



ENDEAVOUR SILVER CORP.

CORPORATE DISCLOSURE POLICY

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1. OBJECTIVES AND SCOPE

1.1 Objectives

Endeavour Silver Corp. (the “Company”) is committed to the practice of making timely and accurate disclosure of all *material information* and providing fair and equal access to material information. This Corporate Disclosure Policy (“Policy”) explains the Company’s disclosure practices and has been approved by the Board of Directors.

The intent of this Policy is to provide the understanding of, guidance for, and structure to the Company’s disclosure of material information, and to ensure compliance with all legal and regulatory requirements.

Italicized words used in this Policy (including the Appendices) have specific meanings set out in “Appendix A – Glossary”.

1.2 Scope

This Policy applies to:

- all *directors, officers* and employees of the Company and/or its *affiliates*,
- those *associated* with them, including their household members, trading accounts, holding companies and investment companies, and
- all authorized spokespersons of the Company.

This Policy applies to all oral and written statements, including statements made in:

- documents filed with securities regulators and stock exchanges,
- communications to shareholders,
- press releases,
- meetings with and presentations to investors, securities professionals (including analysts), institutional or other investors and the media,
- speeches, press conferences, mining conferences and investor conferences, and
- the Company’s website, in electronic mail (e-mail) and other electronic and social media communications.

2. DISCLOSURE COMMITTEE AND AUTHORIZED SPOKESPERSONS

2.1 Disclosure Committee

The Company has established a Disclosure Committee to oversee the implementation of this Policy and to monitor its effectiveness. The members of the Disclosure Committee are: the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), Chief Operating Officer (“COO”), Corporate Secretary and Vice President or Director of Investor Relations. The Disclosure Committee must be kept informed of all significant Company developments. The

Disclosure Committee decides if information is material, and when it should be disclosed. It may also decide to keep material information confidential in restricted circumstances. See “Section 3.3 – Confidential Material Information”.

2.2 Authorized Spokespersons

It is important for the Company to monitor and control information conveyed to the public. Accordingly, only members of the Disclosure Committee may discuss information about the Company with securities professionals (including analysts), institutional or other investors and the media; or any other *senior officer* of the Company from time to time designated by any of the foregoing persons to respond to, or assist in responding to, specific enquiries as necessary or appropriate. These individuals will be briefed on appropriate responses to market rumours and leading questions. See “Section 6 – Guidelines For Authorized Spokespersons”.

Directors, officers and employees who are not authorized spokespersons must not respond to inquiries from securities professionals (including analysts), institutional or other investors and the media, personally, over the telephone, by e-mail, through *social media networks* or otherwise. Any inquiries must be referred immediately to an authorized spokesperson.

2.3 Use of Social Media Networks

Existing Company policies including this Policy and the Company’s Code of Conduct apply to communications using *social media networks*.

- An employee’s confidentiality obligations to the Company apply to the use of *social media networks* and do not end as soon as the employee leaves the office. Even seemingly innocuous or generic information could still breach confidentiality.
- Unless authorized to do so, *directors, officers*, and employees should not participate in Internet or social media discussions or blog on matters pertaining to the Company’s activities or its securities. If they encounter a discussion pertaining to the Company in online forums, they should advise a member of the Disclosure Committee to allow it to immediately determine the best way of dealing with the posted information.
- No *directors, officers* or employees are permitted to open a *social media* account on behalf of the Company unless authorized to do so by the CEO or CFO.
- When using *social media*, there can be no guarantee of privacy or anonymity. Postings about the Company by employees on their personal *social media* pages are expressly prohibited.
- Employees should exercise good judgment as postings can be difficult to rescind or delete.
- Employees are personally responsible for their communications using *social media* and should take care not to violate any laws (such as human rights, defamation, copyright, intellectual property protection, financial disclosure, and privacy rights).

3. GENERAL PRINCIPLES REGARDING MATERIAL INFORMATION

3.1 Material Information will be Generally Disclosed by Press Release

The Company must promptly disclose all *material information* where required under securities laws and stock exchanges rules by issuing and filing a press release. The only exceptions are in restricted circumstances when the Disclosure Committee determines that public disclosure should be delayed for a period of time for reasons of corporate confidentiality. See “Section 3.3 – Confidential Material Information”.

3.2 Material Information Defined

Material information is any information relating to the business and affairs of a Company that:

- results in or would reasonably be expected to result in a significant change in the market price or value of any of the Company’s securities, or
- has or would reasonably be expected to have a significant influence on a reasonable investor’s investment decisions.

Material information includes both *material facts* and *material changes*.

A *material fact* is a fact that significantly affects or could reasonably be expected to have a significant effect on the market price or value of a company’s securities.

A *material change* is a change in the business, operations or capital of a company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company, and includes a decision to implement such a change made by the Board of Directors or senior management who believe that confirmation of the decision by the Board of Directors is probable.

Examples of events or developments that may constitute *material information* are listed in “Appendix B – Examples of Potentially Material Information”. The list is not exhaustive. The Disclosure Committee will exercise its own judgment in making materiality determinations regarding the Company.

3.3 Confidential Material Information

The Disclosure Committee may delay public disclosure of *material information* if it determines that immediate release would be unduly detrimental to the Company’s interests (for example, if it would prejudice negotiations in a corporate transaction). In these circumstances:

- Confidential Material Change Reports- The Disclosure Committee will cause the Company to file a confidential material change report with securities regulators in the event of a material change, explaining the reasons why the report must be kept confidential, and will periodically (at least every 10 days) review its decision.
- Complete Confidentiality Maintained - All *persons* with knowledge of confidential material information must maintain complete confidentiality and must not disclose the

information to any other *person*, except in the necessary course of business. See “Section 4.3 – Necessary Course of Business”.

- Disclosure - As soon as the basis for confidentiality ceases to exist, or information is inadvertently disclosed or is leaked, or otherwise becomes publicly known, the confidential *material information* will be generally disclosed immediately by press release. See “Section 3.6 – Special Situations Requiring Disclosure”.

3.4 **No Selective Disclosure**

The Company will not make disclosure of *material information* to any individuals (such as securities professionals (including analysts), institutional or other individual and the media) if it has not been generally disclosed. If previously undisclosed *material information* is inadvertently disclosed or is leaked, other than the disclosures in the necessary course of business, the material information will be generally disclosed immediately by press release. See “Section 3.6 – Special Situations Requiring Disclosure”.

3.5 **Disclosure Must Be Factual, Balanced and Consistent**

The substance and importance of the *material information* being disclosed must be clear, factual, balanced and consistent. Unnecessary details, exaggerations and promotional commentary will be avoided. Disclosure will include any information the omission of which would make the rest of the disclosure misleading (half-truths are misleading). Unfavourable *material information* will be disclosed as promptly and completely as favourable information. Disclosure will be consistent among all audiences, including securities professionals such as analysts, institutional or other investors and the media.

