



DISCLOSURE AND INSIDER TRADING POLICY

Adopted by the Board of Directors on February 10, 2006

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BRAINHUNTER INC.
(“Brainhunter”)

DISCLOSURE AND INSIDER TRADING POLICY

A. GENERAL

1. Definitions in this Policy

Capitalized terms that are used in this policy have the meanings set forth in Appendix A or as otherwise defined in this policy. Readers are encouraged to review Appendix A carefully when reviewing this policy. All other terms used in this policy (whether capitalized or not) have the meanings set forth in the *Securities Act* (Ontario) and applicable rules thereunder.

2. Purpose of this Policy

Two principles are cornerstones of regulation of our capital markets. The first principle is that everyone who invests in Securities of Brainhunter should have equal and timely access to Material Information. The second principle is that Insiders and others who are in a Special Relationship with Brainhunter should not be permitted to (i) purchase or sell Securities of Brainhunter or transact in a Related Financial Instrument (“Insider Trading”) while in possession of Undisclosed Material Information, (ii) inform others of the Undisclosed Material Information except in the necessary course of business (“Tipping”), or (iii) recommend or encourage another person to purchase or sell Securities of Brainhunter or transact in a Related Financial Instrument while in possession of Undisclosed Material Information.

These principles are enshrined in various provisions of securities law and the TSX rules relating to the requirement to make continuous and timely disclosure, imposing liability for Misrepresentations in Corporate Documents and Public Oral Statements and restricting trading by insiders. In addition, as part of its initial public offering process, Brainhunter was required to make special undertakings to the Canadian Securities Administrators under which, in effect, Subsidiaries of Brainhunter and any future operating entities owned by Brainhunter are required to comply with these securities laws as though they themselves were public companies.

It is fundamental to the reputation and ongoing success of Brainhunter to ensure that directors, officers and employees of Brainhunter and its Subsidiaries as well as those persons in a Special Relationship with Brainhunter meet their obligations under these provisions of securities law and TSX rules. Accordingly, for this purpose, this policy is intended to:

- (a) establish a process for the disclosure of all Material Information that will, among other things, ensure Brainhunter and its Subsidiaries comply with timely disclosure obligations and will prevent the selective disclosure of Material Information to analysts, institutional investors, market professionals and others;
- (b) establish a process for ensuring that Corporate Documents, including News Releases, issued by Brainhunter, and Public Oral Statements, are accurate and do not contain a Misrepresentation;

- (c) ensure that directors, officers and employees of Brainhunter and its Subsidiaries understand their obligations to preserve the confidentiality of Undisclosed Material Information; and
- (d) ensure that directors, officers and employees of Brainhunter and its Subsidiaries understand the prohibitions on illegal Insider Trading and Tipping under applicable securities law, stock exchange rules and this policy.

The fact that this policy contains lengthy and detailed provisions does not mean that it covers all circumstances that may arise. The subject matter of this policy can raise difficult questions. Those questions can often be resolved satisfactorily only with experience and the making of informed judgments, often with the assistance of legal and other professional advice. This policy should be interpreted and applied to achieve the purposes for which it was adopted.

3. Application of this Policy

- (a) This policy applies to (i) all directors, officers and employees of Brainhunter and (ii) directors, officers and employees of each of its Subsidiaries.
- (b) Sections 13 to 32 of this policy also apply to all other individuals authorized to speak on behalf of Brainhunter, as contemplated by section 10 of this policy.
- (c) Sections 35 to 39 of this policy also apply to anyone in a Special Relationship with Brainhunter and each Associate of (i) a director, officer or employee of Brainhunter, (ii) director, officer or employee of each of Brainhunter's Subsidiaries, and (iii) anyone in a Special Relationship with Brainhunter.

4. Communications Covered by this Policy

This policy applies to all methods and forms of communication by Brainhunter and its Subsidiaries, including disclosures that may reasonably be expected to be Generally Disclosed in Corporate Documents, statements in Brainhunter's annual and quarterly reports, letters to shareholders, News Releases, Public Oral Statements (such as at shareholders meetings, news conferences, analysts' conferences, private meetings with analysts, industry conferences or on-line conferences, etc.), information contained on Brainhunter's web site and other electronic communications.

5. Distribution of this Policy

- (a) The Chief Financial Officer of Brainhunter will distribute a copy of this policy to each director and officer of Brainhunter and each director and officer of Brainhunter's Subsidiaries upon becoming a director or officer, annually thereafter, and whenever significant changes are made.
- (b) The Chief Financial Officer will ensure that either a copy of this policy or a summary of this policy is distributed to each employee of Brainhunter and its

Subsidiaries upon becoming an employee, annually thereafter, and whenever significant changes are made.

- (c) Where practicable, the Chief Financial Officer will also distribute a copy of this policy or a summary of this policy to anyone not already covered in (a) or (b) above in a Special Relationship with Brainhunter.

6. Consequences of Non-Compliance With this Policy

Violations of this policy can result in acute embarrassment to Brainhunter and harm to Brainhunter's reputation in the investment community. Violation of this policy may also constitute a breach of securities law, including laws against Insider Trading and Tipping, and Brainhunter may refer any such breach to the appropriate regulatory authorities. Accordingly, violation of this policy could lead to fines, penalties, imprisonment and liability to investors and Brainhunter for damages. The onus of complying with this policy and the relevant rules is on each individual director, officer and employee of Brainhunter and its Subsidiaries, each of whom is expected to be familiar with this policy. A failure to comply with this policy may result in the immediate suspension or dismissal of any officer or employee of Brainhunter or a Subsidiary or a request for the resignation of a director.

B. DISCLOSURE COMMITTEE

7. Formation of the Disclosure Committee

The Chief Financial Officer and various representatives of the company as appointed by the CEO or CFO on the advice of the Audit Committee will be responsible for the implementation of this policy and are referred to in this policy as the "Disclosure Committee". Two members of the Disclosure Committee will constitute a quorum, who can, acting together, approve Disclosure statements (other than periodic reports) when time does not permit the full committee to meet. Currently the designated members are the Chair and CEO, the President and the CFO.

