

CORPORATE DISCLOSURE POLICY

Burntsand

**Burntsand Incorporated
And Wholly-Owned Subsidiary Companies**

November 2005

Burntsand

CORPORATE DISCLOSURE POLICY

OBJECTIVE

The objective of the Disclosure Policy is to ensure that communications to the investing public about Burntsand Inc. (“**Burntsand**”, “**our**”, “**we**”, or the “**Company**”) are:

- (a) timely, factual and accurate; and
- (b) consistent and broadly disseminated in accordance with all applicable legal and regulatory requirements.

Everyone who invests in Burntsand securities should have equal access to information that may affect their investment decisions. Insiders of Burntsand and others who have undisclosed material information about Burntsand should not purchase or sell Burntsand securities or inform others of the undisclosed material information unless it is necessary in the ordinary course of business.

This disclosure policy extends to all employees of Burntsand and its wholly owned subsidiaries, our board of directors and those authorized to speak on our behalf. It covers disclosures in documents filed with the securities commissions and written statements made in our annual and quarterly report, new releases, letters to shareholders, speeches and presentations by senior management or other persons speaking on behalf of Burntsand and information contained on Burntsand’s website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as press conferences and conference calls.

This Policy confirms in writing our existing practices. Its goal is to raise awareness of our approach among the board of directors, senior management, employees, and others who have undisclosed material information about Burntsand.

DETERMINING NEED FOR DISCLOSURE

A committee consisting of the Chief Financial Officer (“**CFO**”), the Regional Leaders and the Finance Manager (the “**Disclosure Committee**”) has the responsibility to:

- (a) update this Policy regularly, including to take account of new developments and standards of practice;
- (b) monitor the effectiveness of and compliance with this Policy;
- (c) educate Burntsand’s directors, officers and other employees about the matters covered by this Policy;

- (d) review and authorize all written, electronic and oral disclosure before it is publicly disclosed;
- (e) monitor Burntsand's website;
- (f) meet as needed, but at least once each quarter of every year, to discuss drafting responsibilities for public documents and to identify any areas of particular risk and sensitivity that require special care;
- (g) document, monitor and evaluate the disclosure controls and procedures and internal controls and procedures for financial reporting of Burntsand.

The Disclosure Committee must report any significant deficiencies and material weaknesses in the design or operation of Burntsand's disclosure controls and procedures or internal controls and procedures for financial reporting and any fraud (whether or not material) involving management or other employees with a significant role in Burntsand's disclosure controls and procedures to the Audit Committee. The Disclosure Committee must present Burntsand's Audit Committee with the formal disclosure controls and procedures, once they are in place.

Everyone to whom this Policy applies must be instructed to notify the Disclosure Committee as soon as material developments occur.

The Disclosure Committee should report to the Audit Committee or the board of directors on any significant issues arising under this Policy, including circumstances where there is a serious occurrence of selective disclosure.

DESIGNATED SPOKESPERSONS

Burntsand designates a limited number of spokespersons responsible for communication with the media, analysts, investors, brokers and other members of the investment community. The CEO and the CFO shall be the official spokespersons for Burntsand. Individuals holding these offices may, from time to time, designate others within the Company to speak on behalf of Burntsand as back-ups or to respond to specific inquiries from the investment community or the media.

Other persons who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others. All such inquiries shall be referred to the CFO.

The names and telephone numbers of the spokespersons must be provided to the market surveillance department of the Toronto Stock Exchange.

RESPONSIBILITY FOR ELECTRONIC COMMUNICATIONS'

This Policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures shall also be responsible for electronic communications. The CFO is responsible for updating the investor relations section of Burntsand's website and is responsible for monitoring all information placed on the website to ensure that it is accurate, complete and up to date. The investor relations section of the website shall include a notice that advises the reader that information posted was accurate at the time of posting, but may be superseded by subsequent disclosures. All data posted to the website, including text and audio-visual material, shall show the date that such material was posted. Any material changes in information must be updated immediately.