3.6 **Special Situations Requiring Disclosure**

Material information about the Company will be generally disclosed immediately by press release in any of the circumstances described below. This may include contacting IIROC and requesting a trading halt if necessary, pending the issuance of a press release if a press release is to be issued, during trading hours. If the release is issued after hours, a copy of the release will be sent to IIROC. Pending the issuance of the press release, the Company will also take steps to inform those parties to whom any selective disclosure has been made that the information is material and has not been generally disclosed.

- Inadvertent Disclosure - If the Company becomes aware, or has reasonable grounds to believe, that confidential *material information*, or rumours about it, has been inadvertently disclosed to selected individuals, or leaked.
- Misuse of Material Information - If the Company becomes aware, or has reasonable grounds to believe, that someone is trading the Company’s securities with knowledge of confidential *material information*, or rumours about it (for example, if there is unusual trading activity in the Company’s securities).
- Errors in Previous Disclosure - If the Company learns that previous disclosure contained a material error at the time it was given, and the correction constitutes *material information*.

4. MAINTAINING CONFIDENTIALITY

4.1 Undisclosed Material Information Must Be Kept Confidential

All *material information* about the Company and its *affiliates* that has not been generally disclosed by press release must be kept strictly confidential in accordance with this Policy. It is often difficult to tell when information is material or not, and when a pending transaction matures into *material information*. Accordingly, all information relating to the Company and its *affiliates* that has not been publicly disclosed by the Company must be treated as confidential *material information*.

4.2 Material Information About Other Companies

From time to time, the Company may be involved in transactions or proposed transactions with another company that may result in *directors, officers* or employees of the Company having confidential information about that other company. This information must be treated as confidential information. No one may trade in securities of the other company with knowledge of confidential information about the other company. See “Section 8 – Restrictions On Trading And “Tipping”; Trading Blackout Periods; Insider Reports”.

4.3 Necessary Course of Business

With the prior approval of the Disclosure Committee, confidential information may be disclosed to selected individuals if doing so is in the necessary course of business and on a strict need-to-know basis. The individual receiving the confidential information must be advised that:

- the information is confidential and may not be disclosed to anyone else, other than in the necessary course of business (and then only with appropriate Company approvals), and
- they cannot trade, or assist others to trade, in the Company’s securities until the confidential information is generally disclosed.

In appropriate circumstances, an outside party receiving confidential information in the necessary course of business may be required to sign a confidentiality agreement. Examples of communications in the necessary course of business are set out in “Appendix C – Communications in the Necessary Course of Business”. Disclosure to securities professionals (including analysts), institutional or other investors and the media is generally not considered to be in the necessary course of business.

4.4 Procedures to Prevent the Misuse of Confidential Information

In order to prevent the inadvertent disclosure or misuse of confidential information, the procedures set forth in “Appendix D – Treatment of Confidential Information” should be observed at all times.

5. TIMELY DISCLOSURE

5.1 Press Releases

- Coordination - The issuance of press releases, whether or not they contain *material information*, is coordinated by the Vice President or Director, Investor Relations.
- Specific Approvals -
 - General - All press releases must be reviewed in advance by Disclosure Committee for accuracy and completeness prior to release.
 - Annual Financial Statements - Annual financial statements must be reviewed by the Audit Committee and approved by the Board of Directors prior to release.
 - Quarterly Financial Statements - Quarterly financial statements must be reviewed by the Audit Committee and approved by the Board of Directors prior to release.
 - Summary Earnings Press Releases - Summary earnings news releases, if issued, will be reviewed by the Audit Committee and approved by the Board of Directors prior to release. The Board of Directors may delegate the approval function to the Audit Committee. See “Section 5.2 – Financial Results Press Releases”.
 - Earnings Guidance – Earnings guidance news releases, if issued, will be reviewed by the Audit Committee and approved by the Board of Directors prior to release. The Board of Directors may delegate the approval function to the Audit Committee. See “Section 6.3 – Forward-Looking Information” and “Section 6.5 – Guidance”.
 - Extracts of Information from Financial Statements – Extracts of information from financial statements must be reviewed and approved by the Audit Committee.
- Procedure for Dissemination
 - A news release will normally be drafted by the CEO, CFO or COO and distributed to the Disclosure Committee for comments. Once the draft news release is finalized, the Vice President or Director, Investor Relations or that person’s designate will, if required, advise IIROC in advance as to the content and planned timing for the release.
 - IIROC may, in turn, provide comments or direction regarding the content or timing of the release (during or after market hours).
 - After notification to the Exchanges and agreement on timing for a release involving material information, the Investor Relations department will use a recognized wire service to disseminate the release and will oversee the filing of all material releases with relevant securities regulators including SEDAR

and EDGAR. The Investor Relations department will promptly post a copy of the disseminated news release on the Company's Internet website.

5.2 **Financial Results Press Releases**

The Company may issue a press release announcing financial results, corporate earnings and highlighting major items, which may include pro forma results. Financial results press releases will be issued prior to or concurrent with the issuance and filing of the related annual or quarterly financial statements and notes and management's discussion and analysis (MD&A). Financial results press releases will be reviewed by the Audit Committee and approved by the Board of Directors prior to release. The Board of Directors may delegate this approval function to the Audit Committee. See "Section 5.1 – Press Releases".

5.3 **Material Change Reports**

The CFO will review and coordinate the filing of material change reports for accuracy and completeness and file them on a timely basis with all applicable securities regulators.

5.4 **News Conferences, Conference Calls and Quiet Periods**

See "Section 6.1 - Interviews with Securities Professionals, Investors and the Media" for one-on-one meetings and small group discussions.

- Participation - News conferences and analyst conference calls will be held in an open manner. All interested parties can participate by telephone or through the Internet by webcast and/or conferences and calls will be taped. Webcast archives and/or transcripts are posted immediately on the Company's website, and will remain there for a reasonable period of time (generally at least two weeks).
- Notice - Adequate notice (usually at least one week in advance) will be given of the time, date and topic of each news conference or analyst conference call, containing instructions on how to access the call and indicating for how long and by what means the Company will make a replay available. Notice will be given:
 - by press release distributed through an approved news-wire service,
 - by e-mail sent to the Company's entire mailing list including financial and industry analysts, institutional and other investors and the financial press
- Attendance - Where practical, news conferences and analyst conference calls will be attended by at least two members of the Disclosure Committee. It is the responsibility of the Disclosure Committee to be completely familiar with the Company's public disclosure record so as to provide information that will be consistent with the public disclosure record and to interrupt if questions could elicit the disclosure of non- public *material information*.
- Pre-Conference Briefing Sessions - Company officials will meet before news conferences and analyst conference calls. Where practical, statements and responses to anticipated questions will be scripted in advance and reviewed by the appropriate people within the Company.

