

AUGUSTA RESOURCE CORPORATION

CORPORATE DISCLOSURE AND SHARE TRADING POLICY

Adopted by the Board of Directors
on November 13, 2009

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I. OBJECTIVES AND SCOPE

1.1 Objectives

The Company is committed to best practices in making timely and accurate disclosure of all *material information* and providing fair and equal access to the *material information*. This policy explains the Company's disclosure policies and practices.

Italicized words used in this policy (including the Appendices) have specific meanings set out in **Appendix A - Glossary**.

1.2 Scope

This policy applies to:

- all *directors, officers*, employees and consultants of the Company and/or its *affiliates*,
- those *associated* with them, including their household members, trading accounts, holding companies and investment companies, and
- all authorized spokespersons of the Company.

This policy applies to all oral and written statements, including statements made in:

- documents filed with securities regulators and stock exchanges,
- communications to shareholders,
- press releases,
- interviews with securities professionals (including analysts), institutional or other investors and the media,
- speeches, press conferences and management presentations, and
- information posted on the Company's website, electronic mail (e-mail) and other electronic communications.

II. ADMINISTRATORS AND AUTHORIZED SPOKESPERSONS

2.1 Administrators

This Corporate Disclosure and Share Trading Policy shall be administered by the following people: the CEO, CFO, Chairman of the board of directors (“Chairman”), Manager of Investor Relations and the Corporate Secretary (collectively the “Administrators”). In addition the VP Administration of the Company will serve as a designate (the “Designate”) for the CEO, CFO or the Chairman and unless specifically indicated, any reference to either the CEO, CFO or the Chairman in this Policy shall also mean the Designate. The Administrators are responsible for overseeing the implementation of this policy and to monitor its effectiveness. The Administrators must be kept informed of all significant Company developments. The majority of the Administrators shall decide if information is material, and when it should be disclosed. They may also decide to keep material information confidential in restricted circumstances. See **Section 3.2 – Confidential Material Information**.

The Administrators shall assist senior management of the Company to establish, maintain and implement a system of disclosure controls and procedures that is designed to ensure that information required to be disclosed by the Company under applicable securities laws and stock exchange rules is recorded, processed, summarized and reported within the time periods specified under such securities laws and stock exchange rules.

The Administrators will review this policy from time to time to ensure that it complies with regulatory requirements and make recommendations to the board of directors with respect to any changes to the policy, when necessary.

2.2 Authorized Spokespersons

It is important for the Company to monitor and control information conveyed to the public. Accordingly, only the following persons may discuss information about the Company with securities professionals (including analysts), institutional or other investors and the media: the CEO, the CFO, the Chairman, the Manager of Investor Relations and any other employee of the Company from time to time designated by any of the foregoing persons to respond to, or assist in responding to, specific enquiries as necessary or appropriate. These individuals will be briefed on appropriate responses to market rumours and leading questions. See **Part VII - Guidelines for Authorized Spokespersons**.

Directors, officers, employees and consultants who are not authorized spokespersons must not respond to inquiries from securities professionals (including analysts), institutional or other investors and the media, personally, over the telephone, by e-mail, or otherwise. Any inquiries must be referred immediately to the Manager of Investor Relations.

III. GENERAL PRINCIPLES REGARDING MATERIAL INFORMATION

3.1 Material Information will be Generally Disclosed by Press Release

The Company must promptly disclose all *material information* required under securities laws and stock exchanges rules by issuing and filing a press release. The

only exception is in restricted circumstances when the Administrators determine that public disclosure should be delayed for a period of time for reasons of corporate confidentiality. See **Section 3.2 - Confidential Material Information**.

Material information includes both material facts and material changes.

Any majority of the Administrators will exercise judgment in making materiality determinations regarding the Company.