8. Responsibilities of the Disclosure Committee

The Disclosure Committee has the responsibility to:

- (a) set benchmarks for a preliminary assessment of materiality, and review and approve, before they are Generally Disclosed, all written, electronic and oral statements (including all News Releases, Corporate Documents and Public Oral Statements) that may contain Material Information;
- (b) make determinations about whether:
 - (i) any information is Material Information;
 - (ii) a Material Change has occurred;
 - (iii) selective disclosure has been or might be made; or

- (iv) a Misrepresentation has been made;
and, in this regard, consult with counsel or other appropriate expert advisors as the Disclosure Committee may deem necessary;
- (c) determine the timing for public release of information,
- (d) make all other determinations under this policy and grant any exemptions from this policy;
- (e) monitor the effectiveness of and compliance with this policy;
- (f) educate the directors, officers and employees of Brainhunter and its Subsidiaries about the matters covered by this policy;
- (g) monitor Brainhunter's web site;
- (h) where it is deemed that information should remain confidential, to determine how the inside information will be controlled and whether there is any need for discussions or filings with regulators on a confidential basis;
- (i) regularly update this policy to take account of new developments and best practices and ensure compliance with changing regulatory requirements; and
- (j) report to the board of directors, the Audit Committee or another committee of the board of directors as contemplated by section 24 of this policy and by the other provisions of this policy.

9. Meetings and Minutes

It is not required that the Disclosure Committee will have formal meetings and prepare minutes of meetings, although there may be circumstances where the Disclosure Committee considers it desirable to do so. Many decisions made by the Disclosure Committee will be made on a real time basis as a result of informal meetings and consultations among the members of the Disclosure Committee. In all cases, however, the Disclosure Committee should prepare and retain a written or electronic copy of all of its decisions (including any exemptions granted) even if that record consists only of a memorandum-to-file describing the decisions made.

C. SPOKESPERSONS

10. Individuals Who Are Authorized to Speak on Behalf of Brainhunter

- (a) Only the following individuals ("Spokespersons") are authorized to make Public Oral Statements, communicate with the media, or communicate with analysts and investors:
 - (i) the Chair and Chief Executive Officer;

- (ii) the Chief Financial Officer; and
 - (iii) such other employees, officers or directors from time to time expressly designated by the Chair and Chief Executive Officer or the Chief Financial Officer to make specific Public Oral Statements or to respond to specific enquiries.
- (b) The names and telephone numbers of the Spokespersons must be provided to Market Surveillance.
 - (c) No other individual has actual or implied authority to make any Public Oral Statement.
 - (d) Everyone to whom this policy applies who is approached by a securities regulator, a stock exchange, an analyst, the media, an investor, or any member of the public and asked to comment in any manner on the business or affairs of Brainhunter must not respond, except to refer all inquires to the Chair and Chief Executive Officer or the Chief Financial Officer or such other applicable Spokesperson. The person approached must immediately notify the Chair and Chief Executive Officer or the Chief Financial Officer that the approach was made.

D. IDENTIFYING MATERIAL INFORMATION

11. Responsibility to Advise Disclosure Committee of Potential Material Information

Anyone subject to this policy who becomes aware of a new development, circumstance or information that may constitute Material Information must immediately advise at least one member of the Disclosure Committee. If there is any doubt whether any particular information is Material Information, the CFO must be consulted.¹

12. Determining Whether or Not Information is Material Information

- (a) The Disclosure Committee is responsible for determining whether or not information is Material Information, in consultation with the Audit Committee as provided for herein, and with counsel or other expert advisors as the Disclosure Committee may deem necessary.
- (b) In determining whether or not information is Material Information, the Disclosure Committee must, at a minimum, apply the following principles:

¹ Regardless of whether any information may be Material Information, officers, directors and other employees of Brainhunter or any of its Subsidiaries must treat all information as confidential unless they are absolutely certain the information has been announced in a News Release. See Section 29 of this Policy.

- (i) The determination of whether or not information is Material Information often involves the exercise of complex business judgment based on experience.
 - (ii) Regulators have provided examples of events and information that they believe may be material. See Appendix B for examples of information that the Canadian Securities Administrators and the TSX believe may be material.
 - (iii) Materiality of information is affected by factors such as Brainhunter's existing disclosure record, the volatility and liquidity of Brainhunter's Securities and prevailing market conditions.
 - (iv) If there is doubt about whether particular information is Material Information or has been Generally Disclosed, everyone subject to the policy should act prudently and conservatively.
- (c) The Disclosure Committee should monitor the market's reaction to the release of information that is Generally Disclosed to assist it in making future judgments about the kinds of information that are likely to be Material Information.

E. APPROVALS

13. Approval by Disclosure Committee Before Public Disclosure

Corporate Documents (including News Releases that are associated with Corporate Documents) and Public Oral Statements must be reviewed and approved by the designated Disclosure Committee members before they are issued or made. In approving the disclosure, the Disclosure Committee members must apply the following principles:

- (a) The Disclosure Committee must be satisfied that the issuance or making, timing of release and content of any Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement complies with Brainhunter's disclosure obligations under applicable law and this policy.
- (b) Before the issuance of any Corporate Document (including a News Release that is associated with a Corporate Document), or the making of any Public Oral Statement, the Disclosure Committee must:
 - (i) conduct, or confirm that directors, officers and employees of Brainhunter and its Subsidiaries have conducted or caused to be conducted, a reasonable investigation to satisfy themselves that the Corporate Document (including a News Release that is associated with a Corporate Document), or Public Oral Statement is not inaccurate, does not contain a Misrepresentation and is not, in a material respect, misleading or untrue; and

- (ii) be satisfied that the Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement is not inaccurate, does not contain a Misrepresentation and is not, in a material respect, misleading or untrue.
- (c) If any part of a News Release, Corporate Document or Public Oral Statement summarizes or quotes from a report, statement or opinion made by an Expert, the Disclosure Committee must obtain the written consent of the Expert to the use of the report, statement or opinion and the Disclosure Committee must be satisfied that:
 - (i) there are no reasonable grounds to believe that there is a Misrepresentation in the part of the News Release, Corporate Document or Public Oral Statement made on the authority of the Expert; and
 - (ii) the part of the News Release, Corporate Document or Public Oral Statement fairly represents the report, statement or opinion made by the Expert.
- (d) If any part of a Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement is based upon disclosure (“Third Party Disclosure”) contained in a document filed by a person other than Brainhunter (a “Third Party”) with the Commission or any other securities regulatory authority in Canada or the United States or a stock exchange, the Disclosure Committee must:
 - (i) be satisfied that the Third Party Disclosure was not corrected in another document filed by the Third Party with the Commission or any other securities regulatory authority in Canada or the United States or a stock exchange before the issuance of the Corporate Document (including a News Release that is associated with a Corporate Document) or the making of the Public Oral Statement;
 - (ii) ensure that the Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement contains a reference identifying the document containing the Third Party Disclosure; and
 - (iii) have no reasonable grounds to believe that the Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement contained a Misrepresentation.
- (e) If any part of a Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement contains Forward-looking Information, the Disclosure Committee must comply with section 28 of this policy.