- Cautionary Language - A Company spokesperson, normally the Vice president or Director, Investor Relations, will provide cautionary language at the beginning of each conference with respect to any forward- looking information and will direct participants to publicly available documents containing all relevant assumptions, sensitivities and full discussion of the risks and uncertainties. See “Section 6.3 – Forward-Looking Information”.
- Information Provided - The Company will provide only *material information* that has been generally disclosed and non-*material information*, recognizing that an analyst or investor may construct this information into a mosaic that could result in *material information*. The Company cannot alter the materiality of information by breaking it down into smaller, non-material components.

Examples of specific issues that are appropriate for discussion, and those issues that should be avoided, are listed in “Appendix F – Contacts with Securities Professionals (Including Analysts), Investors and the Media”.

Disclosure at news conferences, analyst conference calls and shareholders’ meetings does not satisfy the Company’s obligation to generally disclose *material information*. The Company generally discloses *material information* by press release. Any disclosure of *material information* at news conferences, analyst conference calls and shareholders’ meetings must be preceded by the issuance of a press release in accordance with this Policy.

- Record-Keeping - The Investor Relations department will keep detailed notes and a recording of each conference call.
- Debriefing Sessions - The Disclosure Committee, led by the Vice President or Director of Investor Relations (“IR”) will hold a debriefing meeting immediately after the news conference or analyst conference call. If selective disclosure of previously undisclosed *material information* is discovered, the *material information* will be generally disclosed immediately by press release. See “Section 3.6 – Special Situations Requiring Disclosure”.
- Communication Quiet Periods –
 - Quarterly and Non-Routine Quiet Periods - To avoid the potential for selective disclosure or the appearance of selective disclosure, the Company will observe quiet periods:
 - If applicable, prior to quarterly earnings announcements, and
 - when a *material change* is pending.

The quarterly quiet period, if applicable, will commence 7 calendar days prior to the filing of financial information for each fiscal quarter and end immediately following the issuance of the press release generally disclosing the quarterly or annual results.

- Activities During Quiet Periods - During a quiet period, trading by certain persons in the Company’s securities is also restricted. See “Section 8 – Restrictions On Trading And “Tipping”; Trading Blackout Periods; Insider

Reports”. If the Company is invited to participate in investment meetings or conferences organized by others during a quiet period, the Disclosure Committee, or as many members as are reasonably available, may determine, on a case-by-case basis, if it is advisable to accept those invitations. If accepted, extreme caution must be exercised to avoid selective disclosure of any *material information* not yet publicly disclosed.

- Communications During Offering Periods - Public communications during offerings of securities must be pre-cleared with the CFO.

5.5 Electronic Communications

- Electronic Communications - The Company’s website, e-mail and other channels available on the Internet, including *social media networks*, provide opportunities for the Company to supplement traditional means of distributing information. The electronic distribution of information is subject to the same securities laws and stock exchange rules as traditional forms of dissemination.
- Company Website - The Company maintains a website in part so that investor relations information is available electronically. However, the Investor Relations page of the Company’s website will be separate from the Company’s other website pages.
- Timing of Information Posted on Company Website - Timely disclosure documents will be posted as soon as possible after they have been generally disclosed. Disclosure on the Company’s website alone or through *social media networks* will not satisfy the Company’s obligation to generally disclose *material information*. The Company generally discloses *material information* by press release. Any disclosure of *material information* on the Company’s website or through social media networks must be preceded by the issuance of a press release in accordance with this Policy.
- Information Currency and Updates - The first page of all information posted on the Investor Relations page of the Company’s website will be dated the date it is posted on the website and, if applicable, modified. Information will be updated or corrected as required (it is not sufficient that information is corrected or updated elsewhere). Out-of-date information will be deleted and archived. Information that is incorrect or that becomes inaccurate over time will also be deleted and archived, and a correction posted. See “Section 5.6 – Disclosure Record”.
- Contents - The Company’s website will include the following:
 - Cautionary Statement - a statement that information posted on the Company’s website may include forward-looking statements, and that posted information was accurate at the time of posting, but may be superseded by later information,
 - Timely Disclosure Documents - all current timely disclosure documents, such as: annual reports; annual and quarterly financial statements; MD&A; annual information forms; management proxy circulars; prospectuses (provided that they have been filed and receipted by appropriate securities regulators, and subject to securities laws in all jurisdictions where the Company may be offering securities); press releases (favourable and unfavourable); material

change reports; notices of declarations of dividends; redemption notices; and similar documents,

- Other Information - supplemental information provided to analysts, institutional investors and other market participants, such as: fact sheets; slides of investor presentations; transcripts of investor relations conferences or speeches; and other material distributed at investor presentations, and
- Contact Information - a statement on who to contact to obtain more information.

Documents will be posted in their entirety. If this is impractical (for example, if it is a technical report with graphs, charts or maps), then links to the entire documents will be provided and care must be taken that any excerpts are not misleading when read on their own.

- Third Party Documents -
 - Analysts' Reports - The Company will not post analysts' reports and newsletter recommendations on the Company's internal or external website and will not provide a link to analysts' websites or publications. The Company may choose to list on the Company's website the names and contact information of analysts and newsletter writers who cover the Company. If the Company chooses to do so, it will list all analysts that the Company is aware of that follow the Company - whether they are recommending buying or selling the Company's securities.
 - Other Third Party Documents - The Company will not put any other investor relations information authored by third parties on its website, unless the information was prepared on behalf of the Company, or is general in nature and not specific to the Company.
- Responsibility for Company Website and Social Media Pages - The Vice President of Director, Investor Relations is responsible for maintaining the Investor Relations page of the Company's website and is responsible, along with the CFO, for monitoring all Company information placed on the website for accuracy, completeness and compliance with relevant securities laws and to update the information as required. Passwords for access to the Company's *social media* pages shall be changed regularly.
- Electronic Inquiries - The Vice President or Director, Investor Relations is responsible for responses to all electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this Policy shall be utilized in responding to electronic inquiries.
- Links - The Vice President or Director, Investor Relations must approve all links from the Company's website to a third party website. Any link will include a notice that advises readers that they are leaving the Company's website and that the Company is not responsible for the contents of the other site. Links will be checked regularly to make sure they still work.

- Shut Down - The Vice President or Director, Investor Relations may, if required to comply with applicable securities laws, take down certain parts of the website.

5.6 Disclosure Record

The Vice President or Director, Investor Relations will be responsible for maintaining a five-year archive containing all material public information about the Company and all information posted on the Company's website.

6. GUIDELINES FOR AUTHORIZED SPOKESPERSONS

The following are guidelines for the Company's authorized spokespersons and the Disclosure Committee when dealing with securities professionals (including analysts), institutional or other investors and the media.