3.2 Confidential Material Information

The Administrators may delay public disclosure of *material information* if it determines that immediate release would be unduly detrimental to the Company's interests (for example, if it would prejudice negotiations in a corporate transaction). In these circumstances:

- Confidential Material Change Reports - The CEO or CFO will cause the Company to file a confidential material change report with securities regulators, explaining the reasons why the report must be kept confidential, and will periodically (at least every 10 days) review its decision.
- Complete Confidentiality Maintained - All *persons* with knowledge of confidential information must maintain complete confidentiality and must not disclose the information to any other *person*, except in the necessary course of business. See **Section 4.3 - Necessary Course of Business**.
- Trading Activity Monitored - Market activity in the Company's securities will be monitored by the Manager of Investor Relations for any potential misuse of confidential *material information*. The Company may also ask the Market Surveillance Division of the Investment Industry Regulatory Organization of Canada ("IIROC"), on behalf of the Toronto Stock Exchange and the Stock Watch Department of the NYSE Amex Equities (the "NYSE Amex"), to place the Company's securities on "stock watch" to monitor trading activity. See **Part V - Restrictions on Trading and "Tipping"; Trading Blackout Periods; Insider Reports**.
- Disclosure - As soon as the basis for confidentiality ceases to exist, or information is inadvertently disclosed or is leaked, or otherwise becomes publicly known, the confidential *material information* will be generally disclosed immediately by press release. See **Section 3.5 – Situations Requiring Disclosure**.

3.3 No Selective Disclosure

The Company will not make disclosure of *material information* to any individual (such as securities professionals (including analysts), institutional or other investors and the media) if it has not been generally disclosed. If previously undisclosed *material information* is inadvertently disclosed or is leaked, other than disclosures in the necessary course of business as permitted in this policy, the *material information* will be generally disclosed immediately by press release. See **Section 3.5 – Situations Requiring Disclosure and Section 4.3 - Necessary Course of Business**.

3.4 Disclosure Must Be Factual, Balanced and Consistent

The substance and importance of the *material information* being disclosed must be clear. Unnecessary details, exaggerations and promotional commentary will be avoided. Disclosure will include any information the omission of which would make the rest of the disclosure misleading (half-truths are misleading). Unfavourable *material information* will be disclosed as promptly and completely as favourable information. Disclosure will be consistent among all audiences, including securities professionals such as analysts, institutional or other investors and the media.

3.5 Situations Requiring Disclosure

Material information about the Company will be generally disclosed immediately by press release in any of the circumstances described below. This will include contacting the Market Surveillance Division of IROC, on behalf of the Toronto Stock Exchange and the Stock Watch Department of the NYSE Amex, and requesting a trading halt, if necessary, pending the issuance of the press release. Pending the issuance of the press release, the Company will also take steps to inform those parties to whom any selective disclosure has been made that the information is material and has not been generally disclosed.

- Inadvertent Disclosure - If the Company becomes aware, or has reasonable grounds to believe, that confidential *material information*, or rumours about it, has been inadvertently disclosed to selected individuals, or leaked.
- Misuse of Material Information - If the Company becomes aware, or has reasonable grounds to believe, that someone is trading the Company's securities with knowledge of confidential *material information*, or rumours about it (for example, if there is unusual trading activity in the Company's securities).
- Errors in Previous Disclosure - If the Company learns that previous disclosure contained a material error at the time it was given, and the correction constitutes *material information*.

IV. MAINTAINING CONFIDENTIALITY

4.1 Undisclosed Material Information Must Be Kept Confidential

All *material information* about the Company and its *affiliates* that has not been generally disclosed by press release must be kept strictly confidential in accordance with this policy.

It is often difficult to tell whether information is *material information*, or when a development (such as a proposed transaction) will mature into *material information*. **Accordingly, all information relating to the Company and its *affiliates* that has not been publicly disclosed by the Company must be treated as confidential *material information*.**

4.2 Material Information About Other Companies

From time to time, the Company may be involved in transactions or proposed transactions with another company that may result in *directors, officers, employees* or consultants of the Company having confidential information about that other company.

This information must be treated as confidential information in accordance with this policy, as if it were confidential information about the Company. No one may trade in securities of the other company with knowledge of confidential information about the other company. See **Part V - Restrictions on Trading and “Tipping”; Trading Blackout Periods; Insider Reports.**

4.3 Necessary Course of Business

With the prior approval of the CFO, the CEO or another designated officer, confidential information may be disclosed to selected individuals if doing so is in the necessary course of business and on a strict need-to-know basis. The individual receiving the confidential information must be advised that:

- the information is confidential and may not be disclosed to anyone else, other than in the necessary course of business (and then only with appropriate Company approvals), and
- they cannot trade, or assist others to trade, in the Company’s securities until the confidential information is generally disclosed.