- (f) The Disclosure Committee should also consider and be satisfied that approval of the Board is not necessary or desirable prior to the issuance of a News Release or other Non-Core Document or the making of a Public Oral Statement. The Disclosure Committee must not, however, delay the issuance of a News Release which the Disclosure Committee considers to be required by applicable law or this policy for the purpose of obtaining the approval of the Board.

14. Review of Financial Information by the Audit Committee

In addition to approval by the Disclosure Committee, all News Releases disclosing financial information, including the results of operations for an interim or annual period and changes to any Earnings Guidance, must be reviewed by the Audit Committee and recommended for approval by the board of directors. If not inconsistent with Brainhunter's obligation under securities laws, where practicable the financial statements should be filed with the securities regulators at the same time as the earnings are announced in a News Release.

15. Approval of Core Documents by Board

In addition to approval by the Disclosure Committee, each Core Document that is proposed to be issued by Brainhunter must be reviewed and approved by the applicable committee of the Board and the Board before its issuance.

The Disclosure Committee must report to the Board that:

- (a) the Disclosure Committee has reviewed the Core Document and recommended approval of its issuance;
- (b) after reasonable inquiry:
 - (i) it is satisfied that the Core Document is not inaccurate, does not contain a Misrepresentation and is not, in any material respect, misleading or untrue;
 - (ii) if any part of a Core Document includes summaries or quotes from a report, statement or opinion made by an Expert, the Disclosure Committee has obtained the written consent of the Expert to the use of the report, statement or opinion and the Disclosure Committee is satisfied that:
 - (A) there are no reasonable grounds to believe that there is a Misrepresentation in the part of the Core Document made on the authority of the Expert; and
 - (B) the part of the Core Document made on the authority of the Expert, fairly represents the report, statement or opinion made by the Expert;
 - (iii) if any part of a Core Document is based upon Third Party Disclosure, the Disclosure Committee is satisfied that:

- (A) the Third Party Disclosure was not corrected in another document filed by the Third Party with the Commission or other securities regulatory authority in Canada or a stock exchange before the issuance of the Core Document by Brainhunter;
 - (B) the Core Document contains a reference identifying the document containing the Third Party Disclosure; and
 - (C) the Core Document does not contain a Misrepresentation; and
- (iv) Brainhunter's disclosure control system would in the ordinary course have given the Disclosure Committee knowledge of all the facts relevant to be disclosed in the Core Document.

F. DISCLOSURE OF MATERIAL INFORMATION

16. Disclosure of Material Changes

The Disclosure Committee must ensure that:

- (a) Subject to section 19, all Material Changes are Generally Disclosed forthwith upon the occurrence of the Material Change; and
- (b) all Material Changes are reported in a material change report that is filed with securities regulators as soon as practical and in any event no later than ten days after the Material Change occurs or such shorter period as may be prescribed by securities regulators.

17. Disclosure of Material Information that Does Not Constitute a Material Change

Subject to section 19, Material Information that does not constitute a Material Change must be Generally Disclosed forthwith upon becoming known to the directors, officers and employees of Brainhunter and its Subsidiaries, or in the case of information previously known, upon discovering that the information is Material Information.

18. Procedures When Material Information is Being Generally Disclosed

- (a) The following procedure must be followed when Material Information is being Generally Disclosed:
 - (i) Market Surveillance must be contacted before:
 - (A) the issuance of a News Release, if the TSX will be open at the time the News Release is to be issued, and be advised of the Material Information, the timing of the disclosure and whether a trading halt is requested, and be faxed a copy of the proposed News Release; or

- (B) trading opens on the next trading day if the TSX was closed at the time the News Release was issued, and be advised of the News Release.
- (ii) a full-text News Release must be issued through a full-text news service providing wide dissemination to the Canadian financial press and daily newspapers in the areas where Brainhunter has operations and to all TSX participating organizations and securities regulators.
- (b) Information contained in a News Release that is issued through the news services will not be considered to be Generally Disclosed until the News Release appears on such services and a reasonable period has elapsed (generally, 24 hours but it could be longer, depending on the circumstances) in order for the News Release to be adequately disseminated and to give investors a reasonable time to analyze the information. The reasonable period necessary for effective dissemination may vary depending on factors such as the complexity of the information and how broadly Brainhunter is followed by analysts. Everyone to whom this policy applies must treat the information as Undisclosed Material Information until this period has elapsed.
- (c) If circumstances permit, where the Material Information being Generally Disclosed is a planned disclosure (such as a scheduled earnings release) which is to be followed by a media conference call and/or web cast, Brainhunter should:
 - (i) include in the News Release the date and time of the conference call and/or web cast, the subjects to be discussed and the means for accessing the conference call and/or web cast;
 - (ii) hold the conference call in an open manner, permitting investors and others to listen either by telephone or through the Internet;
 - (iii) at the beginning of the call, listeners (or viewers in the case of a webcast) will be provided with cautionary language with respect to any Forward-looking Information and they will be directed to publicly available documents containing assumptions, sensitivities, and a full discussion of the risks and uncertainties;
 - (iv) provide dial-in and/or web replay of the conference call or make transcripts available for some reasonable period after the conference call and/or web cast; and
 - (v) hold a Disclosure Committee meeting debriefing immediately after the conference call and/or web cast, and if such debriefing uncovers selective disclosure of previously Undisclosed Material Information, Brainhunter will immediately deal with the matter in accordance with Section 26 of this policy.

- (d) If circumstances permit, Brainhunter should consider following the procedures described in paragraph (c) of this section any time when Material Information is being Generally Disclosed.
- (e) A copy of every News Release containing Material Information issued by Brainhunter and of every material change report filed by Brainhunter must be promptly distributed to the Board.

