



CONTEXT

Information is one of the most important assets of a business like 5N Plus Inc. (“the Company”). Thus the Company has an obligation to establish a full range of measures that will provide a clear framework for information, protect it, and limit its disclosure.

First of all, information may constitute intellectual property; specifically, it may lead to a patented invention. Patents confer 20-year exclusivity on products. However, public disclosure of an invention immediately eliminates all rights to a patent; thus unauthorized disclosure of information causes significant, irreparable harm to the Company.

Our competitors are on the alert, and we cannot ignore the reality of industrial espionage. Knowledge by our competitors of certain information belonging to the Company could give them a considerable competitive advantage and harm our activities.

Lastly, the Company is a public corporation that is governed by the securities legislation of the Canadian provinces and observes the rules and policies of the Toronto Stock Exchange, where its common shares are traded. These rules and policies prohibit the disclosure of privileged information outside specific guidelines set out in the legislation, in order to ensure that all investors have access to the same information at the same time.

The Company has therefore established rules of conduct regarding information as well as procedures for its disclosure.



DEFINITIONS

In the *Policy on Information Disclosure* (“the Policy”), the following expressions have the meanings set out below.

“Subsidiary” means any entity controlled by the Company. An entity is deemed to be controlled by the Company when the Company owns shares that allow it to elect a majority of the entity’s directors. The subsidiary of a subsidiary is deemed to be a subsidiary of the Company.

“Confidential information” means any information concerning the Company, whether in oral, written, graphic, photographic, recorded or other form, except for information which at the time of disclosure is or has become accessible to the public without misconduct by the person making the disclosure, or which forms part of the general knowledge of the person making the disclosure. The definition of confidential information includes, but is not limited to, all trade secrets, inventions, discoveries, know-how, data, drawings, methods, processes, software, diagrams, technical and professional knowledge, reports, suppliers, clients, financial information, prices, evaluations, business objectives, plans, business opportunities and market studies. Whether or not information is identified as being confidential or exclusive does not affect its status as confidential information.

“Important information” means any information, event or change (a change approved by the Board of Directors, or a change that can be expected to be approved by the Board of Directors) that affects the Company or one of its subsidiaries and that has, **or can reasonably be expected to have**, a significant influence on the investment decisions of a careful investor and thus on the market price or value of shares in the Company or the subsidiary.

“Privileged information” means any important information that has not been disclosed to the public and that could influence the decisions of a reasonable investor.

“Forward-looking information” means any information on possible events, situations or operating results that is based on assumptions about future economic conditions and courses of action, and includes financial information about prospective operating results, financial position or cash flows that is presented either as a forecast or a projection.

“Designated representatives” means a limited number of persons designated by the Company to be responsible for communications with the financial community, the media or the general public.



“Third party” means any person who is neither an employee, an officer nor a director of the Company or of one of its subsidiaries; examples include suppliers, consultants and clients.

SCOPE

The Policy sets out all the rules and procedures regarding information belonging to the Company, and applies to all its employees, officers and directors. Where a subsidiary has not adopted a separate policy, the Policy also applies to that subsidiary and its employees, officers and directors.

A subsidiary may establish a separate policy and procedures on information disclosure, which shall usually be in accordance with the Policy and be approved by the Company. The subsidiary will not then be subject to the Policy, except where it is required to provide the Company with sufficient prior notice of any disclosure of important information being considered and to make any changes required by the Company in order to allow the Company to respect its legal obligations.

Any failure to respect the Policy may result in disciplinary action and sanctions up to and including dismissal without prior notice. As well, certain failures to respect the Code may result in sanctions by the authorities that regulate financial markets.



PRINCIPLE OF NON-DISCLOSURE

Employees, officers and directors **shall not disclose** any confidential information obtained or developed in the course of their employment, except within the limits of the Policy. They shall sign an agreement to this effect when beginning their duties with the Company, and shall respect the terms of the Policy.