In appropriate circumstances, an outside party receiving confidential information in the necessary course of business may be required to sign a confidentiality agreement.

Disclosure to securities professionals (including analysts), institutional or other investors and the media is generally **not** considered to be in the necessary course of business.

4.4 Procedures to Prevent the Misuse of Confidential Information

In order to prevent the inadvertent disclosure or misuse of confidential information, Company employees should ensure care is taken to secure such information as appropriate.

V. RESTRICTIONS ON TRADING AND “TIPPING”; TRADING BLACKOUT PERIODS; INSIDER REPORTS

5.1 Unlawful Trading and “Tipping”

- Insider Trading - It is illegal for *special relationship persons* with knowledge of *material information* affecting a public company that has not been generally disclosed to buy or sell securities of that company.
- “Tipping” - It is illegal for *special relationship persons* to inform (“tip”) any other *person* of *material information* affecting a public company that has not been generally disclosed, except in the necessary course of business. See **Section 4.3 - Necessary Course of Business.**

Anyone in a *special relationship* with the Company is caught by the prohibitions against *insider* trading and tipping. The definition is very broad and captures all *directors, officers* and employees (including non-management employees) of the Company and anyone in a *special relationship* with the Company. It also captures a potentially infinite chain of tippees. **Anyone who is uncertain about whether they are an insider of the Company, or about the scope of the definition of persons in a special relationship with the Company, should consult with the CFO.**

5.2 Specific Restrictions

- Prohibited Use of Non-Public Material Information about the Company - The prohibition on *insider* trading and tipping applies to anyone who has knowledge of *material information* about the Company that has not been generally disclosed. These persons are prohibited from trading securities of the Company, and from informing any other *person* of non-public *material information* affecting the Company (except in the necessary course of business), until the *material information* has been generally disclosed by press release and a reasonable period of time (usually, one full *trading days*) has passed for the information to be widely disseminated. See **Section 4.3 – Necessary Course of Business**.
- Use of Non-Public Material Information About a Counterparty - The prohibition on *insider* trading and tipping also applies to anyone who has knowledge of *material information* about a counterparty with which the Company is negotiating - or plans to negotiate - a business combination or other potentially material transaction that has not been generally disclosed. These persons are prohibited from trading securities of the counterparty, and from informing any other *person* of non-public *material information* affecting the counterparty (except in the necessary course of business as discussed in this policy), until the *material information* has been generally disclosed by press release and a reasonable period of time (usually, one full *trading day*) has passed for the information to be widely disseminated. See **Section 4.3 - Necessary Course of Business**.
- Stock Options, etc. - The issuance and exercise of stock options, *share appreciation rights* (SARs) and similar share compensation rights are trades in securities for purposes of the *insider* trading and tipping prohibitions.
- Derivatives, Options and Warrants - Buying and selling derivatives (whether issued by the applicable company or a third party), options, warrants, rights and similar securities are trades in securities for purposes of the *insider* trading and tipping prohibitions.
- Speculating in Securities - It is unlawful for insiders of a public company to:
 - short-sell securities of that public company or its *affiliates* (i.e., sell securities that they do not yet own), except in limited circumstances permitted by corporate and securities laws, and
 - buy put options, or sell call options, on securities of that public company or its *affiliates*.

5.3 Trading Blackout Periods

The Company's securities may not be traded, and stock options, SARs, restricted share, restricted share units and similar share compensation rights may not be issued or exercised, during the following blackout periods:

- Scheduled Blackout Periods - If determined necessary by the CEO, CFO or the Chairman, trading blackouts may be implemented that apply to *directors, officers, employees, consultants, or persons in a special relationship* with the Company and *officers* and employees with access to confidential *material information*. These blackout periods may be commenced at any time and end at

the close of business on the first full *trading day* following the issuance of a press release generally disclosing the quarterly or annual results.