19. Where Disclosure of Material Information Would Be Detrimental

- (a) If the Disclosure Committee, after consultation with legal counsel and such other expert advisors as it deems necessary, is of the reasonable opinion that the issuance of a News Release announcing Material Information would be unduly detrimental to Brainhunter's interests, the Disclosure Committee may:
 - (i) If, in its opinion, the Material Information may constitute a Material Change, authorize and approve the filing of a confidential material change report in accordance with applicable securities law; and
 - (ii) follow the confidentiality procedures set out in paragraph (b) of this section.
- (b) When a Material Change has not been Generally Disclosed in the circumstances described in paragraph (a) of this section, the Disclosure Committee must:
 - (i) take steps to ensure that all persons with knowledge of the Material Information are aware of their obligation to keep the information confidential until such time as it is disclosed in a News Release and to refrain from purchasing or selling Securities of Brainhunter or Related Financial Instruments, and Securities and related financial instruments of any other issuer that is affected by the Material Information, until such time as the information has been Generally Disclosed;
 - (ii) take reasonable steps to ensure that Brainhunter does not release a Corporate Document or make a Public Oral Statement that, due to the Undisclosed Material Information, may contain a Misrepresentation;
 - (iii) promptly Generally Disclose the Material Information when in the reasonable opinion of the Disclosure Committee:
 - (A) the reasonable basis for confidentiality ceases to exist;
 - (B) the Material Change has become publicly known in a manner other than required under applicable securities law; or
 - (C) Brainhunter has become aware or has reasonable grounds to believe that persons are purchasing or selling Securities of

Brainhunter or Related Financial Instruments, or Securities or related financial instruments of any other issuer that is affected by the Material Change, with knowledge of the Material Change;

- (iv) monitor market trading activity in Brainhunter's Securities, and in the Securities of any other issuer that is affected by the Material Change, in order to be able to make the decisions referred to in clauses (iii)(B) or (C) above; and
 - (v) review the circumstances at least every ten days and either renew the confidential filing of the material change report or ensure that the Material Change is promptly Generally Disclosed.
- (c) When a confidential material change report is filed or renewed, the Disclosure Committee must promptly advise the Board of:
- (i) the fact that a confidential material change report was filed or renewed and distribute a copy of the confidential material change report to them; and
 - (ii) their reasons for concluding that it would be unduly detrimental to Brainhunter's interests for the Material Change to be Generally Disclosed.

20. News Releases

- (a) A News Release must generally comply with the following requirements:
- (i) The information in a News Release must be factual and balanced and must include any information the omission of which would make the News Release misleading.
 - (ii) Unfavourable information must be disclosed as promptly and completely as favourable information.
 - (iii) The News Release must contain sufficient detail to enable the media and investors to understand the substance and importance of the information being disclosed.
 - (iv) The News Release must contain the name and contact information of Spokespersons from whom further information may be obtained.
 - (v) Disclosure should not be made of an intention to proceed with a transaction or action unless Brainhunter has the ability to carry out the intention.
- (b) The Disclosure Committee must obtain the approval of the Board or Audit Committee before issuing a News Release containing:
- (i) Earnings Guidance; or

- (ii) financial information that is based on or derived from Brainhunter's financial statements.

21. Correcting Errors

If the Disclosure Committee determines that a News Release, Corporate Document or a Public Oral Statement issued or made contains a Misrepresentation or is in any material respect misleading or untrue, or there has been a failure by Brainhunter to make timely disclosure of a Material Change, the Disclosure Committee must:

- (a) take immediate steps to Generally Disclose correcting information or the Material Change; and
- (b) immediately advise the board of directors of Brainhunter.

22. Quiet Period

- (a) Each period (i) beginning on the last day of each fiscal quarter and each fiscal year, and (ii) ending when the earnings for that quarter or year have been Generally Disclosed by way of a News Release in accordance with section 18(c) must be a "Quiet Period", during which Brainhunter must not provide any Earnings Guidance or comment upon the financial results of Brainhunter for the fiscal quarter or fiscal year.
- (b) For greater certainty, during a Quiet Period, Brainhunter may respond to unsolicited inquiries about information that is not Material Information or that has previously been Generally Disclosed.

23. Disclosure Record

Brainhunter must retain an up-to-date paper or electronic file containing copies of all News Releases, Corporate Documents, Public Oral Statements (to the extent that there is a paper or electronic file containing such statements) and transcripts or recordings of all news conferences, analysts' conferences, private meetings with analysts, industry conferences and on-line conferences for at least five years. Brainhunter must also retain a record of all participants in analysts' conferences, private meetings with analysts, industry conferences and on-line conferences.

24. Reporting to the Board

- (a) The Disclosure Committee should keep the Board informed of all significant corporate developments and Material Information that has been Generally Disclosed.
- (b) In addition to the other reporting to the Board contemplated by this policy, the Disclosure Committee must report promptly to the Audit Committee and the Board from time to time any significant issues arising under this policy (such

report to be made at the time such issues arise), including any circumstances where:

- (i) there may have been a Misrepresentation in a New Release, Corporate Document or Public Oral Statement;
 - (ii) there may have been a failure to make disclosure of Material Changes when required under applicable securities law,
 - (iii) there has been a material breach of this policy;
 - (iv) there is a serious occurrence of selective disclosure, or
 - (v) securities regulators or stock exchanges have asked questions about or inquired into Brainhunter's disclosure practices or whether any News Release, Corporate Document or Public Oral Statement may have contained a Misrepresentation or was, in any material respect, misleading or untrue or whether Brainhunter has failed to make disclosure of a Material Change when required.
- (c) The Disclosure Committee must report to the Audit Committee and to the Board at least annually as to the effectiveness of and compliance with this policy.

G. AVOIDING SELECTIVE DISCLOSURE

25. Shareholders Meetings, News Conferences, Analysts' Conferences, Industry Conferences and On-Line Conferences

- (a) Selective disclosure occurs when Undisclosed Material Information is communicated to particular persons such as analysts, institutional investors, investment dealers or other third parties, other than in the necessary course of Brainhunter's business, and is not Generally Disclosed so that all investors have access to the information. ***No selective disclosure of Undisclosed Material Information, including Earnings Guidance, is permitted.***
- (b) When participating in shareholders meetings, news conferences, analysts' conferences, private meetings with analysts, industry conferences and on-line conferences and in any other circumstances where a Public Oral Statement may be made, Issuer Spokespersons must take care to disclose only information that is not Material Information or that is Material Information that has previously been Generally Disclosed. For greater certainty, acceptable topics of discussion may, depending on the circumstances, include Brainhunter's general prospects, the business environment, management's philosophy and long-term strategy.
- (c) To protect against selective disclosure, the following procedures must be followed where practical:

- (i) Issuer Spokespersons who are participating in meetings or conferences of the nature referred to in paragraph (b) above, must script their comments and prepare answers to anticipated questions in advance of the meeting or conference;
- (ii) the scripts must be reviewed and approved by the Disclosure Committee (or by at least one member of the Disclosure Committee other than the member who has prepared the scripts or is proposing to make the statements contemplated for the scripts) before the meeting or conference and any Undisclosed Material Information that is contained in the scripts must be Generally Disclosed before the meetings or conferences or deleted from the scripts if it is premature for the information to be Generally Disclosed; and
- (iii) detailed records or transcripts must be kept of the statements made and materials made available in the meetings and conferences.

