



CORNWALLIS MACKENZIE
Business Development & Private Investment

Cornwallis Mackenzie Business Development Inc.
POLICY ON CORPORATE DISCLOSURE & CONFIDENTIALITY
PART 1
INTRODUCTION

The Policy

This policy establishes procedures which are designed: (i) to permit the disclosure of information about Cornwallis Mackenzie Business Development Inc. (Cornwallis Mackenzie) to the public in an informative, timely and broadly disseminated manner in accordance with all applicable legal and regulatory requirements, (ii) to ensure that non-publicly disclosed information remains confidential, and (iii) to ensure that trading of the Company's securities by directors, officers and employees of Cornwallis Mackenzie, its affiliates and subsidiaries remains in compliance with applicable securities laws and restrict trading by persons who have Material Information about Cornwallis Mackenzie which is not publicly disclosed. The implementation of these policies and procedures is important to develop sound disclosure practices and maintain investor confidence, as well as complying with securities laws and stock exchange rules on disclosure and trading. This policy has been approved by the directors of Cornwallis Mackenzie.

Terminology

“Confidential Information” means commercially or competitively sensitive information concerning the business and affairs of Cornwallis Mackenzie, including information concerning the finances, employees, technology, processes, facilities, products, suppliers, customers and markets of Cornwallis Mackenzie. Undisclosed Material Information is also Confidential Information.

“Insider” for the purposes of this policy means:

- a) every Director or Senior Officer of Cornwallis Mackenzie;
- b) every Director or Senior Officer of a company that is itself an Insider or subsidiary of Cornwallis Mackenzie unless such person is advised otherwise by the Corporate Secretary of Cornwallis Mackenzie;

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- c) any person or company who beneficially owns or controls, directly or indirectly, Securities, or who exercises control or direction over Securities, or a combination of both, carrying more than 10% of the outstanding voting rights attached to all Securities; and

d) Cornwallis Mackenzie where it has purchased, redeemed or otherwise acquired any Securities, for so long as it holds such Securities. “Material Information” means information concerning the business and affairs of Cornwallis Mackenzie that would reasonably be expected to have a significant effect on the market price or value of any Securities of Cornwallis Mackenzie.

“Cornwallis Mackenzie” means Cornwallis Mackenzie Minerals Corporation and any subsidiaries, unless the context otherwise requires.

“Securities” includes any common shares, preferred shares, options, warrant rights, debentures or bonds of Cornwallis Mackenzie.

“Senior Officer” means:

- a) a Chair, Vice-Chair of the Board of Directors, President, Vice President, Secretary, Treasurer, General Manager or any other individual who performs functions for a company similar to those normally performed by an individual occupying any such office; and
- b) each of the five highest paid employees, including any individual referred to in clause (a) above.

“Spokespersons” means the Chairman of the Board of Directors, President and Chief Executive Officer, Executive Vice President and Chief Operating Officer, the Chief Financial Officer and Corporate Secretary or such other persons as may be designated by the Board of Cornwallis Mackenzie from time to time.

PART 2

DISCLOSURE

Policy

Except in limited circumstances where disclosure would be unduly detrimental to Cornwallis Mackenzie (and then subject to the requirements of applicable securities laws), Cornwallis Mackenzie will immediately disclose all Material Information by way of press release. Cornwallis Mackenzie will follow up the press release by filing with applicable securities regulators a material change report where required under applicable securities laws. Both the press release and, where applicable, the material change report, must be filed with securities regulatory authorities via SEDAR together with applicable fees.

What Constitutes Material Information?

Information is material if it would reasonably be expected to result in a significant change in the market price or value of any of Cornwallis Mackenzie's shares. If the information would influence an Employee's decision to buy or sell shares of Cornwallis Mackenzie, the information is probably material. If an Employee is unsure where or not information is material, the Employee should immediately contact a Spokesperson before disclosing it to anyone. Employees should err on the side of caution in such matters. Disclosure is required only if a development or activity is "material". It is the responsibility of the Spokespersons, with assistance from legal counsel where necessary, to determine whether a development or activity is "material". This involves taking into consideration both the likelihood that the development or activity will occur and the magnitude of the development or activity in the context of the business and affairs of Cornwallis Mackenzie.

The following are examples of the types of events or information which may be material. This list is not exhaustive and Spokespersons must exercise judgement in making materiality determination with the help of Cornwallis Mackenzie's advisor where necessary.