- Business Milestones – The CEO or CFO will announce from time to time the dates of any blackout periods, generally commencing on or about the date when important news becomes known within the Company and ending one business days after the date of the relevant news release.
- Unscheduled Pending Corporate Developments – These trading blackouts may be recommended from time to time for prescribed periods by the board of directors or the CEO or CFO because of an unscheduled pending corporate development. Anyone with knowledge of the special circumstances, and anyone else designated by the board of directors or the Administrators, is subject to the trading blackout. This may include external advisors such as legal counsel, investment bankers and consultants.

Blackouts will apply to all persons within the organization including consultants who have knowledge of confidential material information. Notification of a blackout or a lift on a blackout will be made to relevant persons by electronic mail.

Directors, officers, employees and consultants of the Company may apply to the CEO or the VP Administration for written approval to trade the Company's securities during a trading blackout period on a discretionary basis.

5.4 Insider Reports

Insider reports must be filed by all *insiders* of the Company under securities laws to report the ownership of, and trades in, securities of the Company (including the issuance and exercise of stock options). It is the *insider's*, and not the Company's, responsibility to file insider reports when required. **The filing of an insider report does not relieve the insider from any other responsibility under this policy.**

VI. TIMELY DISCLOSURE

6.1 Press Releases

- Coordination - The issuance of press releases, whether or not they contain *material information*, is coordinated by the Manager of Investor Relations.
- Specific Approvals -
 - General - All press releases must be reviewed in advance by a majority of the Administrators for accuracy and completeness prior to release.
 - Annual Financial Statements - Annual financial statements must be reviewed by the Audit Committee and approved by the board of directors prior to release.
 - Quarterly Financial Statements - Quarterly financial statements must be reviewed by the Audit Committee and approved by the board of directors prior to release unless the Audit Committee has been delegated this responsibility.
 - Extracts of Information from Financial Statements – Extracts of information from financial statements must be reviewed and approved by the Audit Committee.

- Procedure for Dissemination - If a press release containing *material information* is to be issued during trading hours, approval must be received by the Market Surveillance Division of IROC, on behalf of the Toronto Stock Exchange and the Stock Watch Department of the NYSE Amex, so that it can give assistance and direction on whether there should be a trading halt. If the press release is issued outside normal trading hours, Market Surveillance and Stock Watch must be notified.
- Dissemination -
 - Approved News-Wire Service - Press releases will be disseminated through an approved news-wire service that provides simultaneous national and/or international distribution and transmission to all relevant stock exchanges and securities regulatory authorities, the national financial press and daily newspapers that provide regular coverage of financial news.
 - SEDAR/Company Website - Press releases must be filed on SEDAR and EDGAR (under a Form 6-K) and be posted on the investor section of the Company's website.

6.2 Material Change Reports

If information in a press release is deemed material by the Administrators, then the Corporate Secretary will coordinate the filing of a material change report on a timely basis with all applicable securities regulators.

6.3 News Conferences, Analyst Conference Calls and Private Briefings with Securities Professionals (Including Analysts), Investors and the Media; Communication Quiet Periods

- Participation – In the event news conferences and analyst conference calls are held, they will be held in an open manner. All interested parties can participate by telephone or through the Internet by webcast and/or conferences and calls will be taped. Webcast archives and/or transcripts are posted immediately on the Company's website, and will remain there for a reasonable period of time (generally at least two weeks). In addition, the Company will meet with analysts and investors individually or in small groups as needed and will initiate contacts or respond to analysts' and investors' calls on a timely, consistent and accurate fashion in accordance with this policy. All analysts will receive fair treatment - whether they are recommending buying or selling the Company's securities.
- Notice - Adequate notice (usually at least one week in advance) will be given of the time, date and topic of each news conference or analyst conference call, containing instructions on how to access the call and indicating for how long and by what means the Company will make a replay available. Notice will be given:
 - by press release distributed through an approved news-wire service; and
 - by notice on the front page of the Company's website.
- Attendance - Where practical, news conferences and analyst conference calls, briefings with securities professionals (including analysts), investors and the media will be attended by at least the CEO, the CFO and/or the Chairman. It is the responsibility of the CEO, the CFO and/or the Chairman to be completely familiar with the Company's public disclosure record so as to provide

information that will be consistent with the public disclosure record and to interrupt if questions could elicit the disclosure of non-public *material information*.

