corporation intends to announce material information at an analyst or shareholder

meeting or a press conference or conference call, the announcement must be preceded by a news release. No selective disclosure is to be made in advance of the news release.

The Corporation recognizes that analysts are important conduits for disseminating corporate information to the investing public and that analysts play a key role in interpreting and clarifying existing public data and in providing investors with background information and details that cannot practically be put in public documents. The Corporation also recognizes that meetings with significant investors are an important element of the Corporation's investor relations program. The Corporation will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this disclosure policy.

The Corporation will provide only non-material information through individual and group meetings, in addition to information which has been previously publicly disclosed, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information. The Corporation will not assume that "tweaking" financial information that it deems is already widely disseminated in the marketplace does not represent selective disclosure.

The Corporation will, upon request, provide the same sort of detailed, public, non-material information to individual investors or reporters that it has provided to analysts and institutional investors and may post this information on its web site.

Where practicable, spokespersons will keep notes of telephone conversations with analysts and investors and more than one Corporation representative will be present at all individual and group meetings. A debriefing will be held after such meetings and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Corporation will immediately disclose such information broadly via news release.

The Corporation's policy is generally not to comment on draft analyst reports. Similarly, analysts reports will not be posted on the Corporation's web site. The Corporation may post on its web site a complete listing, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Corporation. If provided, this list will not include links to the analysts' or any other third party web sites or publications. Analysts are free to prepare reports on the Corporation but should do so based on the permanent information record consisting of public disclosure documents filed with securities administrators and stock exchanges together with information provided in any quarterly investor information meetings described below. Where analysts or other market professionals are seeking clarification on factual matters from the Corporation, the Corporation will generally provide information in written form to ensure answers are clear. Any draft report or model will not be retained if provided to the Corporation. It is imperative that the control of this process be centralized through the Director of Investor Relations of the Corporation and that all inquiries from analysts be directed to her.

6. Future Financial Performance

With respect to questions from the investor community, it is the Corporation's policy not to respond to detailed questions on financial performance except in the case of historical performance. Comments on future performance will generally be limited to statements dealing with operating performance, such as budgeted production and shipments, as well as economic conditions such as overall market demand. Comments on future performance, if made, will not be made in one-on-one meetings but may be made in the context of conference calls to which open access is generally permitted.

The Corporation will generally begin conference calls with a caution, with respect to any statements that may be made of a forward looking nature to ensure that participants are fully aware of the risks associated with such statements in light of the business risks to which the Corporation and its operations are subject. Such caution must go beyond mere boilerplate and be substantive and tailored to the specific future estimates or opinions that are being forecast. Advice must also be provided concerning the practice of the Corporation for updating such forward looking statements.

7. Material Change Reports

In addition to issuing a press release, if the material information also constitutes a "material change", a material change report must be filed with the applicable securities commissions as soon as practicable and in any event, within ten days of the material change. A "material change" includes any change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of the Corporation's securities. All material change reports shall be reviewed by the corporate disclosure manager or authorized back-up individuals.

8. Keep a Record of Disclosures

The Director of Investor Relations of the Corporation will maintain a file of disclosure documents – regulatory filings, press releases, annual reports, quarterly reports, management speeches and analyst presentations. In addition, the Director of Investor Relations of the Corporation will keep a file of brief memos-for-the-record of key questions and answers from verbal discussions with the investment community, such as analyst meetings or calls. This record keeping can be useful when reconstructing a situation in response to an inquiry by securities regulators.

9. Responsibility for Electronic Communications

This disclosure policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures are also responsible for electronic communications.

The Director of Investor Relations is responsible for updating the investor relations section of the Corporation's web site and for monitoring all company information placed on the web site to ensure that it is accurate, complete, up-to-date and in compliance with relevant securities laws.

Disclosure on the Corporation's web site alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on the web site will be preceded by the issuance of a news release.

All continuous disclosure documents as well as all supplemental information provided to analysts, institutional investors and other market professionals will be provided in the Investor Relations section of the Corporation's web site. All information posted, including text and audiovisual material, will show the date the material was issued. Any material changes in information must be updated immediately, following issuance of a news release. The web site 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.

The Director of Investor Relations will maintain a log indicating the date that material information is posted and/or removed from the Investor Relations section of the web site. Documents filed with securities regulators will be maintained on the web site for a minimum of two years.

The Director of Investor Relations must approve all links from the Corporation web site to third party web sites. The web site will include a notice that advises readers they are leaving the Corporation's web site and that the Corporation is not responsible for the contents of the other site.

The Director of Investor Relations will also be responsible for responses to electronic inquiries. Only public information or information that could otherwise be disclosed in accordance with this disclosure policy shall be used to respond to electronic inquiries.

In accordance with this disclosure policy, employees (including designated spokespersons) are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to the Corporation's activities or its securities.

Policy Review

This policy shall be reviewed and updated as necessary by the Disclosure Policy Committee. Each new employee will be provided with a copy of this policy and taken through it by the corporate disclosure manager. The policy will be brought to the attention of each other employee on at least an annual basis and more frequently if changes are made in the interim.