6.1 Interviews with Securities Professionals, Investors and the Media

- Participation - The Company recognizes that private briefings with securities professionals such as analysts play an important role in their seeking out information, analyzing and interpreting it and making recommendations. The Company also recognizes that private briefings with institutional and other investors are an important element of its Investor Relations program. The Company will meet with analysts and investors individually or in small groups as needed and will initiate contacts or respond to analysts' and investors' calls on a timely, consistent and accurate fashion in accordance with this Policy. All analysts will receive fair treatment - whether they are recommending buying or selling the Company's securities.
- Attendance - Where practical, briefings with securities professionals (including analysts and brokers), institutional investors and the media will be attended by at least one of the CEO, CFO, COO, VP Operations, VP Exploration or VP Corporate Development. It is the responsibility of the Disclosure Committee to be completely familiar with the Company's public disclosure record so that the information provided by them will be consistent with the public disclosure record and to interrupt if questions could elicit the disclosure of non-public *material information*.
- No Selective Disclosure - There will be no selective disclosure of *material information*, orally or in writing. All material information identified as *material information* will be generally disclosed by press release. Financial guidance, in particular, may not be selectively disclosed. See "Section 6.5 – Guidance".
- Other Procedures - The Company will follow the procedures set out in "Section 5.4 – News Conferences, Conference Calls and Quiet Periods" under the following headings: "Pre-Conference Briefing Sessions"; "Cautionary Language"; "Information Provided"; "Record-Keeping"; and "Debriefing Sessions".
- Quiet Periods - The Company will observe communication quiet periods set out in out in "Section 5.4 – News Conferences, Conference Calls and Quiet Periods" under the heading "Communication Quiet Periods".

6.2 Analysts' Reports and Models

- Review of Analysts' Reports and Models - The Company believes that it is necessary and appropriate to review and potentially comment on reports and models prepared by financial analysts. However, this activity will be confined to identifying publicly disclosed factual information that may affect an analyst's model or to pointing out inaccuracies or omissions with reference to publicly available information about the Company. To avoid any appearance of endorsing an analyst's report or model, any comments are to be provided orally and with a disclaimer stating that the report was reviewed for factual accuracy only. The Company will not express comfort with respect to analysts' reports, financial reports or earnings estimates or attempt to influence analysts' opinions or conclusions. For example, the Company cannot selectively confirm that an analyst's estimate is "on target" or that it is "too high" or "too low", whether directly or indirectly through implied "guidance".
- Limits on Distribution - The Company will not distribute analysts' reports, financial models or earnings estimates internally within the Company or externally to third parties, except:
 - to *directors* and *senior officers* of the Company to assist them in managing earnings expectations, understanding how the marketplace values the Company and how corporate developments affect analysis, and
 - to the Company's financial and other professional advisors in the necessary course of business See "Section 4.3 – Necessary Course of Business".

See also "Section 5.5 – Electronic Communications" under the heading "Third Party Documents" for limits on distributing analysts' reports and the names of analysts who cover the Company.

6.3 Forward-Looking Information

If the Company volunteers forward-looking information, the following guidelines will be observed:

- Performance Indicators - There must be a reasonable basis for forward-looking information to be disclosed. Forward-looking statements that are overly optimistic, lack objectivity or are not adequately explained may be misleading.
- No Selective Disclosure - There will be no selective disclosure of forward- looking *material information*, orally or in writing. All forward-looking information identified as *material information* will be generally disclosed by press release. Financial guidance, in particular, may not be selectively disclosed. See "Section 6.5 – Guidance".
- Cautionary Statements - The disclosure of any forward-looking information, orally or in writing, will be accompanied by the following statements:
 - Identification of Forward-Looking Information - a statement that the information is forward-looking.

- Assumptions - a cautionary note stating that the forward-looking information is based on material assumptions and that there is a significant risk that actual results may vary, perhaps materially, from the results projected.
- Identification of Assumptions - an explanation, in specific terms, of the material factors or assumptions (such as economic conditions or a course of action) used to develop the forward-looking information.
- Identification of Risks and Uncertainties - an explanation, in specific terms, of the risks and uncertainties that may cause actual results to vary materially from the results projected.
- Risk Factors - a statement that the full discussion of risk factors associated with the Company's business is contained in the Company's Annual Information Form.
- Disclaimer - a statement that the forward-looking information is subject to changes.
- Press Releases – Where appropriate, cautionary statements regarding forward-looking statements included in press releases should be reviewed on a case by case basis taking into account the nature of the forward-looking statements being provided.
- Updates - Once the Company has disclosed forward-looking information (and notwithstanding any disclaimers by the Company), the Company's practice will be to regularly assess whether previous statements of forward-looking information should be replaced by new forward-looking information, to determine whether that past disclosure of forward-looking information is accurately reflected in current MD&A and to update the information, if necessary, by press release. In any event, the Company must discuss in its MD&A events and circumstances that occurred during the period to which the MD&A relates that are reasonably likely to cause actual results to differ materially from material forward-looking information for a period that is not yet complete that the Company previously disclosed to the public, unless the Company has previously issued a news release including such required disclosures and includes in the relevant MD&A disclosure of the news release, its date and its availability on SEDAR.
- Withdrawal - If during the period to which its MD&A relates, the Company decides to withdraw previously disclosed material forward-looking information, the Company must disclose in its MD&A the decision and discuss the events and circumstances that led the Company to that decision, including a discussion of the assumptions underlying the forward-looking information that are no longer valid, unless the Company has previously issued a news release including such required disclosures and includes in the relevant MD&A disclosure of the news release, its date and its availability on SEDAR.

6.4 **Future Oriented Financial Information (“FOFI”)**

- The Company may only disclose FOFI or a financial outlook if the FOFI or financial outlook is based on assumptions that are reasonable in the circumstances.

- FOFI or a financial outlook that is based on assumptions that are reasonable in the circumstances must, without limitation,
 - (a) be limited to a period for which the information in the FOFI or financial outlook can be reasonably estimated; and
 - (b) use the accounting policies the Company expects to use to prepare its historical financial statements for the period covered by the FOFI or the financial outlook.
- If the Company discloses FOFI or a financial outlook, the Company must include disclosure that
 - (a) states the date management approved the FOFI or financial outlook, if the document containing the FOFI or financial outlook is undated; and
 - (b) explains the purpose of the FOFI or financial outlook and cautions readers that the information may not be appropriate for other purposes.
- The Company must disclose and discuss in its MD&A material differences between
 - (a) actual results for the annual or interim period to which the MD&A relates and
 - (b) any FOFI or financial outlook for such annual or interim period that the Company previously disclosed.

6.5 **Guidance**

If the Company has issued guidance and determines that it will be reporting results materially below or above such guidance, it will make general disclosure of this information in a press release in order to enable discussion without risk of selective disclosure. Financial guidance press releases, if any, will be reviewed by the Audit Committee and approved by the Board of Directors prior to release. The Board of Directors may delegate the approval function to the Audit Committee. See “Section 5.2 – Financial Results Press Releases”. All forward-looking information contained in the press release must conform to the guidelines set out in “Section 6.3 – Forward-Looking Information”. A financial guidance press release should be followed with a widely-available conference call to provide *material information* that has generally been disclosed or *non-material information* and analysis.