- Pre-Conference Briefing Sessions - Company officials will meet before news conferences and analyst conference calls. Where practical, statements and responses to anticipated questions will be scripted in advance and reviewed by the appropriate people within the Company.
- Cautionary Language - A Company spokesperson will provide cautionary language at the beginning of each conference with respect to any forward-looking information and will direct participants to publicly available documents containing all relevant assumptions, sensitivities and full discussion of the risks and uncertainties. See **Section 7.2 - Forward-Looking Information**.
- Information Provided - The Company will provide only *material information* that has been generally disclosed and non-*material information*, recognizing that an analyst or investor may construct this information into a mosaic that could result in *material information*. The Company cannot alter the materiality of information by breaking it down into smaller, non-material components.

Disclosure at news conferences, analyst conference calls and shareholders' meetings does not satisfy the Company's obligation to generally disclose *material information*. The Company generally discloses *material information* by press release. **Any disclosure of *material information* at news conferences, analyst conference calls and shareholders' meetings must be preceded by the issuance of a press release in accordance with this policy.**

- Record-Keeping - At least one Company official will keep detailed notes.
- Debriefing Sessions - Company officials attending a session will hold a debriefing meeting immediately after the news conference or analyst conference call. **If selective disclosure of previously undisclosed *material information* is discovered, the *material information* will be generally disclosed immediately by press release.** See **Section 3.5 – Situations Requiring Disclosure**.
- Communication Quiet Periods -
 - Quarterly and Non-Routine Quiet Periods - To avoid the potential for selective disclosure or the appearance of selective disclosure, the Company will observe quiet periods when a *material change* is pending.

A quarterly quiet period, if applicable, *may be* commenced at any time and end at the close of business on the first full *trading day* following the issuance of the press release generally disclosing the quarterly or annual results.
 - Activities During Quiet Periods - During a quiet period the Company will not initiate or participate in any meetings or telephone contacts with analysts, investors or the media and no earnings guidance will be provided to anyone. Communications will be limited to responding to inquiries concerning *material information* that has been generally disclosed or non-*material information*. Trading by certain persons in the Company's securities is also restricted. See **Part V – Insider Trading; Tipping; Insider Reports**. If the Company is invited to participate in investment meetings or conferences organized by others during a quiet period, the CEO or CFO may determine, on a case-by-case basis, if it is

advisable to accept those invitations. If accepted, extreme caution must be exercised to avoid selective disclosure of any *material information* not yet publicly disclosed.

- Communications During Offering Periods – Public communications during offerings of securities must be pre-cleared with the CEO or CFO.

6.4 Electronic Communications

- Electronic Communications – Disclosure on the Company's website alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on the Company's website will be preceded by the issuance of a news release.
- Company Website – The Company's website shall contain an investor section. Documents of interest to investors that are available in paper copy may be made available on the website. These may include the annual report, quarterly reports, news releases, and management proxy circular. News releases will be added to the website as soon as possible after they are released to the wire service. Other documents and presentations may be placed on the website as soon as possible after they are available.
- The Company's website will include a cautionary statement that information posted on the Company's website was accurate at the time of posting, but may be superseded by later information,
- Links - The Manager of Investor Relations must approve all links from the Company's website to a third party website. The website will include a notice regarding links that advises the reader that they are leaving the Company's website and that the Company is not responsible for the contents of the other site. Links will be checked regularly to make sure they still work.
- Responsibility for Company Website - The Manager of Investor Relations is responsible for updating the investor section of the Company's website and is responsible for monitoring all Company information placed on the website to ensure that at the time it was placed on the website it is accurate, up-to-date and in compliance with this disclosure policy. Out-of-date information will be deleted and archived. Information that is incorrect or that becomes inaccurate over time will also be deleted and archived, and a correction posted. See **Section 6.5 - Disclosure Record**.
- Timing of Information Posted on Company Website - Timely disclosure documents will be posted as soon as possible after they have been generally disclosed. Disclosure on the Company's website alone will not satisfy the Company's obligation to generally disclose *material information*. The Company generally discloses *material information* by press release. **Any disclosure of *material information* on the Company's website must be preceded by the issuance of a press release in accordance with this policy.**
- Third Party Documents -
 - Analysts' Reports - **The Company will not post analysts' reports on the Company's external website and will not provide a link to analysts' websites or publications.** The Company may choose to list the names of analysts who cover the Company on the Company's website. If the Company chooses to do so, it will list all analysts that the

Company is aware of that follow the Company - whether they are recommending buying or selling the Company's securities.