26. Identifying and Rectifying Selective Disclosure

- (a) Immediately after each shareholders meeting, news conference, analysts' conference, private meeting with analysts, industry conference or on-line conference or following the making of any other Public Oral Statement, Brainhunter Spokespersons and other participants must review the disclosures made during the course of the meeting or conference or in the Public Oral Statement to determine if any Undisclosed Material Information was disclosed.
- (b) If Undisclosed Material Information was disclosed, Brainhunter must take immediate steps to ensure that the information is Generally Disclosed, must immediately report the circumstances to the Board and must immediately issue a News Release regarding the Undisclosed Material Information.
- (c) Pending the Material Information being Generally Disclosed, Brainhunter must, promptly and using reasonable means to, contact the parties to whom the information was disclosed and inform them:
 - (i) that the relevant information is Undisclosed Material Information; and
 - (ii) that they have a legal obligation to not disclose the information to others or to trade in Securities of Brainhunter or Related Financial Instruments, or the Securities or related financial instruments of any other issuer that is affected by the Material Information.

H. FORWARD-LOOKING INFORMATION

27. Issuer's Practice Regarding Analysts' Reports

- (a) When reviewing analysts' reports, the review should be limited to identifying factual information which has been Generally Disclosed that may affect an analyst's model and pointing out factual inaccuracies or omissions with respect to information that has been Generally Disclosed. Any comments (preferably made in writing) must include a disclaimer that the report was reviewed for factual accuracy only. No comfort or guidance should be expressed on the analysts' earnings models or earnings estimates and no attempt should be made to influence an analyst's opinion or conclusion.
- (b) It is the policy of Brainhunter to communicate or provide to analysts only information that is either not Material Information or is Material Information that has been Generally Disclosed.
- (c) Analysts' reports must not be circulated to any third party nor should they be posted on Brainhunter's web site.

28. Issuer's Practice Regarding Earnings Guidance and Other Forward-Looking Information

- (a) Brainhunter may from time to time give Earnings Guidance or provide other Forward-looking Information through voluntary disclosure if the cautionary language described in paragraphs (c) and (d) of this section accompanies the information.
- (b) If Forward-looking Information is proposed to be disclosed, whether in writing or orally:
 - (i) the Disclosure Committee must be satisfied that there is a reasonable basis for drawing a conclusion or making any forecast or projection contained in the Forward-looking Information;
 - (ii) the Disclosure Committee must approve the disclosure of the Forward-looking Information; and
 - (iii) the Forward-looking Information must be accompanied by a statement that Brainhunter does not commit to update or revise Forward-looking Information, whether as a result of new information, future events or otherwise. As a practical matter, if Forward-looking Information becomes misleading as a result of subsequent events, then the information that would correct that Forward-looking Information may itself constitute Material Information that must be immediately disclosed. In addition, Brainhunter may voluntarily choose to update Forward-looking information so analysts and other interested parties may process it.

- (c) If the Forward-looking Information is contained in a Corporate Document, the Corporate Document must contain, proximate to the Forward-looking Information:
 - (i) reasonable cautionary language identifying the information as Forward-looking Information;
 - (ii) the material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the Forward-looking Information, including a range of reasonably possible outcomes, a sensitivity analysis or other qualitative analysis that will assist in assessing the related risks; and
 - (iii) the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the Forward-looking Information).
- (d) If the Forward-looking Information is contained in a Public Oral Statement, the person making the Public Oral Statement must be instructed to:
 - (i) make a cautionary statement that his or her comments contain Forward-looking Information;
 - (ii) state that the actual results could differ materially from a conclusion, forecast or projection in the Forward-looking Information;
 - (iii) state that certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection reflected in the Forward-looking Information; and
 - (iv) identify a readily-available Corporate Document (or portion of a readily-available Corporate Document) where additional information can be found about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the Forward-looking Information, and the material factors or assumptions that were applied in drawing the conclusion or making a forecast or projection as reflected in the Forward-looking Information.

I. MAINTAINING CONFIDENTIALITY

29. Confidentiality

- (a) Directors, officers and employees of Brainhunter and its Subsidiaries must keep all Material Information about Brainhunter confidential until it has been Generally Disclosed. *Disclosure of Undisclosed Material Information, other than in the necessary course of business, may constitute illegal Tipping under applicable securities law and may subject the individual making the disclosure to severe*

penalties, including possible jail term. Accordingly, directors, officers and employees of Brainhunter and its Subsidiaries must assume that all information about Brainhunter is confidential unless they are absolutely certain that the information has been Generally Disclosed or they have first consulted with a member of the Disclosure Committee and have been advised that the information has been Generally Disclosed.

- (b) To prevent the inadvertent disclosure of Undisclosed Material Information, the following procedures must be followed:
 - (i) documents and files containing Undisclosed Material Information must be kept in a secure place with access restricted to those individuals for whom access is necessary in the course of business;
 - (ii) access to electronic documents must be restricted through the use of passwords or other methods;
 - (iii) code names must be used when it is prudent to do so;
 - (iv) Undisclosed Material Information must not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, public transit, airplanes or taxis;
 - (v) documents containing Undisclosed Material Information must not be read or displayed in public places and must not be discarded where others can retrieve them;
 - (vi) directors, officers and employees of Brainhunter and its Subsidiaries must ensure that they maintain the confidentiality of information in their possession outside of the office as well as inside the office;
 - (vii) transmission of documents containing Undisclosed Material Information by electronic means may only be made where it is reasonable to believe that the transmission can be made and received securely; and
 - (viii) unnecessary copying of documents containing Undisclosed Material Information must be avoided and extra copies of documents must be promptly removed from meeting rooms and work areas at the conclusion of a meeting and must be destroyed.

30. Disclosure Permitted if Necessary in the Course of Business

- (a) Undisclosed Material Information may be disclosed to those subject to this policy if it is necessary in the course of Brainhunter's business. ***Communication of Undisclosed Material Information other than in the necessary course of business may be illegal Tipping, even if a confidentiality agreement has been entered into.*** Appendix C lists circumstances where securities regulators believe

disclosure may be in the necessary course of business. Individuals should consult with a member of the Disclosure Committee to determine whether disclosure in a particular circumstance is in the necessary course of business.

- (b) For greater certainty, disclosure of Undisclosed Material Information to credit rating agencies will generally be considered to be in the necessary course of business (any such disclosure must, however, be approved by a member of the Disclosure Committee), but disclosure to analysts, institutional investors, other market professionals and members of the press and other media is not considered to be in the necessary course of business.
- (c) If Undisclosed Material Information is disclosed in the necessary course of business, the recipient should be advised that the information is Material Information that has not been Generally Disclosed. In appropriate circumstances, a confidentiality agreement should be entered into between Brainhunter and the recipient.
- (d) Where any Undisclosed Material Information communicated in the necessary course of business becomes publicly known on a selective basis, there are rumours in the market with respect to such information or there are reasonable grounds to believe that persons are purchasing or selling Securities of Brainhunter or Related Financial Instruments with knowledge of such information, the Material Information must be promptly Generally Disclosed by News Release.

31. Confidentiality Agreements

When Undisclosed Material Information is disclosed to a third party in the necessary course of business, it is prudent for Brainhunter to obtain, in appropriate circumstances, written agreement from the third party that such party will not divulge the information to anyone (other than to directors officers or other employees of the third party who need to know the information for the purposes for which the Undisclosed Material Information was communicated to them) without written authorization from Brainhunter and that the third party understands the restrictions under applicable law not to purchase or sell Securities of Brainhunter or Related Financial Instruments, or Securities or related financial instruments of any other entity to which the information relates, until the transaction, development or event has been Generally Disclosed or has been abandoned.

32. Rumours

- (a) Unless otherwise determined by the Disclosure Committee, when asked to comment on market rumours, Spokespersons must consistently respond by stating that “it is our policy not to comment on market rumours or speculation”. Inconsistent commenting on rumours may constitute selective disclosure.
- (b) When requested by Market Surveillance, or other regulators to make a clarifying statement, Brainhunter should, if in the opinion of the Disclosure Committee it is appropriate to do so, promptly issue a News Release:

- (i) denying the rumour, if the rumour is false; or
 - (ii) disclosing the relevant Material Information, if the rumour is correct in whole or in part.
- (c) If Undisclosed Material Information has leaked or become known and appears to be affecting trading activity in Brainhunter's Securities, immediate steps must be taken to Generally Disclose the information.

J. ELECTRONIC COMMUNICATIONS

33. Web site

- (a) The Disclosure Committee is responsible for creating and maintaining an investor relations page on Brainhunter's web site. Brainhunter's web site must be maintained in accordance with the following requirements:
- (i) investor relations information must be placed on a separate page on the web site and must not be commingled with any sales and marketing or promotional material regarding Brainhunter;
 - (ii) the investor relations page must explain what information is posted on the investor relations page and the archiving and retention policies;
 - (iii) only information that is not Material Information, or Material Information that has been Generally Disclosed, may be placed on the investor relations page or the web site;
 - (iv) the following information must be posted on the investor relations page:
 - (A) all Material Information that has previously been Generally Disclosed, including, without limitation, all documents filed on SEDAR;
 - (B) all information that is not Material Information that is given to analysts, institutional investors and other market professionals (such as fact sheets, fact books, slides of investor presentations, materials distributed at analyst and industry conferences); and
 - (C) transcripts or web replays of analysts' conferences, private meetings with analysts, industry conferences or on-line conferences;
 - (v) the investor relations page should contain an e-mail link to facilitate communication with investors;
 - (vi) all information posted to the investor relations page must indicate the date on which it was prepared or last modified and include a notice that advises

the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures;

- (vii) inaccurate information must be promptly removed from the investor relations page and a correction posted;
 - (viii) information contained on the investor relations page must be archived when it is no longer current;
 - (ix) a list of all (and not less than all) analysts known to follow Brainhunter may be posted on the investor relations page, but analysts' reports and other information authored by third parties must not be posted on the investor relations page or Brainhunter's web site;
 - (x) all links from the investor relations page or Brainhunter's web site must be approved by the Disclosure Committee and all links must include a notice that advises the reader that he or she is leaving Brainhunter's web site and that Brainhunter is not responsible for the contents of the other site; and
 - (xi) no links may be created from the investor relations page or Brainhunter's web site to chat rooms, newsgroups or bulletin boards.
- (b) The following minimum retention periods must be observed for information on the investor relations page of Brainhunter web site:
- (i) new releases must be retained for a period of one year from the date of issue;
 - (ii) quarterly financial statements must be retained for two years;
 - (iii) annual financial statements must be retained for five years; and
 - (iv) other information must be retained for one year.
- (c) If Brainhunter is considering a public distribution of its Securities, the content of the web site must be reviewed with legal counsel before and during the offering to ensure compliance with Canadian and, if applicable, foreign securities laws.

34. Internet Chat Rooms and Bulletin Boards

- (a) Anyone subject to this policy must not discuss or post any information relating to Brainhunter matters or trading in Brainhunter Securities in Internet chat rooms, newsgroups or bulletin boards. Directors, officers and employees of Brainhunter and its Subsidiaries must also adhere to Brainhunter's Code of Conduct
- (b) Anyone subject to this policy should advise the Disclosure Committee if he or she becomes aware of any discussion of Brainhunter information in a chat room, newsgroups or bulletin board.

K. PURCHASE AND SALE OF SECURITIES

35. Prohibitions on Trading Securities

- (a) No one subject to this policy (including directors, officers and Designed Employees and other persons in a Special Relationship with Brainhunter) may purchase or sell Securities of Brainhunter or Related Financial Instruments while they possess Undisclosed Material Information. Doing so would constitute a breach of this policy and illegal Insider Trading.
- (b) No one subject to this policy may purchase or sell Securities of Brainhunter or Related Financial Instruments during a Black-out Period.

