



## **INSIDER TRADING POLICY ("Insider Trading Policy")**

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### **1. OBJECTIVE OF THE POLICY**

- 1.1 The common shares of District Metals Corp. (together with its subsidiaries, the "**Company**" or "**District**") are traded, or will be traded, on both the TSX Venture Exchange (the "**TSX-V**") and on the Nasdaq First North Growth Market (the "**Nasdaq First North**").
- 1.2 How employees and other stakeholders of the Company conduct trades in financial instruments is of greatest significance to the market's confidence in the Company and such trades. The purpose of the Policy is to serve as guidance for persons discharging managerial responsibilities ("PDMRs", and each a "PDMR"), employees and for persons who are considered insiders of the Company for the purposes of Canadian securities laws or otherwise may possess inside information regarding the Company. The definition of a PDMR and closely associated persons to PDMRs are included in the European Parliament and of the Council on market abuse ("MAR"), and a summary of such definitions are included in Appendix A.

### **2. APPLICATION OF THE POLICY**

- 2.1 The CEO and the CFO are responsible for communicating this Policy to relevant persons within the Company.
- 2.2 Breaches of this Policy shall be reported to the CFO, who in turn shall report to the CEO, and the Company's board of directors, if necessary.
- 2.3 This Policy applies to all directors, officers, employees and contractors of the Company and all Closely Associated Persons (as defined in Appendix A) of such persons (collectively, "Restricted Persons").
- 2.4 This Policy applies to all of the Company's securities, including common shares, Swedish depository receipts, preferred shares, stock options and any other securities the Company may issue from time to time.
- 2.5 Persons in doubt of the interpretation of this Policy or that have any question regarding the legal framework on market abuse may contact the CFO for guidance.
- 2.6 If this Policy would be contrary to applicable laws and regulations, such laws and regulations shall always prevail over this Policy.
- 2.7 The provisions in this Policy may not exhaustively address all possible situations. Accordingly, Reporting Insiders and PDMRs, are encouraged to seek independent legal advice in respect of their reporting obligations, as necessary.

### **3. GENERAL**

- 3.1.1 MAR consists of rules that in certain cases prohibit trading in securities. According

to these rules, persons who possess inside information regarding a company (or any other company whose financial instruments are traded on a regulated market or other trading facility) may not: (A) **acquire or dispose of securities** (or such other financial instruments issued by another company to which the inside information relates); (B) **advise or otherwise induce** another person to acquire or dispose of securities (or such other financial instruments issued by another company to which the inside information relates); (C) **unlawfully disclose** inside information (that is, when a person who possesses inside information discloses such information outside its normal exercise of employment, profession or duties); (D) **mislead buyers or sellers** of securities (or such other financial instruments issued by another company to which the inside information relates).

- 3.1.2 Canadian securities laws contain substantially similar restrictions to those prescribed by MAR.

## **3.2 Reporting of transactions by PDMRs and Reporting Insiders**

### *PDMR Lists*

- 3.2.1 The Company shall at all times identify all PDMRs and notify them of their reporting obligations in writing. Further, the Company shall create and maintain a list of all PDMRs and persons closely associated with them. The company secretary is responsible for creating and maintaining such list.
- 3.2.2 The Company's list of PDMRs shall be provided to the SFSA upon the SFSA's request.
- 3.2.3 Each PDMR shall, in turn (i) promptly confirm the receipt of each notification received by it pursuant to this Policy; (ii) promptly notify the persons closely associated with them in writing of their obligation to report transactions and retain these notifications; (iii) continuously notify the Company of the identity of its closely associated persons (including minors, although no notification needs to be sent to them); and (iv) report any transactions in securities according to applicable rules and regulations.
- 3.2.4 Once a person ceases to be a PDMR, the Company shall notify such person in writing that she or he is no longer considered to be a PDMR and therefore has been removed from the Company's list of such persons.

### *Reporting obligations*

- 3.2.5 Under securities laws and this Policy, Reporting Insiders (as defined in Canadian securities laws) and PDMRs are required to report trades by or on their behalf in shares, Swedish depository receipts ("SDRs", and each a "SDR"), debt securities, options (including the grant and exercise of stock options), deferred share units, restricted stock units or performance stock units of a reporting issuer, including the Company. 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.
- 3.2.6 PDMRs and closely associated persons (as defined in Appendix A) shall promptly after the transaction, and in no event later than three (3) business days after the date

of the transaction, notify the SFSA and the Company of transactions<sup>1</sup> conducted for their own account relating to securities.

- 3.2.7 The notification to the SFSA is made on the SFSA's webpage, [www.fi.se](http://www.fi.se), through a personal user profile. PDMRs and persons closely associated with them should create a user profile even though they currently have no intention of conducting any transactions in securities. Once a transaction has been reported on the SFSA's webpage a receipt of the notification will be received. This receipt shall be sent to the Company.
- 3.2.8 Reporting Insiders generally must file an Insider Report electronically through the "System for Electronic Disclosure by Insiders" ("SEDI") within five (5) calendar days after each trade.
- 3.2.9 Persons violating their reporting obligations may be subject to punitive fines from the applicable regulatory authorities, including the British Columbia Securities Commission and/or SFSA.