Preventive measures

1. **Custody of information:** All confidential information shall be kept in a safe place when not being used, that is, in a locked filing cabinet. Access to confidential electronic documents shall be limited by means of passwords. At the conclusion of meetings, all confidential information shall be promptly removed from conference rooms and work areas.
2. **Reproduction:** Pointless reproduction of documents containing confidential information shall be avoided.
3. **Destruction:** Documents containing confidential information shall be shredded or placed in “confidential recycling” boxes, not simply tossed into wastebaskets.
4. **Facsimile and email messages:** Documents containing confidential information shall be transmitted by electronic means, for example by facsimile or directly from one computer to another, only when it is reasonable to believe that the transmission can be made and received in secure conditions.
5. **Cellular telephones:** Discussion of confidential information by cellular or any other telephone shall be avoided unless and until it has been ascertained that this activity can be conducted in complete security.
6. **Public places:** Discussion of the Company’s business, or reading and exposure of documents containing confidential information, in public places such as restaurants or airplanes shall be avoided unless and until it has been ascertained that these activities can be conducted in complete security.
7. **Requests from the media, analysts and the general public:** Employees, officers and directors who are not designated representatives shall not respond to requests from the media, analysts and the general public at any time. All requests shall be referred to the President and Chief Executive Officer.
8. **Family members:** Family members and friends are considered to be third parties, as are our competitors, and have no need to know confidential information belonging to the Company.



ALLOWED DISCLOSURE

Internal disclosure

The disclosure of confidential information within the Company is allowed only in the **normal course of business**, to employees, officers or directors of **the Company or its subsidiaries** who **need to know** the information in order to perform their duties. Even senior officers do not need to know certain confidential information unless they need to know it in order to perform their duties.

INTERNAL DISCLOSURE IS ALLOWED IN THAT ALL EMPLOYEES AND OFFICERS SHALL SIGN A NON-DISCLOSURE AGREEMENT. DIRECTORS ARE LEGALLY REQUIRED TO RESPECT CONFIDENTIALITY.

Disclosure to third parties

The disclosure of confidential information to third parties is allowed only in the **normal course of business** and if the third parties are bound by an **agreement of non-disclosure and non-use** of confidential information. Only confidential information that third parties need to know in order to perform their duties shall be disclosed.

1. **Agreement of non-disclosure and non-use:** All third parties to which confidential information is to be disclosed shall sign an agreement of non-disclosure and non-use of confidential information prepared and approved by Legal Services.
2. **Identification of information:** Written confidential information shall be clearly identified using the notation "CONFIDENTIAL" on each page.
3. **Oral disclosure:** Any confidential information disclosed orally shall be put in writing, identified using the notation "CONFIDENTIAL", and sent to the third party within 30 days.
4. **Documentation of disclosure:** A copy of any confidential information disclosed to a third party shall be kept, so that the nature and purpose of information held by third parties can be ascertained at any time. A copy shall be provided to the Disclosure Committee.
5. **Return of information:** Confidential information shall be retrieved when the project is completed and the third party no longer needs the information; or, at the very least, it shall be ascertained that the confidential information in the third party's possession has been destroyed.



Disclosure as part of legal proceedings

Disclosure of confidential information is allowed as part of legal or regulatory proceedings, to the extent where required by legislation, regulations or tribunal procedure, and only to the appropriate tribunal or government authority. The employee, officer or director required to make the disclosure shall provide prior notice of that fact to the Company's designated representative, who shall put that person in contact with the Company's legal counsel.

PUBLIC DISCLOSURE

The purpose of the following rules is to ensure that the disclosure of information regarding the Company to investors, the media and the public is relevant, accurate, complete, timely, consistent, and in compliance with the securities legislation of the various Canadian provinces.

Specifically, the following rules set out the nature of information that is to be disclosed publicly, the persons who are authorized to do so, and the time and manner of allowed disclosure.

Nature of information

The information governed by these rules is defined as the information contained in the following documents:

- documents filed with the securities regulators
- annual and quarterly reports
- the text of official presentations describing the Company's activities
- media releases
- letters to shareholders
- the Company's Internet site
- other public documents of the Company.

This definition also extends to oral statements made at the following meetings:

- official presentations describing the Company's activities
- speeches
- media conferences or conference calls
- meetings or telephone conversations with analysts, investors or their brokers
- media interviews
- other public statements by the Company.

Disclosure Committee

The Disclosure Committee ("the Committee") shall be made up of the persons occupying the following positions or performing similar duties within the Company:

- President and Chief Executive Officer
- Chief Financial Officer
- Director, Administrative Services.

The Committee shall have the following responsibilities:

- establishing, evaluating and maintaining disclosure control measures
- implementing and enforcing the Policy
- annually revising the Policy in order to ensure that it is effective
- overseeing the Company's practices for public disclosure of information
- assessing the importance of information
- revising and submitting for approval annual and intermediate management reports, annual and intermediate financial statements, the proxy solicitation circular, the annual notice, any prospectuses, and any statements of material changes, as required
- approving all presentations by the Company
- approving the information set out on the Company's Internet site
- determining blackout periods
- determining the appropriateness of commenting on rumours.