36. Exceptions

Despite section 35(b), anyone subject to this policy may purchase or sell Securities during a Black-out Period with the prior written consent of the Trading Officer. The Trading Officer will grant permission to purchase or sell during a Black-out Period only in exceptional circumstances. Exceptional circumstances may include the sale of Securities in the case of financial hardship or where the timing of the sale is critical for tax planning purposes. For the purposes of this policy, the “Trading Officer” will be the Chief Financial Officer.

37. Other Issuers

Illegal Insider Trading in securities of another public issuer and illegal Tipping of undisclosed material information relating to another issuer can bring Brainhunter into disrepute. Accordingly, neither Brainhunter nor anyone subject to this policy who possesses undisclosed material information relating to that other issuer may:

- (a) purchase or sell Securities or related financial instruments of the other issuer while they possess the undisclosed material information;
- (b) engage in Tipping of the undisclosed material information relating to the other issuer; or
- (c) recommend or encourage another person to purchase or sell Securities of the other issuer or transact in a related financial instrument while they possess undisclosed material information.

38. Speculative and Short Sales

- (a) No one subject to this policy may purchase or sell Securities of Brainhunter with the intention of reselling or repurchasing in a relatively short period of time in the expectation of a short-term rise or fall in the market price of the Securities of Brainhunter. Speculating in Securities of Brainhunter for short term profit is

distinguished from purchasing and selling Securities of Brainhunter as part of a long term investment program.

- (b) No one subject to this policy may, at any time, sell Securities of Brainhunter short or buy or sell call or put options in respect of Securities of Brainhunter. In exceptional circumstances, the Chief Financial Officer of Brainhunter may grant an exemption from this prohibition where such trading is otherwise not prohibited under applicable law.

39. Insider Reports

- (a) Immediately after becoming an Insider of Brainhunter, an Insider who is also an employee of Brainhunter (which solely for the purposes of this Section 39, shall include a director of Brainhunter), must advise the CFO, or his executive assistant, of any direct or indirect beneficial ownership of or control or direction over Securities of Brainhunter, and any prior transactions in Related Financial Instruments that are still in effect, and the CFO's executive assistant after being so advised, must file with the applicable securities regulators insider reports in respect of the Insider's initial holdings not later than the time insider reports are required to be filed under applicable law.
- (b) Immediately after the purchase or sale of any Securities of Brainhunter, an Insider must advise the CFO or his executive assistant of the details of the purchase or sale, and after being so advised, the executive assistant must file with the applicable securities regulators insider reports in respect of the purchase or sale not later than the time insider reports are required to be filed under applicable law. It is the responsibility of each Insider to ensure accurate and timely information is provided to the CFO or his executive assistant such that insider reports can be accurately prepared and filed in accordance with regulatory prescribed time limitations. None of Brainhunter, the CFO or his executive assistant shall be liable for any inaccurate information filed in an insider report based on information provided by an Insider and none of Brainhunter, the CFO or his executive assistant shall be required to conduct any independent investigation or verification of the information provided by the Insider. None of Brainhunter, the CFO or his executive assistant shall be liable for failing to file an insider report within prescribed time periods, where the Insider does not provide the required information to the CFO or his executive assistant sufficiently in advance of a reporting deadline to allow for a timely filing.
- (c) Immediately after transacting in a Related Financial Instrument, an Insider who is also an employee of Brainhunter must advise the CFO or his executive assistant of the details of such transaction and, after being so advised, the CFO's executive assistant must file with the applicable securities regulators insider reports not later than the time insider reports are required to be filed under applicable law

- (d) The executive assistant to the CFO will prepare and file insider reports relating to an Insider's securities-based incentive compensation.
- (e) Brainhunter has agreed to assist Insiders who are employees of Brainhunter in filing their insider reports; however it is the responsibility of each insider to ensure and verify the accuracy of all filed insider reports and the timely filing of such insider reports.

APPENDIX A

DEFINITIONS

“Associate” of a person or entity subject to this policy means:

- (a) An entity of which the person or entity beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities;
- (b) any business partner of the person or entity;
- (c) any trust or estate in which the person or entity has a substantial beneficial interest or as to which the person or entity serves as a trustee
- (d) the spouse or common law spouse of the person, whether or not of the opposite sex, who resides in the same home as such person; and
- (e) any relative of the person or his or her spouse or common law spouse referred to in (d) who resides in the same home as the person.

“Audit Committee” means the audit committee of the board of directors of Brainhunter.

“Black-out Period” means:

- (a) each period (A) beginning on the last day of each fiscal quarter and each fiscal year-end, and (B) ending at the end of the second Trading Day after the financial results for that quarter or year have been disclosed by way of a News Release; and
- (b) any other period designated by the Disclosure Committee and communicated to those to whom the policy applies.

“Board” means the board of directors of Brainhunter.

“Chair and CEO” means the Chair and CEO of Brainhunter

“Commission” means the Ontario Securities Commission.

“Controlled”: for the purposes of the definition of “Subsidiary”, an entity is considered to be controlled by Brainhunter if

- (a) in the case of an entity that has directors, (i) Brainhunter beneficially owns or exercises control or direction over voting securities of the entity carrying more than 50 per cent of the votes for the election of directors and (ii) the votes carried by the securities entitle Brainhunter to elect a majority of the directors of the entity;

- (b) in the case of a partnership or other entity that does not have directors, other than a limited partnership, Brainhunter beneficially owns or exercises control or direction over more than 50 per cent of the voting interests in the partnership or other entity; or
- (c) in the case of an entity that is a limited partnership, Brainhunter is the general partner or controls each general partner within the meaning of paragraph (a) or (b).

“Core Document” means a prospectus, a take-over bid circular, an issuer bid circular, a directors’ circular, a rights offering circular, MD&A, an annual information form, an information circular, annual and interim financial statements and material change reports.

“Corporate Document” means any written communication, including a communication prepared and transmitted only in electronic form, by Brainhunter disclosing information with respect to the business, operations, capital, financial performance or prospects of Brainhunter and includes any communication:

- (a) that is required to be filed with the Commission;
- (b) that is filed with the Commission;
- (c) that is filed or required to be filed with a government or an agency of a government under applicable law or with any stock exchange or quotation and trade reporting system; or

the content of which would reasonably be expected to affect the market price or value of the Securities of Brainhunter.

“Designated Employees” means (i) those employees determined by the Board, and (ii) those employees who are advised by the Trading Officer that they have been designated as such.

“Earnings Guidance” means information about expected revenues, net income or profit, earnings per share, distributable cash, distributions, expenditure levels, and other financial information of Brainhunter commonly referred to as earnings guidance.

“Expert” means a person or company whose profession gives authority to a statement made by the person or company in a professional capacity, including an accountant, an actuary, an appraiser, an auditor, an engineer, a financial analyst, and a lawyer.

“Forward-looking Information” means Earnings Guidance and other disclosure about Brainhunter regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection.

“Generally Disclosed” means the public disclosure of information in a manner calculated to result in broad dissemination to the marketplace and the passage of a reasonable amount of time (generally at least 24 hours but it could be longer, depending on the circumstances) to permit adequate dissemination in the market and to give investors a reasonable time to analyze the information, and **“Generally Disclose”** means to disseminate information in that manner.

“Insider” includes:

- (a) directors and Senior Officers of Brainhunter;
- (b) directors and Senior Officers of Brainhunter’s Subsidiaries; and
- (c) any person or company who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding voting securities of Brainhunter or any of its Subsidiaries and any director or senior officer of such person or company.

“Market Surveillance” means the Market Surveillance division of Market Regulation Services Inc.

“Material Change” means a change in the business, operations or capital of Brainhunter that would reasonably be expected to have a significant effect on the market price or value of any of the Securities of Brainhunter and includes a decision by the board of directors or by senior management (where management believes that board of directors confirmation of the decision is probable) to implement such a change.

“Material Fact” means any fact that would reasonably be expected to have a significant effect on, the market price or value of any of the Securities of Brainhunter.

“Material Information” means Material Changes and Material Facts.

“MD&A” means management’s discussion and analysis of financial condition and results of operations prepared in accordance with applicable securities law.

“Misrepresentation” means an untrue statement of Material Fact or an omission to state a Material Fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

“News Release” means a news release that is to be or has been Generally Disclosed.

“Non-Core Document” means a Corporate Document other than a Core Document.

“Public Oral Statement” means an oral statement relating to the business or affairs of Brainhunter, that is made by or on behalf of Brainhunter in circumstances in which a reasonable person would believe that information contained in the statement will be disclosed to the public.

“Related Financial Instrument” means:

- (a) an instrument, agreement or security where the value, market price or payment obligations are derived from, referenced to or based on the value, market price or payment obligations of a Security of Brainhunter; and
- (b) any other instrument, agreement or understanding that affects, directly or indirectly:
 - (i) a person’s economic interest in a Security of Brainhunter; or
 - (ii) economic exposure to Brainhunter, or another reporting issuer;

but does not include any type of instrument, agreement, security or understanding which is exempt from insider reporting under Multilateral Instrument 55-103, *Insider Reporting for Certain Derivative Transactions (Equity Monetization)*.

“Security” or **“Securities”** means a security or securities as defined under applicable securities law (including income deposit securities, shares, notes, options, warrants, rights and other instruments and interests).

“Senior Officer” means,

- (a) the Chair of the board of directors and Chief Executive Officer, the Chief Financial Officer, an executive vice-president or senior vice-president of Brainhunter or its Subsidiaries or any other individual who performs functions for Brainhunter or its Subsidiaries similar to those normally performed by an individual occupying any such office; and
- (b) each of the five highest paid employees of Brainhunter and each of its Subsidiaries, including any individual referred to in clause (a).

“Special Relationship” includes, with respect to Brainhunter, a person who is:

- (a) a director, officer or employee of Brainhunter or any of its Subsidiaries;
- (b) any person or company that is engaging in or proposes to engage in any business or professional activity with or on behalf of Brainhunter or its Subsidiaries and any director, officer or employee of such person or company;
- (c) any person or company who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding voting securities of Brainhunter or any of its Subsidiaries and any director, officer or employee of such person or company; and

- (d) any person who receives Material Undisclosed Information from a person who the recipient of such Material Undisclosed Information knows is a person listed in (a) through (c) above.

“Subsidiary”: A person or company is considered to be the subsidiary of another person or company if it is Controlled by (i) that other, (ii) that other and one or more persons or companies, each of which is controlled by that other, or (iii) two or more persons or companies, each of which is Controlled by that other, or (iv) a Subsidiary of a person or company that is that other’s Subsidiary. Brainhunter’s Subsidiaries include those entities set out in Schedule A, as well as any operating entities Brainhunter indirectly acquires in the future.

“Trading Day” means a day on which the TSX is open for trading and on which the trading in Brainhunter’s Securities is not halted or suspended.

“TSX” means the Toronto Stock Exchange.

“Undisclosed Material Information” means Material Information that has not been Generally Disclosed.

APPENDIX B

EXAMPLES OF INFORMATION THAT MAY BE MATERIAL

(Based on National Policy 51-201 and National Policy 48)

Changes in corporate structure

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

Changes in capital structure

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

Changes in financial results

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

Changes in business and operations

- any development that affects Brainhunter's assets, products or markets
- a significant change in capital investment plans or objectives
- major labour disputes or disputes with major contractors or suppliers
- changes to the board of directors or executive management, including the departure of Brainhunter's CEO or CFO
- 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 Brainhunter's securities or their movement from one quotation system or exchange to another

Acquisitions and dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other entities, 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 Brainhunter's assets

- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

EXAMPLES OF INFORMATION THAT MAY BE MATERIAL

(Based on Section 410 of the TSX Company Manual)

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

APPENDIX C

EXAMPLES OF DISCLOSURES THAT MAY BE NECESSARY IN THE COURSE OF BUSINESS

(Based on National Policy 51-201)

The necessary course of business exception to the Tipping prohibition would generally cover communications with:

- disclosure to or among Subsidiaries of Brainhunter under the terms of various contractual arrangements
- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts
- employees, officers and board members
- lenders, including under operating lines and mortgages
- legal counsel, auditors, underwriters, and financial and other professional advisors to Brainhunter or its Subsidiaries
- parties to negotiations
- labour unions and industry associations
- government agencies and non-governmental regulators
- 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)
- in connection with a private placement
- communications with controlling securityholders, in certain circumstances

Schedule “A”
List of Subsidiaries of Brainhunter
(as at January, 2006)

Brainhunter Ltd

Promethean Systems Consultants Inc.

TrekLogic Inc.

Protec Employment Services Limited

AJJA Information Technology

Igate Mastech, Ltd.

Brainhunter (Ottawa) Inc.