Outlined below are other electronic communications guidelines:

Links from Burntsand's website to a third-party website must be approved by the CFO. Any such links will include a notice that advises the reader that he or she is leaving Burntsand's website and that we are not responsible for the contents of the other site.

Disclosure on our website alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on our website will be preceded by a news release.

Response to electronic enquiries will be the responsibility of the CFO. Only public information or information which could otherwise be disclosed in accordance with this disclosure policy shall be utilized in responding to electronic inquiries.

Directors, senior management and employees are prohibited from participating in Internet chat room or newsgroup discussions on matters pertaining to Burntsand's activities or its securities. Employees who encounter a discussion pertaining to Burntsand should advise the CFO immediately.

The investor relations information must be placed on a separate page on Burntsand's website and must not be commingled with any sales and marketing or promotional material regarding Burntsand.

The investor relations page must explain what information is posted on the investor relations page of the website and the archiving and retention policies.

The following information must be included on the investor relations page:

- (a) all public information that has been disclosed, including all documents filed on SEDAR;
- (b) all information that is given to analysts, institutional investors and other market professionals (such as fact sheets, fact books, slides of investor presentations, materials distributed at analyst and industry conferences).

The investor relations page must contain an e-mail link to Burntsand's Investor Relations Department to facilitate communication with investors.

Information required to be included on the investor relations page must be posted promptly following the occurrence of the event requiring such inclusion.

Information contained on the investor relations page must be archived when it is no longer current.

The following retention periods must be observed for information on the investor relations page of the Company website

- (a) news releases must be retained for a period of one year from the date of issue;
- (b) quarterly financial statements must be retained for two years;
- (c) annual financial statements must be retained for five years; and
- (d) other information must be retained for two years.

If Burntsand is considering a distribution of its securities, the content of the website must be reviewed by the Disclosure Committee before and during the offering to ensure compliance with applicable securities laws.

PRINCIPLES OF DISCLOSURE OF MATERIAL INFORMATION

Material information is any information relating to the business and affairs of Burntsand that result in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

In complying with the requirement to disclose all material information under applicable laws and stock exchange rules, Burntsand will adhere to the following basic disclosure rules:

- (a) **Disclosure must include any information, which by omission would make the rest of the disclosure misleading** (*half truths are misleading*).
- (b) **Unfavorable material information must be disclosed as promptly and completely as favorable information.**
- (c) **There will be NO selective disclosure.** Previously undisclosed material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with a significant investor). If previously undisclosed material information has been inadvertently disclosed to an analyst or any other person not bound by an express confidentiality obligation, this information must be broadly disclosed immediately via news release.
- (d) **Disclosure must be corrected** if Burntsand subsequently learns that earlier disclosure by the Company contained a material error at the time it was given.

- (e) **Material changes concerning Burntsand must be reported in a material change report** which shall be filed with the securities regulators as soon as practical and no later than ten days after the material change occurs.
- (f) **Everyone to whom this Policy applies who becomes aware of information that appears to be material must immediately disclose that information to at least one member of the Disclosure Committee.**
- (g) **When determining whether or not information is material, the following principles must be applied:**
 - (i) the nature of the information, the volatility and liquidity of Burntsand's securities and prevailing market conditions will impact on materiality;
 - (ii) material information cannot be made immaterial by breaking it into smaller pieces;
 - (iii) the determination of whether or not information is material often involves the exercise of difficult business judgments based on experience;
 - (iv) if there is any doubt about whether or not information is material, Burntsand must err on the side of caution and the information must be disclosed to the public; and
 - (v) regulators have given examples of events and information that they believe may be material. See Appendix A for examples of information that the Canadian regulators and the TSX believe may be material.

MAINTAINING CONFIDENTIALITY

Any employee privy to confidential information is prohibited from communicating this information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information, and such persons will be advised that the information is to be kept confidential.

