

CORPORATE GOVERNANCE MANDATE

Corporate governance relates to the activities of the board of directors (the “Board”), the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”), which came into effect for financial years ending on or after June 30, 2005, the Corporation is required to disclose its corporate governance practices as summarized below.

Board of Directors

The Board of the Corporation facilitates its exercising of independent supervision over the Corporation’s management through meetings of the Board and both directly and indirectly through its committees.

Except as disclosed below, all the Corporation’s current directors are “independent” directors in that they are independent and free from an interest, and any business or other relationship which could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Corporation, other than interests and relationships arising from shareholders.

Orientation and Continuing Education

Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Corporation’s business will be necessary and relevant to each new director. The Corporation provides continuing education to its directors as such need arises and encourages open discussion at all meetings which format encourages learning by the directors.

Ethical Business Conduct

The Corporation endeavours to select only people of the highest personal moral stature and expects them to follow a high ethical standard when exercising their authority or discretion in all of the Corporation’s business dealings.

Nomination of Directors

The Board determines new nominees to the Board, although no formal process has been adopted.

Compensation of Directors

The Corporation has amended its policy for compensation of directors to include a fee of \$500.00 per meeting attended. This policy does not apply to directors who are part of management or whose corporation provides services to the Corporation.