- Electronic Inquiries - The Manager of Investor Relations will be responsible for responses to electronic inquiries and will maintain a written record of such inquires and responses. Only public information or information which could otherwise be disclosed in accordance with this policy shall be utilized in responding to electronic inquiries.
- Shut Down – The CEO or CFO may, if required to comply with under applicable securities laws, take down certain parts or all of the website.

6.5 Disclosure Record

The Manager of Investor Relations will be responsible (from the date of this policy) for maintaining a five-year archive containing all public information about the Company and all information posted on the Company's website.

VII. GUIDELINES FOR AUTHORIZED SPOKESPERSONS

The following are guidelines for the Company's authorized spokespersons when dealing with securities professionals (including analysts), institutional or other investors and the media.

7.1 Analysts' Reports and Models

- Review of Analysts' Reports and Models - The Company believes that it is necessary and appropriate to review and potentially comment on reports and models prepared by financial analysts. However, this activity will be confined to identifying publicly disclosed factual information that may affect an analyst's model or to pointing out inaccuracies or omissions with reference to publicly available information about the Company.

To avoid any appearance of endorsing an analyst's report or model, any comments are to be provided and with a disclaimer stating that the report was reviewed for factual accuracy only. The Company will not express comfort with respect to analysts' reports, financial reports or earnings estimates or attempt to influence analysts' opinions or conclusions. For example, the Company cannot selectively confirm that an analyst's estimate is "on target" or that it is "too high" or "too low", whether directly or indirectly through implied "guidance".

Limits on Distribution - The Company will not distribute financial models or earnings estimates to third parties, except to the Company's financial and other professional advisors in the necessary course of business. See **Section 4.3 - Necessary Course of Business**.

See also **Section 6.4 – Electronic Communications** under the heading, Third Party Documents for limits on distributing analysts' reports and the names of analysts who cover the Company.

7.2 Forward-Looking Information

If the Company volunteers forward-looking information, the following guidelines will be observed:

- Performance Indicators – Forward-looking information must be supportable based on the Company’s internal capabilities. Forward-looking statements that are overly optimistic, lack objectivity or are not adequately explained may be misleading.
- No Selective Disclosure - There will be no selective disclosure of forward-looking *material information*, orally or in writing. All forward-looking information identified as *material information* will be generally disclosed by press release.
- Cautionary Statements - The disclosure of any material forward-looking information, orally or in writing, will, at a minimum, be accompanied by the following statements:
 - Identification of Forward-Looking Information - a statement that the information is forward-looking,
 - Assumptions - a cautionary note stating that the forward-looking information is based on material assumptions and that there is a significant risk that actual results may vary, perhaps materially, from the results projected,
 - Risk Factors – a statement that the full discussion of risk factors associated with the Company’s business is contained in the Company’s Annual Information Form,
 - Disclaimer - a statement that the forward-looking information is subject to changes and disclaiming that the Company does not assume the obligation to update forward-looking statements continually as conditions change,
 - Press Releases – Where appropriate, cautionary statements regarding forward-looking statements included in press releases should be reviewed on a case by case basis taking into account the nature of the forward-looking statements being provided,
 - Updates - Once the Company has disclosed forward-looking information (and notwithstanding any disclaimers by the Company), the Company’s practice will be to regularly assess whether previous statements of forward-looking information should be replaced by new financial outlooks, to determine whether that past disclosure of forward-looking information is accurately reflected in current MD&A and to update the information, if necessary, by press release.

7.3 Management Presentations, etc.

Presentations at conferences, meetings and similar events should be either prepared or reviewed in advance by the CEO, the CFO and/or the Chairman.

7.4 Rumours

The Company’s policy is not to comment on market rumours (including rumours on the internet). The Company’s spokespersons will consistently respond: **“It is our policy not to comment on market rumours or speculation.”**

If the Toronto Stock Exchange (or any other exchange where the Company's securities are listed or other securities regulatory authority) asks the Company to make a clarifying statement in response to a rumour, the Administrators will consider the matter and decide whether to make a definitive statement.