Communication by e-mail leaves a physical track of its passage that may be subject to later decryption attempts. Where possible, employees should avoid using e-mail to transmit confidential information.

Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge such information to anyone else, other than in the necessary course of business and that they may not trade in the Company's securities until the information is publicly disclosed. Such outside parties will confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

In order to prevent the misuse or inadvertent disclosure of material information, the following procedures should be observed:

- (a) **Confidential matters should not be discussed in places where the discussion may be overheard**, such as elevators, hallways, restaurants, airplanes or taxis.
- (b) **Confidential matters should not be discussed on wireless telephones.**
- (c) **Confidential documents should not be read in public places** and should not be discarded where others can retrieve them.
- (d) **Employees must ensure they maintain the confidentiality of information** in their possession outside of the office.
- (e) **Transmission of documents by electronic means**, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- (f) **Unnecessary copying of confidential documents** should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
- (g) **Access to confidential electronic data** should be restricted through the use of passwords.
- (h) **Documents and files** containing confidential information should be kept in a safe place where access is restricted to individuals who “need to know” that information in the necessary course of business.
- (i) **All proprietary information**, including computer programs and other records, remain the property of Burntsand and may not be removed, disclosed, copied or otherwise used except in the normal course of employment or with the prior permission of a member of the Disclosure Committee.

DISCLOSURE OF MATERIAL INFORMATION

Material information will be publicly disclosed as soon as practicable via news releases. Once it is determined that a development is material, the Disclosure Committee will authorize the issuance of a news release, unless it is determined that such developments must remain confidential for the time being and appropriate control of that inside information is instituted.

The Disclosure Committee must ensure that all persons with knowledge of such confidential information are informed of their obligation to keep the information confidential until it is disclosed to the public and to refrain from buying securities of Burntsand or any other company that is affected by the confidential information. The Disclosure Committee must ensure that market activity is monitored until the confidential information has been disclosed to the public.

Should a material oral statement inadvertently be made in a selective forum. Burntsand will issue a news release as soon as practicable in order to fully publicly disclose that information.

Annual and interim financial results should be publicly released immediately following board approval of the financial statements.

News releases will be disseminated through a news wire service that provides simultaneous national and/or international distribution. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major national financial media and the local media in areas where the Company has its headquarters and operations.

News releases will be simultaneously posted on Burntsand's website.

If the stock exchange upon which securities of the Company are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to the market surveillance department to enable a trading halt, if deemed necessary by the stock exchange. If a news release announcing material information is issued outside of trading hours, market surveillance must be notified before the market opens.

No news release can be released until the Disclosure Committee has determined that is suitable. In making this determination, the Disclosure Committee must apply the following principles:

- (a) The information must be factual, with appropriate due diligence having been performed by directors, officers or other employees of Burntsand or third party advisors, and must include any information the omission of which would make the rest of the disclosure misleading.
- (b) The information must present a balanced point of view.
- (c) The news release must contain sufficient detail to enable the media and investors to understand the substance and importance of the information being disclosed.
- (d) The news release must clearly and accurately communicate the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary designed to colour the investment community's perception of the announcement.
- (e) The news release must contain the name and contact information of spokespersons from whom further information may be obtained.
- (f) Disclosure shall not be made of an intention to proceed with a transaction or activity unless Burntsand has the ability to carry out the intent.
- (g) The news release must comply with applicable laws.

RUMOURS

Burntsand does not comment, affirmatively or negatively, on rumors. This also applies to rumors on the Internet. Our spokespersons will respond consistently to those rumors, saying, "It is our policy not to comment on market rumors or speculation." Should the stock exchange request that Burntsand make a definitive statement in response to a market rumor that is causing significant volatility in the stock, the CEO or CFO will consider the matter and decide whether to make a policy exception.

