

DISCOVERY METALS CORP.

Confidentiality and Securities Trading Policy

1. Purpose of the Policy

The rules and procedures outlined below have been formulated by the Senior Management of DISCOVERY METALS CORP. (“Discovery Metals”) and approved by the Board of Directors of Discovery Metals in order to prevent improper insider trading and the improper communication of undisclosed material information regarding Discovery Metals and to ensure that the Directors, Officers and Senior Management of Discovery Metals and persons or companies related to or controlled by them act, and are perceived to act, in accordance with applicable laws and the highest standards of ethical and professional behaviour. A summary of the relevant insider trading laws is annexed to this Corporate Governance Manual as Schedule A.

The onus of complying with this Policy and the relevant insider trading and other rules is on each individual Director, Officer and Senior Management of Discovery Metals, each of whom is expected to be familiar with this Policy and those rules and to comply fully with them. It is in your interest that the rules and procedures outlined in this Policy be complied with fully. **Failure to comply with these rules and procedures may result in the immediate suspension or dismissal of any Director, Officer or employee of Discovery Metals.**

It is fundamental to the reputation and ongoing success of Discovery Metals that its Directors, Officers and Senior Management respect and adhere to the rules and procedures outlined in this Policy. Members of the families of the Directors, Officers and Senior Management of Discovery Metals and others living with them and all holding companies and other related entities and all persons or companies acting on behalf of or at the request of any of the foregoing also are expected to comply with this Policy, as if they themselves were Directors, Officers or Senior Management of Discovery Metals.

2. Insider Trading

Each Director, Officer and Senior Management of Discovery Metals and each of the other persons and companies to whom this Policy applies is expected to comply fully with the provisions of applicable securities law relating to insider trading. The penalties and civil liability that may be incurred if the insider trading laws are violated are substantial. In Canada, those penalties include possible imprisonment for a term up to five years and fines of up to the greater of \$5,000,000 and three times any profit made.

In order to prevent insider trading violations or any appearance of impropriety, none of the Directors, Officers or Senior Management of Discovery Metals or any of the other persons or companies to whom this Policy applies will be permitted to purchase or sell any shares or other securities of Discovery Metals or to exercise any outstanding stock options (including similar forms of stock based compensation such as stock appreciation rights, deferred share units or restricted stock awards) granted or warrants issued by Discovery Metals unless written/documentary permission for the proposed transaction is first obtained from the CEO and CFO of Discovery Metals. This restriction will also apply to any other security, such as an exchangeable or convertible security, which, whether or not issued by Discovery Metals, is expected to trade at a price varying materially with the market price of the shares of Discovery Metals.

Unless it is clear that the proposed transaction will not contravene applicable insider trading restrictions and unless it is clear that there is no undisclosed material information concerning Discovery Metals,

permission to complete the transaction will be denied. The policy of Discovery Metals to err on the side of caution in granting or denying trading permission is in recognition of the fact that trades that create notoriety, but ultimately are found to be proper, nonetheless tarnish the reputation and goodwill of Discovery Metals, especially among its shareholders and the analysts who follow Discovery Metals.

If approval for a proposed transaction is granted, that approval will be effective for ten business days, unless revoked prior to that time. No securities of Discovery Metals may be purchased or sold or options or warrants exercised after the tenth business day following the receipt of the approval unless the approval is renewed. If for any reason a previously granted approval is revoked before the trade is affected or the warrant or option is exercised, the transaction will not be permitted to proceed.

It is also improper for the Officers, Directors, or Senior Management to enter a trade immediately before, or after Discovery Metals has made a public announcement of material information. Because Discovery Metals' non-employee shareholders and the investing public should be afforded the time to receive the information and act upon it, as a general rule, Directors, or Senior Management will not be allowed to engage in any transactions from the time the draft public announcement is circulated to one or more members of the Board of Directors for review and until one business day after the information has been widely disseminated. Officers and Senior Management will not be allowed to engage in any transactions from the time the information to be made public has been deemed material information (generally this occurs prior to the creation of a draft public announcement) until one business day after the information has been widely disseminated. The determination of “material information” is made by at least three of the following: CEO, CFO, VP Exploration and VP Corporate Development and Investor Relations. Once this determination is made, a trading blackout period commences.

3. Insider Trading and Other Reports

Every “insider” of Discovery Metals is required to file an insider trading report in prescribed form with the Ontario Securities Commission and Securities Commissions in any other applicable jurisdictions within 5 days after the date of the trade where the person was or became an insider, disclosing his beneficial ownership of or control or direction over securities of Discovery Metals. Each insider also is responsible for reporting changes in the information contained in a previously filed report within 5 calendar days from the date on which the change occurs. The Directors, Officers and Senior Management of Discovery Metals are considered to be “insiders” of Discovery Metals for these purposes.

An “early warning” requirement is triggered under the *Securities Act* (Ontario) and under the securities legislation of certain other provinces of Canada when an investor acquires beneficial ownership of or control or direction over 10% or more of Discovery Metals common shares. As a result, it is imperative that any Director, Officer or Senior Management or other employee who intends to complete a share acquisition that will result in the crossing of the threshold referred to above consult with the CEO and CFO of Discovery Metals to determine the nature of the individual’s reporting obligations under applicable Canadian securities legislation.

