



	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
4.	<p><b>Ethical Business Conduct</b> Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board views good corporate governance as an integral component to the success of the Corporation and to meet responsibilities to Shareholders. Generally, the Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. The Board has adopted a Code of Business Conduct and Ethics. The Board will instruct its management and employees to abide by the Code of Business Conduct and Ethics.</p> <p>The Board is also responsible for applying governance principles and practices, and tracking development in corporate governance, and adapting "best practices" to suit the needs of the Corporation. Certain of the directors of the Corporation may also be directors and officers of other companies, and conflicts of interest may arise between their duties. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under the <i>Business Corporations Act</i> (Ontario).</p>
5.	<p><b>Nomination of Directors</b> Describe what steps, if any, are taken to identify new candidates for Board nomination, including:</p> <p>(a) who identifies new candidates, and (b) the process of identifying new candidates.</p>	<p>The Board has not formed a nominating committee or similar committee to assist the Board with the nomination of directors for the Corporation. The Board considers itself too small to warrant creation of such a committee; and each of the directors has contacts he can draw upon to identify new members of the Board as needed from time to time.</p> <p>The Board will continually assess its size, structure and composition, taking into consideration its current strengths, skills and experience, proposed retirements and the requirements and strategic direction of the Corporation. As required, directors will recommend suitable candidates for consideration as members of the Board.</p>
6.	<p><b>Compensation</b> Describe what steps, if any are taken to determine compensation for the directors and CEO, including:</p> <p>(a) who determines compensation; and (b) the process of determining compensation.</p>	<p>The Corporation's Compensation Committee consists of Brian Montgomery (Chair), Alger St-Jean and Alistair Ross, all of which the Board considers to be independent directors of the Corporation. These directors have the responsibility for approving compensation for the directors and senior management. To determine compensation payable, a Compensation Committee has been established that will review compensation paid for directors and executive officers of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation. In setting the compensation, the Compensation Committee intends to annually review the performance of the Chief Executive Officer in light of the Corporation's objectives and consider other factors that may have impacted the success of the Corporation in achieving its objectives.</p>
7.	<p><b>Other Board Committees</b> If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>In addition to the Audit Committee, the Corporation also has a Compensation Committee. By virtue of their differing professional backgrounds, business experience, knowledge of the Corporation's industry, knowledge of corporate governance practices and, where appropriate, service on compensation committees of other reporting issuers and experience interacting with external consultants and advisors, the members of the Compensation Committee are able to make decisions on the suitability of the Corporation's compensation policies and practices.</p>

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
8.	<p><b>Assessments</b></p> <p>Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively</p>	<p>The Board, in conjunction with the Compensation Committee, will monitor the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. On an ongoing annual basis, the Board will assess the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.</p>