- Changes in corporate structure (e.g. changes in share ownership that may affect control, major reorganizations, amalgamations, mergers, take-over bids or issuer bids).
 - Changes in capital structure (e.g. sale of additional securities, planned repurchases or redemptions, planned share splits or consolidations, changes in dividend policies, possible initiation of a proxy fight, or material modifications to rights of security holders).
 - Changes in financial results (e.g. a significant increase or decrease in near-term earnings prospects, unexpected changes in the financial results for any periods, shifts in financial circumstances such as cash flow reductions, major asset write offs or write downs, changes in the value or composition of Cornwallis Mackenzie's assets, material changes in accounting policy).
 - Changes in business and operations (e.g. developments affecting Cornwallis Mackenzie's exploration activities, resources, products and markets, a significant change in capital investment plans or corporate objectives, disputes with major contractors or suppliers, significant new contracts, products, or services, any notice that reliance on a prior audit is no longer permissible, delisting or other changes to the listing of securities).
 - Acquisitions or dispositions (e.g. significant acquisitions or disposition of assets, property or joint venture interests, acquisitions of other companies, including takeover bid for, or merger with, another company).
 - Changes in credit arrangements (e.g. borrowing or lending of a significant amount of money, mortgaging or encumbering of Cornwallis Mackenzie's assets, defaults under debt obligations, agreements to restructure debt or planned enforcement procedures by a bank or other creditor, changes in rating agency decisions or significant new credit arrangements).
- Any other developments relating to the business and affairs of Cornwallis Mackenzie that would reasonably be expected to significantly affect the market price or value of any of Cornwallis Mackenzie's securities or that would reasonably be expected to have a significant influence on an investor's investment decisions.

Procedures

No Selective Disclosure Disclosure will not be made on a selective basis. Therefore undisclosed Material Information must not be disclosed to selected individuals prior to being generally disclosed by a press release. The announcement of undisclosed Material Information at a press conference or at a meeting of shareholders, analysts or other investors will be accompanied by simultaneous general public disclosure. If undisclosed Material Information is inadvertently disclosed selectively, the information will immediately be disclosed by a Spokesperson by way of a press release. If the Company has determined that it will be reporting results materially below or above publicly held expectations, it will disclose the information in a news release in order to enable discussion without risk of selective disclosure.

Role of Spokespersons The Spokespersons will be responsible for the disclosure of Material Information, including determining whether and when information is material and approving the form and content of the disclosure.

Form of Disclosure Disclosure will be made by way of a press release through the Canada Newswire Corporate Disclosure Network or such other news service that is acceptable to the TSX and approved by the Spokesperson. The press release should include the name and contact information of at least one of the Spokespersons. The press release must also be filed with securities regulators via SEDAR. For material changes, the Spokespersons must also arrange filing of a material change report within 10 days after the material change occurs. News releases will be posted on the Company's web site immediately after release over the news wire.

Content of Disclosure Announcements of material changes must be factual and balanced. Unfavourable news must be disclosed just as promptly and completely as favourable news. The press release should contain enough detail to enable investors to understand the substance and importance of the change it is disclosing. Disclosure must not be misleading, whether by omission of relevant information or otherwise. Avoid including unnecessary details, exaggerated reports or promotional commentary.

Timing of Disclosure For changes initiated by Cornwallis Mackenzie, the change occurs once the decision has been made to implement the change. This may happen even before the Board of Directors approves the change, if management believes that it is probable that they will do so.

Determining Materiality In making materiality judgements, it is necessary to take into account a number of factors that cannot be captured in a standard test. These include the nature of the information itself, the volatility of Cornwallis Mackenzie's Securities and prevailing market conditions. The materiality of a particular event or piece of information may vary between companies according to their size, the nature of their operations and many other factors. An event that is "significant" or "major" for a smaller company may not be material to a larger company. Under volatile market conditions, apparently insignificant variances between earnings, projections and actual results can have a significant impact on the share price once released. Accordingly, Spokespersons must be familiar with the market for Securities of Cornwallis Mackenzie and must monitor the market's reaction to any information relating to Cornwallis Mackenzie that is publicly disclosed. If there is doubt as to whether particular information is material, securities regulators encourage companies to err on the side of materiality and release information publicly.