4. Other Trading Restrictions

It is inappropriate for any of the Directors, Officers or Senior Management of Discovery Metals or any of the other persons or companies to whom the Policy applies, acting alone or together with any other person or Corporation, to directly or indirectly engage in any activity: (i) that is or appears to be contrary to the interests of Discovery Metals or its ongoing success; (ii) that creates or may create a false or misleading appearance of trading activity in the shares of Discovery Metals; (iii) that has the direct or indirect effect of setting an artificial price for those shares; or (iv) that otherwise interferes with the free determination

by the market of the market price for those shares. While it is not possible to list all of the trading activities prohibited by the foregoing, the activities listed below are typical of the type of activities that are prohibited and consequently should not be engaged in:

- (a) selling shares of Discovery Metals short (i.e. selling shares not owned by the seller in anticipation of a falling price for the shares of Discovery Metals);
- (b) lending shares of Discovery Metals to others for any purpose not approved in advance by the CEO of Discovery Metals;
- (c) purchasing, writing or otherwise trading puts, calls or other options on the shares of Discovery Metals (other than options, DSUs or RSUs granted under Discovery Metals' Employee Stock Option Plan) or other derivative securities which are expected to trade at a price varying materially with the market price of the shares of Discovery Metals without the prior approval of the CEO of Discovery Metals;
- (d) purchasing or selling shares or other securities of Discovery Metals primarily for the purpose of influencing the price or the volume of trading of those shares or other securities;
- (e) being both a buyer and a seller (directly or indirectly) of the shares or other securities of Discovery Metals at the same time or at approximately the same time; or
- (f) retaining or causing to be retained any person or company to engage in any form of stock promotion in respect of the shares or other securities of Discovery Metals.

5. Confidentiality

In the course of Discovery Metals ongoing business operations, the Directors, Officers and Senior Management of Discovery Metals often are engaged in transactions or other activities that are or may become material to Discovery Metals but which have not been generally disclosed to the public. Examples of transactions or activities that may give rise to material information include the acquisition or sale of significant assets, the acquisition or development of new products or technology, the entering into of a significant new contract or any other development that would reasonably be expected to significantly affect the market price or value of the outstanding shares of Discovery Metals.

Communication of confidential information regarding Discovery Metals may be made to other Discovery Metals Directors, Officers and Senior Management only when the recipient of the information has a legitimate need to know that information in connection with his or her duties. No one in possession of confidential information should disclose that information to any outside party except in the necessary course of business and then only with the approval of the Chief Executive Officer of Discovery Metals.

In order to prevent the misuse or inadvertent disclosure of confidential information, the procedures set forth below should be observed at all times:

1. Confidential matters should not be discussed in places such as elevators, hallways, restaurants, airplanes, taxis or other places where the discussion may be overheard.
2. Confidential documents should not be read in public places and should not be discarded where they can be retrieved by others.

3. Transmission of documents by electronic means, such as by email, shared folder or directly from one computer to another, should only be made where it is reasonable to believe that the transmission can be made and received under secure conditions.
4. 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.
5. Access to confidential electronic data should be restricted by Officers and Senior Management on a “need to know basis” or through the use of passwords.
6. Physical documents and files containing confidential information should be kept in locked cabinets to which access is restricted to individuals who have a “need to know” that information in the necessary course of business and electronic documents and files containing confidential information should be kept in password-protected or encrypted folders.
7. To the fullest extent practicable, if Discovery Metals is involved in a project that may give rise to material information, the project should be given a code name and documents prepared in connection with that project should utilize code names rather than names which would themselves reveal confidential information.
8. All proprietary information, including computer programs and other records, remain the property of Discovery Metals and may not be removed, disclosed, copied or otherwise used except in the normal course of employment or with the prior permission of Discovery Metals.

6. Secret Commissions

The Criminal Code of Canada prohibits the payment of secret commissions by providing that it is an offence, punishable by imprisonment for a term of up to five years, for an employee or agent of a Corporation to agree to accept any benefit as consideration for doing or forbearing to do any act in relation to the business or affairs of the employer. This provision prohibits any Director, Officer, Senior Management or employee of Discovery Metals from accepting a gift or other benefit of any nature in consideration for causing Discovery Metals to enter into any type of contract or arrangement with a third party and from giving a gift or other benefit to an employee or agent of another company in return for such company agreeing to do something for or in relation to Discovery Metals, including the purchase of its shares or other securities, whether issued or un-issued.

7. Designation of Officers

The Board of Directors of Discovery Metals has appointed the Chief Executive Officer and Chief Financial Officer of Discovery Metals to perform various functions under this Policy. The Board of Directors may designate other Officers of Discovery Metals to perform all or any of those functions, in which event a notice to that effect will be circulated to all interested persons.

8. Acknowledgement Form

Each Director, Officer and Senior Management of Discovery Metals and each employee of Discovery Metals or its subsidiaries having managerial or similar responsibility will be required to sign an Acknowledgement in the form accompanying this Corporate Governance Manual. The signed Acknowledgement will be placed in each individual’s personnel record.

9. Corporation Assistance

Any person who has any questions about this Policy may obtain additional guidance from Discovery Metals Senior Management and legal counsel. However, the ultimate responsibility for adhering to the Policy and avoiding improper transactions rests with each Director, Officer, Senior Management or employee of Discovery Metals.

POLICY REVIEW

The Committee will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.

ADOPTION

- This Policy was adopted by the Board on December 12, 2017.
- Amended and approved by the Board on August 26, 2020.