FORWARD-LOOKING INFORMATION (FLI)

Should Burntsand elect to disclose forward-looking information (FLI) in continuous disclosure documents, speeches, conference calls, etc., the following guidelines will be observed:

- (a) The information, if deemed material, will be broadly disseminated via news release, in accordance with this Policy.
- (b) The information will be clearly identified as forward-looking.
- (c) Burntsand will identify all material assumptions used in the preparation of the forward-looking information.
- (d) The information must be accompanied by a statement that identifies, in very specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the statement.
- (e) The information must be accompanied by a statement that disclaims Burntsand's intention or obligation to update or revise the FLI, whether as a result of new information, future events or otherwise. Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be materially off target, Burntsand may choose to issue a new release explaining the reasons for the difference in accordance with Burntsand's past practice in these matters.
- (f) The Disclosure Committee must obtain the approval of the board of directors or Audit Committee before issuing a news release containing FLI or financial information which is based on or derived from financial statements that have not been released.

CONTACTS WITH 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. If Burntsand 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.

Burntsand 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. We recognize that meetings with significant investors are an important element of Burntsand's investor relations program. Burntsand 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 Policy.

Burntsand will provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information.

Burntsand will, upon request, provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors.

Where practical, more than one Company representative will be present at all individual and group meetings. Where practical, a debriefing will be held after these meetings and, if such debriefing uncovers, selective disclosure of previously undisclosed material information, Burntsand will immediately disclose the information broadly via news release.

QUIET PERIODS

In order to avoid the potential for selective disclosure or even the perception or appearance of selective disclosure. Burntsand will observe a quarterly quiet period, during which we will not initiate any meetings or telephone contacts with analysts and investors and no discussion on earnings will take place, except to respond to unsolicited inquiries of a factual nature. The quiet period generally commences on or about two weeks prior to the end of a quarter and ends with the issuance of a news release disclosing quarterly results. This quiet period does not preclude responding to inquiries concerning publicly available or non-material information as long as no discussion regarding the current period earnings take place.

REVIEWING ANALYST DRAFT REPORTS AND MODELS

It is Burntsand's policy to review, upon request, analysts' draft research reports or models. The Company will review the report or model for the purpose of pointing out errors in fact based on publicly disclosed information. It is our policy, when an analyst inquires about his/her estimates, to question an analyst's assumptions if the estimate is a significant outlier among the range of estimates and/or Burntsand's published earnings guidance. We will limit our comments in responding to these types of inquiries to the correction of factual errors. Burntsand will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model and earnings estimates.

In order to avoid appearing to "endorse" an analyst's report or model, Burntsand will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

DISTRIBUTING ANALYST REPORTS

Burntsand regards analyst reports as proprietary information belonging to the analyst's firm. Re-circulating a report by an analyst may be viewed as an endorsement by Burntsand of the report. For these reasons, we will not provide analyst reports through any means, including posting such information on its website, to persons outside of Burntsand. Burntsand may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on Burntsand. If provided, such list will not include links to the analysts' or any other third part websites or publications.

CONFERENCE CALLS

Conference calls may be held for quarterly earnings and major corporate developments, in which discussion of key aspects is accessible simultaneously to all interested parties, some as participants by phone and others in a listen-only mode by phone or by webcast on the website. The call will be preceded by a news release. Conference calls about corporate developments and other material information likely to significantly affect Burntsand's share price typically will be scheduled outside trading hours where possible, to avoid or minimize the risk of selective disclosure. At the beginning of the call, a Burntsand spokesperson will provide or refer to the location of appropriate cautionary language with respect to any FLI.

Burntsand will publicly announce the date and time of the call, by sending invitations to analysts, institutional investors, the media and others invited to phone in, and by news release and posting on the website for other persons to access the call. All non-material supplemental information will be posted on the website. A tape recording of the conference call or an archived audio webcast on the Internet will be made available following the call for a minimum of 30 days, for anyone interested in listening to a replay.

A debriefing will be held after the conference call and if the debriefing uncovers selective disclosure of previously undisclosed material information, the Company will immediately disclose the information broadly via a news release.