External Changes Cornwallis Mackenzie is not generally required to interpret the impact of external political economic and social developments on its affairs. However, if an external development will have or has had a direct effect on the business and affairs of Cornwallis Mackenzie that is both material and uncharacteristic of the effect generally experienced by other companies engaged in the same business or industry, Cornwallis Mackenzie should explain the particular impact on it.

Financial Disclosure All financial disclosure, including annual and interim financial statements

and MD&A, must be approved by the Audit Committee or the Board of Directors prior to public release. Cornwallis Mackenzie shall announce financial results by press release immediately following their approval by the Board of Directors on a quarterly basis (annual basis in the case of the fourth quarter).

Briefing by Spokespersons When meeting with or speaking to the media, shareholders, analysts and others who make or influence investment decisions, the Spokespersons must avoid responding to questions in a way that requires them to disclose previously undisclosed Material Information.

Disclosure File The Spokespersons shall maintain a file containing all public information about Cornwallis Mackenzie, including media releases, press reports, analyst reports and summaries of analyst, investor and media discussions.

Rumours Cornwallis Mackenzie shall maintain a “no comment” policy with respect to market rumour and make sure that the policy is applied consistently. If, for example, Cornwallis Mackenzie comments to dispel rumors that are untrue, silence in other cases may suggest that a rumour is true. This “no comment” policy is subject to any requirement in a specific circumstance by the TSX or another securities regulatory authority to make a clarifying statement where trading in Cornwallis Mackenzie’ Securities appears to be heavily influenced by rumour. If Material Information has been leaked and appears to be affecting trading activity, an announcement should be made. This includes contacting the TSX and coordinating a trading halt pending the issuance of a news release.

Confidential Disclosure If the Spokespersons determine that disclosure of Material Information would be unduly detrimental to Cornwallis Mackenzie (for example if release of the information would prejudice negotiations in a corporate transaction), then the information will not be publicly disclosed but a confidential material change report will be filed with applicable securities regulators. In this case, the Spokespersons will periodically (at least every 10 days) review its decision to keep the information confidential and advise the applicable securities regulators of the status of the confidential filing.

Analyst Discussion Cornwallis Mackenzie recognizes that discussions with analysts and significant investors are an important element of Cornwallis Mackenzie’ investor relations program. Spokespersons may meet with analysts and investors in a small group or, if necessary, on an individual basis as needed and will respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this policy. Spokespersons will provide only non material information in these discussions, in addition to other publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could be material or meaningful to the analyst or investor. Spokespersons shall not alter the materiality of information by breaking down the information into smaller, non-material components. Spokespersons shall avoid any discussions with analysts or other investors during blackout periods.

Reviewing Analysts Draft Reports and Models Analyst reports are proprietary products of the analyst’s firm. Spokespersons may review an analyst report or model for the purpose of pointing out errors in fact based on publicly disclosed information. If an analysts inquires with respect to his or her estimates, Spokespersons may question an analyst’s assumptions if the estimate is significantly outside the range of estimates and/or Cornwallis Mackenzie’ published earnings guidance (if any). Spokesperson will limit their comments in responding to non-material information. Spokesperson 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.

Forward-looking Information Any public disclosure made by Cornwallis Mackenzie which contains forward-looking information shall be accompanied by a meaningful cautionary statement that identifies, in specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the forward looking statement. Cornwallis Mackenzie, to the extent practical in the circumstances, will update forward-looking statements which continue to be material and which change materially.

Earnings Guidance Disclosure of earnings forecasts and other financial forecasts is not required except where a significant unexpected increase or decrease in earnings is likely in the short-term. It is not Cornwallis Mackenzie' policy to provide earnings guidance.

Disclosure Record The Spokespersons will maintain a file containing all public information about Cornwallis Mackenzie. This includes news releases, brokerage research reports, reports in the press and notes from meetings with analysts and other market parties.

Responsibility for Electronic Communications

This disclosure 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 Corporate Secretary is responsible for updating the investor relations section of the Company's web site and is responsible for monitoring all information placed on the web site to ensure that it is accurate, complete, up-to-date and in compliance with relevant securities laws.