6.6 **Management Presentations**

Presentations at conferences, meetings and similar events should be either prepared or reviewed in advance by at least two members of the Disclosure Committee.

6.7 **Rumours**

The Company’s policy is not to comment on market rumours (including rumours on the Internet). The Company’s spokespersons will consistently respond: “It is our policy not to comment on market rumours or speculation.”

If the Toronto Stock Exchange (or any other exchange where the Company’s securities are listed or other securities regulatory authority) asks the Company to make a clarifying statement in response to a rumour, at least two members of the Disclosure Committee will discuss the matter with the TSX and decide jointly whether to make a definitive statement.

6.8 Unusual Trading Activity

If the Toronto Stock Exchange (or any other exchange where the Company's securities are listed or other securities regulatory authority) asks the Company to make a clarifying statement in response to unusual trading activity, at least two members of the Disclosure Committee will discuss the matter with the TSX and decide jointly whether to make a definitive statement.

7. COMMUNICATION AND ENFORCEMENT

7.1 Communication of Policy

This Policy will be distributed to all *directors, officers* and employees of the Company and its *affiliates*, and will be posted on the Company's internal network. All *directors, officers* and employees of the Company and its *affiliates*, and all authorized spokespersons, will be advised of its importance. The Company will communicate any changes to this Policy.

7.2 Onus of Compliance

Violations of this Policy may constitute violations of securities laws and/or result in damages and liability to the Company and those concerned personally. All *directors, officers* and employees of the Company and/or its *affiliates*, and all authorized spokespersons, are expected to be familiar with this Policy and to comply fully with it.

7.3 Failure to Comply

The Company will take disciplinary action, up to and including termination, in respect of breaches of this Policy. The type of disciplinary action will be dependent on the nature of the breach, and will be subject to and in accordance with applicable employment law. Any violation of this Policy may result in:

- the immediate suspension or dismissal of those individuals concerned, and
- the Company reporting those individuals concerned to securities enforcement authorities, which could lead to civil and/or criminal sanctions.

7.4 Questions

All questions about this Policy should be directed to the CFO or any other member of the Disclosure Committee.

8. RESTRICTIONS ON TRADING AND "TIPPING"; TRADING BLACKOUT PERIODS; INSIDER REPORTS

8.1 Unlawful Trading and "Tipping"

- Insider Trading - It is illegal for *special relationship persons* with knowledge of *material information* affecting a public company that has not been generally disclosed to buy or sell securities of that company.
- "Tipping" - It is illegal for *special relationship persons* to inform ("tip") any other *person of material information* affecting a public company that has not been generally

disclosed, except in the necessary course of business. See “Section 4.3 – Necessary Course of Business”.

8.2 Special Relationship Persons Defined

The definition of those *persons* who are in a *special relationship* with a public company is set out in “Appendix A – Glossary”. The definition includes (but is not limited to):

- *insiders, associates and affiliates* of the Company,
- anyone proposing to make a take-over bid for the Company, become a party to a reorganization, amalgamation, merger, arrangement or similar business combination with the company or acquire a substantial portion of the Company’s property,
- anyone engaging in business or other professional activities with or on behalf of the Company or with or on behalf of any other person in a special relationship with the Company, and
- anyone (a “tippee”) who learns of *material information* from someone that the tippee knows or should know is a *person* in a *special relationship* with the Company.

Anyone in a *special relationship* with the Company is caught by the prohibitions against insider trading and tipping. The definition is very broad and captures all *directors, officers* and employees (including non-management employees) of the Company and anyone in a *special relationship* with the Company. It also captures a potentially infinite chain of tippees. Anyone who is uncertain about whether they are an *insider* of the Company, or about the scope of the definition of persons in a special relationship with the Company, should consult with the CEO or CFO.

8.3 Specific Restrictions

- *Insiders* are prohibited from trading in the Company’s Securities:
 - while in possession of unpublished *material information*;
 - Upon receipt of any draft press release and thereafter until 24 hours after the news is released;
 - from two weeks before until 24 hours after the release of the Company’s quarterly or full year financial results; and
 - during blackout periods announced from time to time due to pending corporate developments.
- Prohibited Use of Non-Public *Material Information* about the Company - The prohibition on insider trading and tipping applies to anyone who has knowledge of *material information* about the Company that has not been generally disclosed. These persons are prohibited from trading securities of the Company, and from informing any other *person* of non-public *material information* affecting the Company (except in the necessary course of business), until the *material information* has been generally disclosed by press release and a reasonable period of time (usually, one full *trading*

day) has passed for the information to be widely disseminated. See “Section 4.3 – Necessary Course of Business”.

- Unpublished *material information* - is information which a reasonable person would expect to have a material or significant effect on the price or value of Securities. Examples may include but are not limited to those listed in “Appendix B – Examples of Potentially Material Information”.
- Use of Non-Public *Material Information About a Counterparty* - The prohibition on insider trading and tipping also applies to anyone who has knowledge of *material information* about a counterparty with which the Company is negotiating - or plans to negotiate - a business combination or other potentially material transaction that has not been generally disclosed. These persons are prohibited from trading securities of the counterparty, and from informing any other *person* of non-public *material information* affecting the counterparty (except in the necessary course of business as discussed in this Policy), until the *material information* has been generally disclosed by press release and a reasonable period of time (usually, one full *trading day*) has passed for the information to be widely disseminated. See “Section 4.3 – Necessary Course of Business”.
- Stock Options, etc. - The issuance and exercise of stock options, *share appreciation rights* (SARs) and similar share compensation rights are trades in securities for purposes of the insider trading and tipping prohibitions.
- Derivatives, Options and Warrants - Buying and selling derivatives (whether issued by the applicable company or a third party), options, warrants, rights and similar securities are trades in securities for purposes of the insider trading and tipping prohibitions.
- Seek Advice - Should any *insider* or *person* in a *special relationship* with the Company or *officer* or employee wish to trade the Company’s securities and they are uncertain whether a black-out period is in effect, they should contact the CEO or CFO for guidance.
- Speculating in Securities - It is unlawful for *insiders* of a public company to:
 - short-sell securities of that public company or its *affiliates* (i.e., sell securities that they do not yet own), except in limited circumstances permitted by corporate and securities laws, and
 - buy put options, or sell call options, on securities of that public company or its *affiliates*.

8.4 **Trading Blackout Periods**

The Company’s securities may not be traded, and stock options, SARs and similar share compensation rights may not be issued or exercised, during the following blackout periods:

- Scheduled Blackout Periods - Trading blackouts automatically apply to *insiders*, *persons* in a *special relationship* with the Company and *officers* and employees with access to confidential *material information* during the periods when material news and

quarterly and annual financial statements are being prepared and released. These blackout periods are as follows:

- Upon receipt of any draft press release and thereafter until 24 hours after the news is released; and
- from two weeks before until 24 hours after the release of the Company's quarterly, half yearly or full year financial results.
- Pending Corporate Developments - These trading blackouts may be recommended from time to time for prescribed periods by the CEO, the CFO, the Board of Directors or the Disclosure Committee because of a pending corporate development. Anyone with knowledge of the special circumstances, and anyone else designated by the Board of Directors or the Committee, is subject to the trading blackout. This may include external advisors such as legal counsel, investment bankers and consultants.