TRADING RESTRICTIONS AND BLACKOUT PERIODS

It is illegal for anyone to purchase or sell securities of any public company with knowledge of material information affecting that company that has not been publicly disclosed. Except in the necessary course of business, it is also illegal for anyone to inform any other person of material non-public information.

Insiders and employees with knowledge of confidential or material information about the Company or counter-parties in negotiations of material potential transactions, are prohibited from trading shares in Burntsand or any counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated.

Trading blackout periods will apply to all employees with access to material undisclosed information during periods when financial statements are being prepared but results have not yet been publicly disclosed. The quarterly trading blackout period commences at the close of business two weeks prior to the end of a quarter until the beginning of the third day following the issuance of a news release disclosing the relevant quarterly results. During the blackout period, no individuals subject to a trading restriction can purchase or sell securities of the Company.

Other trading blackout periods may be prescribed from time to time as a result of special circumstances relating to Burntsand during which insiders of the Company would be precluded from trading in securities of Burntsand. All parties with knowledge of special circumstances should be covered by the blackout and may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of material potential transactions.

Blackout periods imposed on Burntsand employees will also apply to Burntsand's directors and officers. Applicable laws will be complied with in determining and implementing blackout periods associated with Burntsand's benefit plans.

The Disclosure Committee will designate the CFO to monitor trading in Burntsand securities by directors, officer and other employees of Burntsand who routinely know of undisclosed material information (the "**Trading Officer**"). Such directors, officers and other employees must obtain the approval of the Trading Officer before the purchase or sale of any Burntsand securities.

Directors, officers and other employees of Burntsand who routinely know of undisclosed material information may not purchase or sell Burntsand securities with the intention of reselling or buying back in a relatively short period of time in the exception of a rise or fall in the market price of the securities (as distinguished from purchasing or selling securities as part of a long term investment program). Directors, officers and other employees of Burntsand may not, at any time, sell Burntsand securities short or buy or sell call or put options or other derivatives in respect of Burntsand securities.

Immediately after becoming an insider and immediately following the purchase or sale of securities of Burntsand, an insider must complete all insider reports required by the securities regulators and provide the insider report to the Corporate Secretary for filing in a timely fashion.

COMMUNICATION AND ENFORCEMENT

New directors, officers and employees will be advised of this disclosure policy and its importance. This disclosure policy will be brought to the attention of all employees on an annual basis.

An employee who violates this disclosure policy may face disciplinary action up to and including termination of his or her employment with Burntsand. The violation of this disclosure policy may also violate certain securities laws. If Burntsand discovers that an employee has violated any securities laws, we may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

Approved by the Board of Directors on November 2, 2005.

APPENDIX A

EXAMPLES OF INFORMATION THAT MAY BE MATERIAL

(Reproduced from National Policy 51-201)

Changes in corporate structure

- changes in share ownership that may affect control of the company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in capital structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

Changes in financial results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policies

Changes in business and operations

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the Board of Directors or executive management, including the departure of the company's CEO, CFO, COO or president (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another

Acquisitions and dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

Changes in credit arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

EXAMPLES OF INFORMATION THAT MAY BE MATERIAL
(Reproduced from Section 410 of the TSX Company Manual)

- changes in share ownership that may affect control of the company
- changes in corporate structure, such as reorganizations, amalgamations, etc.
- take-over bids or issuer bids
- major corporate acquisitions or dispositions
- changes in capital structure
- borrowing of a significant amount of funds
- public or private sale of additional securities
- development of new products and developments affecting the company's resources, technology, products or market
- significant discoveries by resource companies
- entering into or loss of significant contracts
- firm evidence of significant increases or decreases in near-term earnings prospects
- changes in capital investment plans or corporate objectives
- significant changes in management
- significant litigation
- major labour disputes or disputes with major contractors or suppliers
- events of default under financing or other arrangements
- any other developments relating to the business and affairs of the company that would reasonably be expected to significantly affect the market price or value of any of the company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions