



## INSIDER TRADING POLICY

### 1. OBJECTIVE OF THE POLICY

- 1.1 The objective of this Insider Trading Policy (the "**Policy**") is to ensure that District Metals Corp. (together with its subsidiaries, the "**Company**") and all persons to whom this Policy applies meet their obligations under applicable securities laws and stock exchange rules by ensuring that all such persons who have Material Non-Public Information (as defined below) do not engage in insider trading or tipping.

### 2. APPLICATION OF THE POLICY

- 2.1 The provisions of this Policy apply to all directors, officers, employees and contractors of the Company and all Related Persons (as defined below) of such persons (collectively, "**Restricted Persons**").
- 2.2 This Policy applies to all of the Company's securities, including common shares, preferred shares, stock options and any other securities the Company may issue from time to time as well as the securities of other companies described in Section 5.4 (d) below.

### 3. DEFINITIONS & EXPLANATIONS

#### What is "Material Non-Public Information"?

- 3.1 "**Material Information**" is any information relating to the business and affairs of the 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 that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.
- 3.2 Both positive and negative information can be material. Because trading will be evaluated after the fact with the benefit of hindsight, questions concerning the materiality of particular information should be resolved by treating such information as being material.
- 3.3 "**Non-Public Information**" is information that is not generally known or available to the public. Information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or by filings with the securities commissions) and the investing public has had time to absorb the information fully. As a general rule, information is considered non-public until the close of business on the second full trading day after the information is released. "**Trading day**" shall mean

a day on which the stock exchange in Canada on which the Company's securities are then listed. . is open for trading.<sup>1</sup>

### **Who is a "Related Person"?**

- 3.4 For purposes of this Policy, a **"Related Person"** includes: your spouse, minor children and anyone else living in your household, or who does not live in your household but whose transactions in the Company's securities are directed by you or are subject to your influence or control; partnerships in which you are a general partner; trusts of which you are a trustee; and estates of which you are an executor. Although a person's parent or sibling may not be considered a Related Person (unless living in the same household), a parent or sibling may be a **"tippee"** for securities laws purposes. See below for a discussion on the prohibition on **"tipping"**.

### **Who is a "Reporting Insider"?**

- 3.5 Any insider of the Company that is designated by applicable securities law to be a "reporting insider". Reporting Insiders are, addition to the terms and conditions of this Policy, subject to the reporting obligations stipulated in applicable securities laws.

## **4. SPECIFIC POLICIES AND GUIDELINES**

### **Prohibited Trading in the Company's Securities**

- 4.1 No Restricted Person shall, directly or indirectly, engage in any transaction involving a purchase or sale of the Company's securities during any period commencing with the date that he or she possesses Material Non-Public Information of the Company and ending at the close of business on the second trading day following public disclosure of that information. For greater certainty, examples of prohibited transactions would include, but are not limited to the following:
- i. buying or selling securities of the Company, other than through the exercise of the Company granted fixed price share options or warrants, but not the sale of the securities so acquired (see below);
  - ii. buying or selling securities whose price or value may reasonably be expected to be affected by changes in price of securities of the Company;
  - iii. selling securities acquired through the exercise of share options or warrants; and
  - iv. buying or selling securities of another company in which the Company proposes to invest or with which the Company has a business relationship or where the individual, in the course of employment with the Company, becomes aware of Material Non-Public Information concerning that other company.

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<sup>1</sup> For example, if material non-disclosed information (such as quarterly results) is disclosed on a Monday at 10 am, then trading in the Corporation's securities (as defined in, and subject to the terms of this Policy) by a Restricted Person is not allowed until the open of business on Thursday.

## "Tipping" Information to Others

- 4.2 No Restricted Person shall disclose ("**tip**") Material Non-Public Information to any other person (including Related Persons) where such information may be used by such person to his or her benefit by trading in the securities of companies to which such information relates, nor shall such Restricted Person make recommendations or express opinions on the basis of Material Non-Public Information as to trading in securities of the Company or other companies.
- 4.3 Restricted Persons may also be liable for improper transactions by any person (commonly referred to as a "**tippee**") to whom they have disclosed Material Non-Public Information or to whom they have made recommendations or expressed opinions on the basis of such information.

## Avoid Speculation

- 4.4 In order to ensure that perceptions of improper insider trading do not arise, Restricted Persons should not "speculate" in securities of the Company. For the purpose of this Policy, the word "**speculate**" means the purchase or sale of securities with the intention of reselling or buying back in a relatively short period of time in the expectation of a rise or fall in the market price of such securities. Speculating in such securities for short-term profit is distinguished from purchasing and selling securities as part of a long-term investment program. "**Speculation**" does not include the exercise of the Company granted, fixed price share options or warrants and sale of the securities so acquired in order to take the benefit of long term appreciation inherent in such options or warrants, so long as the sale does not involve the use of Material Non-Public Information.

## 5. TRADING RESTRICTIONS

### No Trade Periods

#### *Mandatory Periodic Blackouts*

- 5.1 Commencing on the earlier of: the date that is ten (10) trading days prior to the date on which the Company is required to disseminate financial statements for an applicable quarterly or annual period; and ending on the date that is two business days following the dissemination of such financial statements, directors, executive officers and all employees of the Company may not trade in the Company's securities
- 5.2 The CFO, or another individual as may be designated by the CFO, will disseminate an e-mail to all of the directors, officers and employees of the Company confirming the scheduled release date for financial statements, and the date preceding such scheduled release upon which date the blackout period will commence (subject to any subsequent e-mail confirmation from the CFO, or another individual as may be designated by the CFO, amending such scheduled release date and corresponding blackout period).

#### *Event Specific Blackout Periods*

- 5.3 From time to time, information may develop or an event may occur that is material to the Company but not yet disclosed or disclosable (e.g. negotiation of a material contract). The CEO, CFO, Vice President Exploration or their designee will inform directors,

officers, employees, consultants and contractors of an event specific blackout by means of e-mail notification and any other necessary means. All directors, officers, employees, consultants and contractors of the Company are prohibited from trading securities of the Company during the event specific blackout. The existence of any event specific blackout is itself confidential and must be kept confidential by all directors, officers, employees, consultants and contractors. Once instituted, an event specific blackout period will continue to exist until the CEO, CFO, Vice President Exploration, or designated person communicates its termination in writing.

### **No Hedging**

- 5.4 No officer or director of the Company is permitted to purchase financial instruments for the purpose of, or shall otherwise engage in, hedging or other price protective transactions with respect to options or other equity or equity related securities of the Company which are held, directly or indirectly, by the officer or director. In addition, no officer or director is permitted to engage in the short sale of securities of the Company or sales of borrowed securities of the Company. For the purposes hereof, the concurrent short sale of Company shares as a method of facilitating the exercise of a vested option granted by the Company shall be deemed not to be a short sale for purposes of the aforementioned restriction.

### **Exception to Trading Restriction**

- 5.5 Trading by Restricted Persons during blackout periods may be permitted in exceptional circumstances with the prior approval of the CEO, CFO or Vice President Exploration, provided that the individual is not in possession of Material Non-Public 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 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 Restricted Person 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 Restricted Person.
- 5.6 Any pre-clearance request that has been granted will be valid only for three business days following the approval date unless terminated earlier by the CFO, CEO or Vice President Exploration. If a transaction for which pre-clearance has been granted is not effected within such period, the transaction must be pre-cleared again. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.
- 5.7 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 the Company granted fixed price share options or warrants, but does apply to the sale of the securities acquired through the exercise of the options or warrants.

## **6. REPORTING REQUIREMENTS**

- 6.1 Under securities laws and this Policy, Reporting Insiders are required to file a report with securities regulators any time they trade in shares, debt securities, options (including the grant and exercise of options), deferred share units, restricted stock units or performance stock units of a reporting issuer. The requirement also applies to related financial instruments, including derivatives, which includes any instrument, agreement, security or exchange contract that derives or bases its value, market price or payment obligations on the value, market price or payment obligations of a security of a reporting issuer or affects a Reporting Insider's economic interest in a security of a reporting issuer or that affects the extent to which the Reporting Insider's economic or financial interests are aligned with those of a reporting issuer or its securities. Reporting Insiders generally must file an Insider Report electronically through the "System for Electronic Disclosure by Insiders" ("SEDI") within 5 calendar days after each trade.

## **7. SANCTIONS**

- 7.1 The consequences of carrying on any prohibited insider trading activity or failing to file an insider report where required on a timely basis can be severe and may give rise to disciplinary measures up to and including dismissal for cause, as well as legal sanctions such as fines and criminal sanctions.

## **8. AMENDMENTS AND REVIEW**

- 8.1 This Policy may be amended from time to time. Any amendments to this Policy shall be approved by the Board of Directors (or a committee thereof).
- 8.2 This Policy is to be reviewed no less than annually by the CFO, who will recommend changes to the Board of Directors. .

## **9. QUESTIONS ABOUT THIS POLICY**

- 9.1 Any person who is unsure whether he or she may trade in a given circumstance should contact the CFO or CEO for specific guidance. Persons subject to this Policy are encouraged to consult with the CFO or CEO prior to any trading in securities of the Company.
- 9.2 Reporting Insiders are also encouraged to seek independent legal advice in respect of their reporting obligations.

### **Effective date**

This Policy was adopted by the Board of Directors on June 7, 2024.