8.5 Pre-Clearance Requirements

Directors and *officers* of the Company must obtain prior clearance from the CEO or CFO before they or any *associate* or *affiliate* makes any purchases or sales of the Company's securities including, but not limited to, any exercise of stock options. Notice of any proposed transaction is to be given to the CEO, CFO and other persons designated by the CEO from time to time. Each proposed transaction will be evaluated to determine if it raises insider trading concerns or other concerns under securities laws and regulations or otherwise may have an appearance of impropriety. Clearance of a transaction is valid only for a period of five business days. If the transaction order is not placed within that five-business day period, clearance of the transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance. If the Company becomes aware of undisclosed *material information*, all persons who have pre-cleared transactions that have not been completed will be asked to withdraw their trading instructions.

8.6 Exception to Trading Restriction

Trading by *insiders*, persons in a *special relationship* with the Company and employees during blackout periods may be permitted in exceptional circumstances with the prior approval of the CEO or CFO, provided that the individual is not in possession of undisclosed *material information*. Exceptional circumstances may, for example, arise where the individual is subject to a pressing financial commitment that cannot be satisfied other than by the sale of securities of the Company, or where the timing of the trade is important due to expiry of options or warrants or for tax planning purposes. The approval for such trades will only be provided upon receipt of positive clearance by legal counsel and may require the individual to make specific representations regarding the circumstances. If such a pre-clearance is granted under this Policy, such persons are reminded of the general prohibition against insider trading under Canadian securities laws generally, and that compliance with those laws is the sole responsibility of the individual.

For greater certainty, the prohibition regarding trading in securities of the Company during a blackout period does not apply to the acquisition of securities through the exercise of fixed price share options or warrants of the Company, but does apply to the sale of the securities acquired through the exercise of the options or warrants.

8.7 **Insider Reports**

Insider reports must be filed by all *insiders* of the Company under securities laws to report the ownership of, and trades in, securities of the Company (including the issuance and exercise of stock options). It is the *insider's*, and not the Company's, responsibility to file insider reports when required. The filing of an insider report does not relieve the *insider* from any other responsibility under this Policy. General instructions on when and how to file insider reports under Canadian securities laws is set out in "Appendix E – Filing Insider Reports".

Appendix A – Glossary

10% shareholder	A <i>person</i> that directly or indirectly <i>beneficially owns</i> , or has <i>control or direction</i> over, or has a combination of direct or indirect <i>beneficial ownership</i> of and <i>control or direction</i> over, securities of a reporting issuer carrying more than 10% of the voting rights attached to all the reporting issuer’s outstanding voting.
affiliate	A company shall be deemed to be an <i>affiliate</i> of another company if one of them is the <i>subsidiary</i> of the other or if both are subsidiaries of the same company or if each of them is controlled by the same person or company; and, if two companies are affiliated with the same company at the same time, they are deemed to be affiliated with each other.
associate	Where used to indicate a relationship with any <i>person</i> or company <ul style="list-style-type: none"> (a) any issuer of which such <i>person</i> or company <i>beneficially owns</i>, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the company for the time being outstanding; (b) any partner of that <i>person</i> or company; (c) any trust or estate in which such person or company has a substantial beneficial interest or for which such <i>person</i> or company serves as trustee or in a similar capacity; (d) any relative of that <i>person</i> who resides in the same home as that <i>person</i>; (e) any <i>person</i> who resides in the same home as that <i>person</i> and to whom that <i>person</i> is married, or any <i>person</i> of the opposite sex or the same sex who resides in the same home as that <i>person</i> and with whom that <i>person</i> is living in a conjugal relationship outside marriage; or (f) any relative of a <i>person</i> mentioned in clause (e) who has the same home as that <i>person</i>
beneficially owned	<ul style="list-style-type: none"> (a) A <i>person</i> shall be deemed to own beneficially securities <i>beneficially owned</i> by a company controlled by him or by an affiliate of such company. (b) A <i>person</i> shall be deemed to own beneficially securities <i>beneficially owned</i> by a trust controlled by him. (c) A company shall be deemed to own beneficially securities <i>beneficially owned</i> by its <i>affiliates</i>. <p>Beneficial ownership includes ownership through any trustee legal representative, agent or other intermediary.</p>
Company	Endeavour Silver Corp.

<i>control or direction</i>	<p>(a) If a <i>person</i> or company has in fact given effective control or direction over securities to another <i>person</i> or company, through a voting trust, income splitting arrangement or other written or unwritten arrangement or understanding, those holdings should be aggregated with those of the <i>person</i> or company.</p> <p>(b) <i>Control or direction</i> does not include family holdings, unless a family member has in fact given effective <i>control or direction</i> to the relevant person or company, through a voting trust, income splitting arrangement or other written or unwritten arrangement or understanding, in which case, the family holdings should be aggregated with those of the relevant <i>person</i> or company.</p>
<i>controlled company</i>	<p>A company shall be deemed to be controlled by another <i>person</i> or company or by two or more companies if,</p> <p>(a) <i>voting securities</i> of the first mentioned company carrying more than 50% of the votes for the election of <i>directors</i> are held, otherwise than by way of security only, by or for the benefit of the other <i>person</i> or company or by or for the benefit of the other companies; and</p> <p>(b) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of <i>directors</i> of the first mentioned company.</p>
<i>director</i>	<p>Where used in relation to a <i>person</i>, includes a <i>person</i> acting in a capacity similar to that of a director of a company</p>
<i>executive officer</i>	<p>An executive officer of a company for continuous disclosure purposes means an individual who is</p> <p>(a) the chair, vice-chair or the president of the company,</p> <p>(b) a vice-president of the company in charge of a principal business, unit, division or function such as sales, finance or production, or</p> <p>(c) an <i>officer</i> of the company or any of its <i>subsidiaries</i> or any other person who is performing a policy-making function in respect of the company.</p>
<i>IIROC</i>	<p>Investment Industry Regulatory Organization of Canada</p>
<i>insider</i>	<p>Each of the following persons is an <i>insider</i> of a reporting issuer:</p> <p>(a) every <i>director</i> or <i>officer</i> of the reporting issuer,</p> <p>(b) every <i>director</i> or <i>officer</i> of a company that is itself an <i>insider</i> or <i>subsidiary</i> of the reporting issuer,</p> <p>(c) any <i>person</i> or company who <i>beneficially owns</i>, directly or indirectly, <i>voting securities</i> of a reporting issuer or who exercises <i>control or direction</i> over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all <i>voting securities</i> of the reporting issuer for the time being outstanding other than <i>voting securities</i> held by the <i>person</i> or company as underwriter in the course of a distribution, and</p> <p>(d) the reporting issuer where it has purchased, redeemed or otherwise acquired any of its securities, for so long as it continues to hold any of its securities.</p>

<i>material change</i>	Where used in relation to the affairs of a company, means a change in the business, operations or capital of the company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the company and includes a decision to implement such a change made by the board of <i>directors</i> of the company or by senior management of the company who believe that confirmation of the decision by the board of directors is probable.
<i>material fact</i>	Where used in relation to securities issued or proposed to be issued, means a fact that significantly affects, or could reasonably be expected to have a significant effect on, the market price or value of such securities.
<i>material information</i>	Material information is any information relating to the business and affairs of a company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company's listed securities or would reasonably be expected to have a significant influence on a reasonable investor's investment decision. Material information consists of both <i>material facts</i> and <i>material changes</i> relating to the business and affairs of a listed company.
<i>officer</i>	The chair or any vice-chair of the board of directors, the chief executive officer, the chief operating officer, the chief financial officer, the president, any vice-president, the secretary, the assistant secretary, the treasurer, the assistant treasurer, or the general manager, and any other <i>person</i> designated an officer, of a company by the articles or bylaws of that company or similar authority, and any individual who performs functions similar to those normally performed by an individual referred to in the named officer positions.
<i>person</i>	A <i>person</i> includes an individual, a body corporate, a partnership, an unincorporated association, an unincorporated syndicate, an unincorporated organization, a trust, a trustee, an executor, an administrator, and any other legal or personal representative.

<i>special relationship</i>	<p>A <i>person</i> is in a <i>special relationship</i> with a company if:</p> <ul style="list-style-type: none"> (a) the <i>person</i> is an <i>insider, affiliate</i> or <i>associate</i> of, <ul style="list-style-type: none"> (i) the company; (ii) a <i>person</i> that is proposing to make a take-over bid, as defined under applicable securities laws, for the securities of the company; or (iii) a <i>person</i> that is proposing to become a party to a reorganization, amalgamation, merger or arrangement or similar business combination with the company or to acquire a substantial portion of its property; (b) the <i>person</i> is engaging in or proposes to engage in any business or professional activity with or on behalf of the company or with or on behalf of a <i>person</i> described in (a)(ii) or (iii) above; (c) the <i>person</i> is a <i>director, officer</i> or employee of the company or of a <i>person</i> described in (a)(ii) or (iii) or (b) above; (d) the <i>person</i> knows of a material fact or material change with respect to the company, having acquired the knowledge while in a relationship described in (a), (b) or (c) above with the company; or (e) the <i>person</i> knows of a <i>material fact</i> or <i>material change</i> with respect to the company, having acquired the knowledge from another <i>person</i> described above, including a <i>person</i> described in this clause, and knows or ought reasonably to have known that the other is a person in such a <i>special relationship</i>.
<i>share appreciation right</i>	<p>Means a right, granted by a company or any of its <i>subsidiaries</i> as compensation for services rendered or otherwise in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities.</p>
<i>social media / social media networks</i>	<p>Means social networking sites such as Stockhouse, Facebook, Twitter, LinkedIn, YouTube, SlideShare and Flickr.</p>
<i>subsidiary</i>	<p>A company shall be deemed to be a subsidiary of another company if:</p> <ul style="list-style-type: none"> (a) it is controlled by: <ul style="list-style-type: none"> (i) that other, or (ii) that other and one or more companies each of which is controlled by that other, or (iii) two or more companies each of which is controlled by that other; or (b) it is a <i>subsidiary</i> of a company that is that other's <i>subsidiary</i>. <p>Note: "control" is defined in the same manner as "<i>controlled company</i>".</p>
<i>trading day</i>	<p>Means a day on which the stock exchanges on which the company's securities are traded are open for trading. If <i>material information</i> is disclosed on a trading day before the markets close, then such disclosure shall be considered to have been made at the commencement of the first trading day following such public disclosure.</p>

<i>voting security</i>	Means any security other than a debt security of a company carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing.
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Appendix B – Examples of Potentially Material Information

The Timely Disclosure Policy of the Toronto Stock Exchange and National Policy 51-201 – *Disclosure Standards* of the Canadian Securities Administrators give examples of types of events or information that may be material. The list is not exhaustive and is not a substitute for companies exercising their own judgment in making materiality determinations.

Corporate structure

- changes in share ownership that may affect control of the Company
- major reorganizations, amalgamations or mergers
- take-over bids (tender offers), issuer bids or insider bids

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 the Company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to rights of security holders

Financial results

- quarterly and annual earnings results
- 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 the Company's assets
- any material change in the Company's accounting policy

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
- 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 the movement from one quotation system or exchange to another
- a change in the auditor or disagreements with the auditor

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

External political, economic, social or regulatory developments

- significant regulatory decisions or changes
- external political, economic or social developments that will have or have had a direct effect on the business and affairs of the Company that is both material and uncharacteristic of the effect generally experienced by other companies engaged in the same business or industry

Other

- any other development relating to the business and affairs of the Company that would reasonably be expected to significantly affect the market price or value of the Company's securities or have a significant effect on a reasonable investor's investment decision regarding the Company.

Appendix C – Communications in the Necessary Course of Business

Examples of communications in the necessary course of business would generally cover communications with:

- vendors, suppliers or strategic partners on issues such as research and development, sales and marketing and supply contracts,
- other employees, *officers* and *directors*,
- lenders, legal counsel, auditors, underwriters, financial and other professional advisors to the Company,
- parties to negotiations,
- labour unions and industry associations,
- government agencies and non-governmental regulators, and
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available).

The communication of confidential *material information* may be in the necessary course of business if made:

- to private placees in connection with a private placement financing for the Company, and
- to controlling shareholders of the Company.

In either situation, the Company will generally disclose at the earliest opportunity the *material information* provided to the private placee or the controlling shareholder.

Securities laws prohibit any person that is proposing to make a take-over bid, become a party to a reorganization, amalgamation, merger, arrangement or similar business combination or acquire a substantial portion of a company's property from informing anyone of material information that has not been generally disclosed. The only exception is where the disclosure is in the necessary course of business to effect the take-over bid, business combination or acquisition.

Appendix D – Treatment of Confidential Information

1. Material information should not be discussed with anyone, except in the necessary course of business on a strict need-to-know basis.
2. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who need to know that information in the necessary course of business, and code names should be used if necessary.
3. Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, restrooms, hallways, restaurants, airplanes or taxis.
4. Where possible, confidential matters should not be discussed on wireless telephones or other wireless devices.
5. Confidential documents should not be read or displayed in public places and should not be left where others can retrieve them.
6. Employees must maintain the confidentiality of information in their possession outside of the office as well as inside the office.
7. 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.
8. 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.
9. Access to confidential electronic data should be restricted through the use of passwords.
10. Disclosure of the whereabouts of Company personnel involved in special projects who are away from the office, or the presence in the office of specific visitors, should be avoided, except where specifically authorized.
11. Confidential information about the Company should not be posted on the Internet.
12. Employees are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to the Company's activities or its securities. Employees who encounter a discussion pertaining to the Company should advise a member of the Disclosure Committee immediately so that the discussion may be monitored.
13. Communication by e-mail leaves a physical track of its passage that may be subject to later decryption attempts. All confidential information being transmitted over the Internet should be secured by encryption and validation methods. Where possible, employees should avoid using e-mail to transmit confidential information.

Appendix E – Filing Insider Reports

This guide is provided for information purposes only. In addition, it only covers insider filing requirements under Canadian securities laws and not the laws of any other jurisdiction. So long as the Company is a “foreign private issuer” within the meaning of United States securities laws, U.S. insider reporting requirements will not be applicable to *insiders* of the Company. It is the *insider’s*, and not the Company’s, responsibility to file insider reports in compliance with all applicable securities laws.

Italicized words used in this Appendix have specific meanings set out in “Appendix A – Glossary” to the Company’s Corporate Disclosure Policy.

1. What is an Insider Report?

Insider reports must be filed by all *insiders* of the Company under applicable securities laws to report the ownership of, and trades in, securities of the Company. Only *insiders* who own securities of the Company need to file insider reports.

2. What Securities Must Be Reported?

Generally, in an insider report, the *insider* must report the *insider’s* initial holdings, and any changes in these holdings, of any securities of the Company.

All securities of the Company that are *beneficially owned*, directly or indirectly, by the *insider*, or over which the *insider* exercises *control* or *direction*, must be reported. An *insider beneficially owns* securities held by others when those securities should be grouped with the *insider’s* holdings, for example, if shares are held indirectly through a company *controlled* or *directed* by the *insider*, or through a trustee, legal representative, agent or other intermediary.

Whether an *insider controls* or *directs* securities depends on the facts. For example, an *insider controls* or *directs* securities if the *insider* has the power to direct the voting of securities through a voting trust or other similar arrangement (written or unwritten), or if the *insider* has discretionary investment power over securities.

If the *insider’s* spouse holds securities of the Company and the *insider* has no *control* or *direction* over those holdings, those holdings do not have to be reported by the *insider*.

3. Initial Reports

Insiders must file an insider report within five (5) days of becoming an *insider* of the Company to report the *insider’s* securities holdings in the Company.

4. Subsequent Reports

If there is any change in the *insider’s* holdings, an insider report must be filed within five (5) days of the change. It is necessary to report every transaction involving a change in ownership. For example, if an *insider* sells 100 shares and then buys 100 shares later in the same month, both transactions must be reported. If an *insider* transfers shares from the *insider’s* name to an agent, nominee or custodian (for example, if shares are transferred to a Registered Retirement Savings Plan), the transfer must also be reported. Ownership is deemed to pass on the date of the trade (i.e. at the date the offer to buy or sell is accepted) and not on the settlement date.

5. Stock Options

Stock options are securities and trades in stock options by *insiders* must be reported. Generally, subject to certain exceptions discussed below, an insider report must be filed within five (5) days whenever:

- (a) the *insider* is granted a stock option,
- (b) the *insider* exercises the stock option (or, if applicable, a tandem *share appreciation right*, or SAR),
- (c) the stock option terminates or expires, or
- (d) the *insider* sells the underlying shares acquired on exercise of the stock option.

6. Insider Reporting Exemptions

The following describes certain more common exemptions from insider reporting requirements.

Exemption from Insider Reporting for Certain Officers of the Company and for Certain Directors and Officers of Non-Major Subsidiaries:

Certain *officers* of the Company, and certain *directors* and *officers* of a non-major *subsidiary* of the Company do not have to file insider reports in respect of securities of the Company. This exemption is available to an *officer* of the Company, or a *director* or *officer* of a non-major *subsidiary* of the Company, unless the *director* or *officer*:

- (a) is an individual who is, or is performing the functions of, the chief executive officer, the chief operating officer or the chief financial officer for the Company or of a major subsidiary of the Company,
- (b) is a *director* of the Company or of a major subsidiary of the Company,
- (c) is a *person* responsible for a principal business unit, division or function of the Company,
- (d) is a *10% shareholder* of the Company,
- (e) in the ordinary course receives or has access to information as to *material facts* or *material changes* concerning the Company before the *material facts* or *material changes* are generally disclosed by press release, or
- (f) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business operations, capital or development of the Company.

A “major subsidiary” means a *subsidiary* of the Company if (i) the assets of the *subsidiary* are 30% or more of the consolidated assets of the Company reported on its most recent statement of financial position, or (ii) the revenue of the subsidiary is 30% or more of the consolidated revenue of the Company reported on its most recent statement of comprehensive income.

Reporting for Certain Issuer Events

Insiders of the Company do not have to report changes to their holdings if the change is the result of an “issuer event”. An “issuer event” means a stock dividend, stock split, consolidation, amalgamation,

reorganization, merger or other similar event that affects all holdings of a class of securities of the Company in the same manner, on a per share basis. These changes must be disclosed on the next insider report filed by the *insider* disclosing subsequent changes to the *insider's* holdings.

7. How to File Insider Reports

Insider reports must be filed in all provinces where the Company is a reporting issuer.

SEDI is a Canada-wide Internet-based system, developed by the Canadian Securities Administrators, for filing insider reports. Insider reports with respect to the securities of the Company must be filed electronically on SEDI and not manually or by facsimile.

SEDI changes the method of filing insider reports, but it does not change the obligation to file insider reports within the prescribed time periods. *Insiders* are encouraged to designate one SEDI filer for all of the companies for which they are *insiders*.

Appendix F – Contacts with Securities Professionals (Including Analysts), Investors and the Media

Examples of specific issues that are appropriate for briefings with analysts, institutional and other investors, other market participants and the media include:

- descriptions of the markets in which the Company currently operates, including market size, growth rate (either historic or by citing projections of external experts), target customers, etc.;
- corporate history, strategy and objectives to the extent previously publicly disclosed;
- product descriptions and the Company's previously disclosed position in the market relative to its competitors.
- Examples of specific issues that should be avoided include:
 - significant data and, in particular, financial information such as sales and profit figures;
 - any earnings forecasts;
 - any discussion relating to management's comfort with previous revenue and earnings guidance (this applies to current and future quarters, as well as the current and future fiscal years);
 - any discussion related to changes in the condition of the Company's markets since such comments may give an indication of the Company's comfort with its previous guidance;
 - any discussion related to changes in the Company's reporting practices;
 - any discussion of personnel changes that have not been press released; and
 - any discussion of future features and functionality in the Company's products that have not been press released.