The Committee shall establish its own internal operating rules and procedures.



Designated representatives

The Company shall designate a limited number of representatives responsible for communications with the media, investors and analysts. The Company's designated representative shall be the person occupying the following position or performing comparable duties within the Company: the President and Chief Executive Officer ("the designated representative").

The designated representative may occasionally designate additional representatives within the Company to respond to specific requests.

The designated representative shall be the only person responsible for communications with the media, investors and the general public. In no case shall other employees, officers or directors of the Company who are not designated representatives, or who have not been authorized by designated representatives, respond to requests from the financial community or the media.

Oral public statements

Only the designated representatives, as well as persons authorized by designated representatives, are authorized to make oral public statements on behalf of the Company. The content of supporting documentation for speeches, official presentations or any other oral public presentations shall be approved in advance by the Committee.

If important information is accidentally announced in an oral public statement, the Company shall immediately take remedial action.

Important information

The following information may constitute important information:

- financial results
- changes in share ownership that may affect control of the Company or its subsidiaries
- changes in legal structure, particularly reorganizations or mergers
- take-over or buyback bids
- significant acquisitions or disposals
- changes in capital structure



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- significant borrowings
- public or private sale of additional securities
- conclusion or loss of major contracts
- tangible evidence of significant increases or decreases in short-term earnings outlooks
- changes in objectives
- significant changes in senior management
- significant litigation
- any other fact related to the operations and activities of the Company or its subsidiaries that can reasonably be expected to have a significant influence on the market price or value of shares in the Company or on the investment decisions of a reasonable investor.

Under securities legislation, as soon as the Company has important information, it shall distribute a media release setting out the substance of the important information and, shall file a statement of material change with the securities regulators.

Individual employees who discover important information that has not been publicly disclosed shall immediately notify their unit manager of that fact. If the unit manager is not available, the employee shall notify a member of the Committee.

Officers shall immediately inform a member of the Committee of any important information discovered by them or by an employee.

Members of the Committee who discover important information or are made aware of the existence of information that could be considered important information, shall immediately determine the importance of the information and, if it is important information, shall take appropriate action in order to issue a media release in accordance with the Policy.

It can happen that important information must remain confidential if justified by the interests of the Company. In that case, the Committee shall take the necessary steps with the securities regulators.



Media releases

All media releases issued by the Company shall be approved in advance by the Committee. All media releases covering financial information shall be approved in advance by the Board of Directors.

The Director, Administrative Services, shall keep a copy of each media releases issued, to which shall be attached the approval form signed by the authorized persons.

The Committee shall decide when to distribute media releases in accordance with the rules governing securities. Annual and intermediate financial results shall be disclosed in a media release not more than one working day after they are approved by the Board of Directors.

Media releases shall be made public using an authorized news dispatch service that will ensure uniform, simultaneous distribution in all parts of Canada. Media releases shall be posted on the Company's Internet site at the same time.

If the Toronto Stock Exchange is open at the time of the announcement, prior notice of the media release shall be given to the market supervision service in order to allow suspension of trading in the Company's shares if that is considered necessary. If the Toronto Stock Exchange is closed at the time of the announcement, the market supervision service shall be informed before the markets open.

If important information is accidentally announced in a selective forum, the Company shall immediately take remedial action.

Communications with analysts, investors and the media

The Company considers relations with analysts, investors and the media an essential component of its investor relations program. Only designated representatives are authorized to meet with these persons. These meetings may be held on an individual basis or in small groups, in person or by telephone, provided that the following rules are observed.

The disclosure of confidential information to these selective groups is not sufficient to satisfy the requirements of public disclosure of important information. If the Company wishes to announce important information at a meeting with analysts, investors or the media, it shall previously distribute a media release containing the important information.



If important information that has not been previously disclosed is accidentally announced at such a meeting, the Company shall immediately take remedial action.

The Company shall not discriminate among legitimate requests for information that may legally be disclosed. Thus the Company shall respond to requests from individuals and small investors as well as to requests from larger investors, analysts and the media. However, any request for disclosure of privileged information shall be refused.

Distribution of analysts' reports

Analysts' reports are exclusive products of the companies employing the analysts. Thus the Company may not legally copy or distribute analysts' reports without agreement from the brokers. As well, if the Company circulated analysts' reports, it could be considered to have accepted them. Thus the Company shall not provide analyst's reports to third parties in any way, and shall not post them on its Internet site.

On the other hand, the Company may post on its Internet site a full listing of all brokerage firms and analysts that produce research reports on the Company, regardless of the recommendations made. This listing shall not include hyperlinks to Internet sites or publications.

Blackout periods

In order to avoid selective disclosure or even the perception or appearance of selective disclosure of information, the Company may occasionally, as determined by the Committee, observe blackout periods. During blackout periods, the designated representative shall not call any meetings with analysts or investors and shall not contact them by telephone, except to respond to unsolicited requests for non-confidential information.

Rumours

The Company shall refrain from confirming or denying any rumour whatsoever circulating among the general public, in financial markets, or on the Internet. The designated representatives shall respond to rumours in a uniform manner by stating, "It is our policy not to comment on rumours or market speculation."

If the rumour is true in whole or in part, the Committee shall assess the relevance of distributing a media release covering the information.



If stock market activity indicates that rumours are having an undue influence on trading of shares in the Company, the Toronto Stock Exchange may ask the Company to clarify the situation. The Committee shall meet and shall determine the most appropriate way for the Company to respond to the request by the Toronto Stock Exchange.

Forward-looking information

The Company may occasionally disclose forward-looking information in order to allow the financial community and investors better to evaluate the Company's outlook. If the Company wishes to disclose forward-looking information publicly, it shall observe the following rules:

- the Company shall clearly identify the forward-looking information by means of a statement
- the statement shall set out, in very specific terms, the risks and uncertainties that may mean that actual results differ considerably from the results anticipated in the statement
- the statement shall specify that the Company does not intend to update the forward-looking information
- each document containing forward-looking information to be disclosed publicly shall be approved in advance by the Committee.

Internet site and other forms of electronic communication

The Policy also applies to electronic communications. Thus officers and employees responsible for written or oral public communications are also responsible for electronic communications.

Administrative Services shall be responsible for updating the Company's Internet site and, in co-operation with the Committee, for overseeing all information regarding the Company posted on the Internet site, in order to ensure that it is accurate, complete, and in compliance with the applicable securities legislation.

The Committee shall approve all hyperlinks from the Company's Internet site to sites of third parties.

Information regarding investor relations investors shall be provided in a separate section of the Company's Internet site. All information posted on the Internet site, including textual and audiovisual material, shall indicate the date on which it is posted. Any significant changes to



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information shall immediately be posted on the Internet site. The Director, Administrative Services, shall keep a record of the dates on which important information is posted or withdrawn from the investor relations section of the Internet site. The duration of posting on the Internet site of important information concerning the Company shall be at least two years. Simply posting information on the Company's Internet site is not sufficient to constitute public disclosure. The Company shall precede with a media release any disclosure of important information on its Internet site and on the System for Electronic Document Analysis and Retrieval (SEDAR) site.

The Director, Administrative Services, shall also be responsible for responses to electronic requests for information. Only public information, or information that would be disclosed elsewhere in accordance with the Policy, shall be used in responding to electronic requests for information.

In order to ensure that no undisclosed important information is disclosed accidentally, employees shall not participate in discussion groups on matters affecting the Company's activities or shares. Employees who are aware of such discussion regarding the Company shall immediately notify Communication Services, so that the discussion can be monitored.

Remedial action

Any employee, officer or director who accidentally discloses important information, discovers that a document made public by the Company includes an inaccurate representation of the facts, or discovers that important information has not been disclosed shall contact a member of the Committee. The member of the Committee shall call a meeting of the Committee. The Committee shall determine the remedial action to be taken in accordance with securities legislation.



SECURITIES TRADING

Securities legislation provides for a series of rules governing securities trading by employees, officers and directors. Thus the Company considers it important to inform these persons of the requirements applicable to them.

Principle

All trading of shares in a publicly-traded company by insiders of that company on the basis of privileged information is illegal and may result in considerable fines.

Rule of conduct

Employees, officers and directors shall not purchase or sell shares in the Company on the basis of privileged information.

Insider employees, officers and directors of the Company shall not engage in the following transactions involving shares in the Company:

- purchase or sale before the second working day following public disclosure in a media release of any important information.

The Committee may occasionally set blackout periods on trading of shares in the Company when it considers that a material change is imminent.

Legal penalties

In Quebec, transactions made on the basis of privileged information may subject the offender to fines of up to \$1 million or four times the profit made, whichever is higher, plus damages to the other party to the transaction. In all other jurisdictions where the Company is a reporting issuer, similar provisions exist, and offenders may therefore be subject to additional penalties in all other provinces of Canada.