The Corporate Secretary must approve all links from the Company web site to a third party web site. Any such links will include a notice that advises the reader that he or she is leaving the Company's web site and that the Company is not responsible for the contents of the other site. Investor relations material shall be contained within a separate section of the Company's web site. All data posted to the web site, including text and audiovisual material, shall show the date such material was issued. Any material changes in information must be updated immediately. The Spokesperson will maintain a log indicating the date that material information is posted and/or removed from the investor relations web site. The minimum retention period for material corporate information on the web site shall be two years. Disclosure on the Company's web site alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on this web site will be preceded by the issuance of a news release. The Corporate Secretary shall also be responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this disclosure policy shall be utilized in responding to electronic inquiries. In order to ensure that no material undisclosed information is inadvertently disclosed, employees are prohibited from participating in Internet chat rooms or newsgroup discussion on matters pertaining to the Company's activities or its securities.

PART 3 CONFIDENTIALITY

When Information May be Kept Confidential

Where the immediate disclosure of Material Information would be unduly detrimental to the interest of Cornwallis Mackenzie, its disclosure may be delayed and kept confidential temporarily. Keeping information confidential can only be justified where the potential harm to Cornwallis Mackenzie or to investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure and where confidentiality of the information is maintained.

Policy

Directors, Officers, Employees and other Insiders of Cornwallis Mackenzie are prohibited from disclosing or using Confidential Information except in the necessary course or business. The “necessary course of business” exception exists so as not to unduly interfere with Cornwallis Mackenzie’s ordinary business activities. For example, the “necessary course of business” exception would generally cover communications with:

- a) vendors, suppliers or strategic partners;
- b) Employees, Officers and Board Members where necessary for their function;
- c) lenders, legal counsel, auditors, underwriters, financial and other professional advisors to Cornwallis Mackenzie where relevant to their service;
- d) parties to negotiations; and
- e) government agencies and non-government regulators.

Procedures

In order to prevent the misuse or disclosure of Confidential Information, the procedure set forth below should be observed at all times:

All Information Confidential All internal information concerning the business and affairs of Cornwallis Mackenzie must be considered and treated as Confidential Information, except information that has been publicly disclosed through a media release or some other public disclosure such as Cornwallis Mackenzie’s quarterly or annual reports, information circular or annual information form.

Confidentiality Agreements In appropriate circumstances, third parties with access to Confidential Information may be required to sign Confidentiality Agreements with Cornwallis Mackenzie. This is particularly the case for third party business negotiation or where a non professional third party (such as a supplier) has access to significant Confidential Information.

Confidential Notification Outside parties privy to Confidential Information will be told that they must not divulge such information to anyone else, other than in the necessary course of business. Further, if the Confidential Information is also Material Information, they will also be advised that they may not trade in Cornwallis Mackenzie’s securities until the information is publicly disclosed by press release.

Safeguarding Information All reasonable care must be taken to safeguard Confidential Information including the following:

- a) Confidential Information must not be discussed in places where it may be overheard (e.g. elevators, restaurants or airplanes);
- b) documents containing Confidential Information must be locked up or shredded after use and not left or discarded where they can be retrieved by others;
- c) visitors must not be left alone in offices containing Confidential Information; and
- d) reasonable care must be taken to ensure that communication (faxes, e-mails and mail) containing Confidential Information are sent to the intended recipient only, including double checking the address or number before delivery.

No Influencing Decisions All reasonable care must be taken to avoid appearing to influence investment decisions by others with respect to securities of Cornwallis Mackenzie. For example, participating in discussions concerning the shares of Cornwallis Mackenzie at an investment club or responding to questions about whether or not now is a good time to buy or sell shares of Cornwallis Mackenzie is inappropriate.

Spokespersons Sole Communicators The Spokespersons are the only persons authorized to communicate with the media, shareholders, analysts and others who make or influence investments on behalf of Cornwallis Mackenzie. All other persons are prohibited from communicating with the public on behalf of Cornwallis Mackenzie without the express permission of one of the Spokespersons. All requests for information about Cornwallis Mackenzie from the media, shareholders, analysts and others who make or influence investments must be referred to one of the Spokespersons.

Disclosure of Confidential Information In the event that Confidential Information, or rumors respecting the same, is divulged in any manner (other than in the necessary course of business), Cornwallis Mackenzie is required to make an immediate announcement on the matter. The TSX must be notified of the announcement in advance in the usual manner. ***Need to Know*** Confidential Information must only be disclosed (including to other employees) on a need-to-know basis.

Electronic Communication All Confidential Information being transmitted over the internet should be secured by the strongest encryption and validation methods available. Where possible, persons should avoid using e-mail or cellular phones to transmit significant Confidential Information.