VIII. COMMUNICATION AND ENFORCEMENT

8.1 Communication of Policy

This policy will be distributed to all *directors, officers*, employees and consultants of the Company and/or its *affiliates*, and all authorized spokespersons. The Company will communicate any changes to this policy.

8.2 Onus of Compliance

Violations of this policy may constitute violations of securities laws and/or result in damages and liability to the Company and those concerned personally. All *directors, officers*, employees and consultants of the Company and/or its *affiliates*, and all authorized spokespersons, are expected to be familiar with this policy and to comply fully with it.

8.3 Failure to Comply

The Company will take disciplinary action, up to and including termination, in respect of breaches of this policy. The type of disciplinary action will be dependent on the nature the breach, and will be subject to and in accordance with applicable employment law. Any violation of this policy may result in:

- the immediate suspension or dismissal of those individuals concerned, and
- the Company reporting those individuals concerned to securities enforcement authorities, which could lead to civil and/or criminal sanctions.

8.4 Questions

All questions about this policy should be directed to the Administrators.

Appendix A – Glossary

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| <i>Affiliate</i> | A company shall be deemed to be an <i>affiliate</i> of another company if one of them is the <i>subsidiary</i> of the other or if both are subsidiaries of the same company or if each of them is controlled by the same person or company; and, if two companies are affiliated with the same company at the same time, they are deemed to be <i>affiliated</i> with each other. |
| <i>associate</i> | Where used to indicate a relationship with any <i>person</i> or company means: <ul style="list-style-type: none"> (a) any issuer of which such <i>person</i> or company <i>beneficially owns</i>, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the company for the time being outstanding; (b) any partner of that <i>person</i> or company; (c) any trust or estate in which such <i>person</i> or company has a substantial <i>beneficial</i> interest or as to which such <i>person</i> or company serves as trustee or in a similar capacity; (d) any relative of that <i>person</i> who resides in the same home as that <i>person</i>; (e) any <i>person</i> who resides in the same home as that <i>person</i> and to whom that <i>person</i> is married, or any <i>person</i> of the opposite sex or the same sex who resides in the same home as that <i>person</i> and with whom that <i>person</i> is living in a conjugal relationship outside marriage; or (f) any relative of a <i>person</i> mentioned in clause (e) who has the same home as that <i>person</i>. |
| <i>control or direction</i> | <ul style="list-style-type: none"> (a) If a <i>person</i> or company has in fact given effective control or direction over securities to another <i>person</i> or company, through a voting trust, income splitting arrangement or other written or unwritten arrangement or understanding, those holdings should be aggregated with those of the <i>person</i> or company. (b) <i>Control or direction</i> does not include family holdings, unless a family member has in fact given effective <i>control or direction</i> to the relevant person or company, through a voting trust, income splitting arrangement or other written or unwritten arrangement or understanding, in which case the family holdings should be aggregated with those of the relevant <i>person</i> or company. |
| <i>Director</i> | Where used in relation to a <i>person</i> , includes a <i>person</i> acting in a capacity similar to that of a director of a company. |
| <i>holding body corporate</i> | A body corporate is the holding body corporate of another if that other body corporate is its <i>subsidiary</i> . |

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| <p><i>Insider</i></p> | <p>Each of the following persons is an <i>insider</i> of a reporting issuer:</p> <ul style="list-style-type: none"> (a) every director or <i>senior officer</i> of the reporting issuer, (b) every director or <i>senior officer</i> of a company that is itself an <i>insider</i> or <i>subsidiary</i> of the reporting issuer, (c) any <i>person</i> or company who <i>beneficially owns</i>, directly or indirectly, <i>voting securities</i> of a reporting issuer or who exercises <i>control or direction</i> over voting securities of a reporting issuer or a combination of both carrying more than 10% of the <i>voting rights</i> attached to all <i>voting securities</i> of the reporting issuer for the time being out-standing other than <i>voting securities</i> held by the <i>person</i> or company as underwriter in the course of a distribution, and (d) the reporting issuer where it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities. |
| <p><i>material change</i></p> | <p>Where used in relation to the affairs of a company, means a change in the business, operations or capital of the company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the company and includes a decision to implement such a change made by the board of <i>directors</i> of the company or by senior management of the company who believe that confirmation of the decision by the board of <i>directors</i> is probable.</p> |
| <p><i>material fact</i></p> | <p>Where used in relation to securities issued or proposed to be issued, means a fact that significantly affects or could reasonably be expected to have a significant effect on, the market price or value of such securities.</p> |
| <p><i>material information</i></p> | <p>Material information is any information relating to the business and affairs of a company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company's listed securities or would reasonably be expected to have a significant influence on a reasonable investor's investment decision. Material information consists of both <i>material facts</i> and <i>material changes</i> relating to the business and affairs of a listed company.</p> |
| <p><i>officer</i></p> | <p>The chair, any vice-chair of the board of directors, the president, any vice-president, the secretary, the assistant secretary, the treasurer, the assistant treasurer, the comptroller, the general counsel, the general manager, and a managing director of a company, any other <i>person</i> designated an <i>officer</i> of a company by by-law or similar authority, and any individual acting in a similar capacity on behalf of a company.</p> <p>For purposes of the <i>Canada Business Corporations Act</i>, an <i>officer</i> includes any person appointed as an officer under Section 121 of that Act.</p> |
| <p><i>person</i></p> | <p>A <i>person</i> includes an individual, a body corporate, a partnership, an unincorporated association, an unincorporated syndicate, an unincorporated organization, a trust, a trustee, an executor, an administrator, and any other legal or personal representative.</p> |
| <p><i>senior officer</i></p> | <p>Means the chair or a vice-chair of the board of directors, the president, a vice-president, the secretary, the treasurer or the general manager of a company or any other individual who performs functions for the company similar to those normally performed by an individual occupying any such office and each of the five highest paid employees of the company, including any of the individuals referred to above.</p> |

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| <p><i>special relationship</i></p> | <p>A <i>person</i> is in a <i>special relationship</i> with a company if:</p> <ul style="list-style-type: none"> (a) the <i>person</i> is an <i>insider, affiliate or associate of</i>, <ul style="list-style-type: none"> (i) the company; (ii) a <i>person</i> that is proposing to make a take-over bid, as defined under applicable securities laws, for the securities of the company; or (iii) a <i>person</i> that is proposing to become a party to a reorganization, amalgamation, merger or arrangement or similar business combination with the company or to acquire a substantial portion of its property; (b) the <i>person</i> is engaging in or proposes to engage in any business or professional activity with or on behalf of the company or with or on behalf of a <i>person</i> described in subclause (a) (ii) or (iii); (c) the <i>person</i> is a <i>director, officer or employee</i> of the company or of a person described in subclause (a) (ii) or (iii) or clause (b); (d) the <i>person</i> learned of a <i>material fact or material change</i> with respect to the company while the <i>person</i> was a <i>person</i> described in clause (a), (b) or (c); (e) the <i>person</i> learned of a <i>material fact or material change</i> with respect to the company from any other <i>person</i> described above, including a person described in this clause, and knows or ought reasonably to have known that the other <i>person</i> is a <i>person</i> in such a relationship |
| <p><i>share appreciation right</i></p> | <p>Means a right, granted by a company or any of its <i>subsidiaries</i> as compensation for services rendered or otherwise in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities.</p> |
| <p><i>subsidiary</i></p> | <p>A company shall be deemed to be a subsidiary of another company if:</p> <ul style="list-style-type: none"> (a) it is controlled by: <ul style="list-style-type: none"> (i) that other, or (ii) that other and one or more companies each of which is controlled by that other, or (iii) two or more companies each of which is controlled by that other; or (b) it is a <i>subsidiary</i> of a company that is that other's <i>subsidiary</i>. <p>Note: "<i>control</i>" is defined in terms of 50% of the votes attaching to shares.</p> |
| <p><i>trading day</i></p> | <p>Means a day on which the stock exchanges on which the company's securities are traded are open for trading. If <i>material information</i> is disclosed on a trading day before the markets close, then such disclosure shall be considered to have been made at the commencement of the first trading day following such public disclosure.</p> |