### **3.3 Trading prohibitions**

- 3.3.1 At any time, and from time to time, the CEO or CFO may issue a notice instructing any or all personnel to which the CEO or CFO has determined the blackout should extend, not to trade in securities of the Company until further notice.
- 3.3.2 During thirty (30) calendar days before the announcement of an interim financial report (including a year-end report), PDMRs are by law prohibited from conducting transactions on their own account or for the account of a third party, directly or indirectly, relating to the Company's securities (the day of the announcement is included up until the publication of the report). The trading prohibition does not apply to persons closely associated with PDMRs, but certain caution must be observed in relation to legal persons closely associated with PDMRs (as indirect trades are covered by the prohibition).
- 3.3.3 Under certain exceptional circumstances and subject to compliance with applicable law, the Company may grant exceptions from the statutory trading prohibition in section 3.3.2 if the following conditions are met: (a) the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares; or (b) due to the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change; and (c) the PDMR is able to demonstrate that the particular transaction cannot be executed at another moment in time. Such exceptions, if granted shall be granted by the CEO on behalf of the Company and must be in writing. If the CEO applies for an exception, the exception shall be granted by the Chairman of the Board.

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<sup>1</sup> The reporting obligation formally arises when a total transaction value of EUR 5,000 has been reached within a calendar year, where the transaction value is calculated without netting (which means that the values of every transaction shall be added, irrespective of whether the transaction is an acquisition or a divestiture). Since this rule can be difficult to apply in practice (for instance because of rules regarding exchange rates) it is the Company's recommendation (and safest from a best practice perspective) that every transaction is reported to the Company and the SFSA.

### 3.4 Prohibition of insider trading

- 3.4.1 A person who possesses inside information relating to the Company (or such other company to which the inside information relates) shall not conduct any transactions on its own account, or on the account of a third party, relating to securities of the Company (or such other company to which the inside information relates). A person who possesses inside information relating to the Company must not advise or otherwise induce another person to acquire or dispose of securities of the Company (or such other company to which the inside information relates). Furthermore, it is forbidden to act in a way likely to improperly influence the market price or other terms and conditions for trading in securities or otherwise mislead buyers or sellers of securities.
- 3.4.2 A person who possesses inside information about the Company may not disclose it to related parties or other third parties. A person who is employed or contracted by the Company or its subsidiaries may not disclose inside information to other employees or contractors if the person who will receive the information does not need access to the information to perform their tasks or duties.
- 3.4.3 Persons violating the above prohibitions may, among other things, be convicted of the offence of insider dealing (Sw. *insiderbrott*), aggravated insider dealing (Sw. *grovt insiderbrott*), market manipulation (Sw. *marknadsmanipulation*) or unlawful disclosure of inside information (Sw. *obehörigt röjande av insiderinformation*), and be sentenced to fines (Sw. *dagsböter*) or term of imprisonment (Sw. *fängelse*) not exceeding six years.
- 3.4.4 It should be noted that measures/transactions that an individual carries out with itself (Sw. *egenhandel*) may be considered as prohibited transactions. For example, the transfer of instruments from one account to another account may under certain circumstances be considered a transaction and be deemed as market manipulation or be subject to any other abovementioned prohibition.

### 3.5 Insider lists

- 3.5.1 The Company shall prepare and maintain an insider list of all persons who, due to employment with the Company or any of its subsidiaries or due to otherwise being in a relationship with the Company or any of its subsidiaries (such as contractors, advisers, accountants or credit rating agencies) have access to inside information.
- 3.5.2 The insider list shall be kept in electronic form (i.e., in Word, Excel or any other word processing program) and be maintained in accordance with the requirements set out in MAR.
- 3.5.3 The Company shall update the insider list promptly and in any event within 24 hours of each event necessitating an update, and each update shall include the effective date and time of each update and the change which triggered the update.
- 3.5.4 No unauthorized persons shall be able to gain access to the insider list, and the insider list shall therefore be password protected. The insider list shall be retained for at least five years from the later of (a) the date it was prepared; or (b) the date of its latest update. This means that that no information on the list may be removed (unless the information was added by mistake).

- 3.5.5 The insider list shall be provided to the SFSA as soon as possible upon the SFSA's request.
- 3.5.6 The Company is obliged to take reasonable steps to ensure that persons on the insider list are aware of the legal and regulatory duties that the possession of inside information entails and that they are aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information. The Company shall, in direct conjunction with the adding of a person to the insider list, inform such person in writing of its duties. Such notifications and confirmation shall be made by email. A person who has been notified in accordance with this section shall confirm in writing that it is aware of the legal and regulatory duties entailed by the possession of inside information and the sanctions applicable to insider dealing and market abuse.

#### **4. AMENDMENTS AND REVIEW**

- 4.1 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).
- 4.2 This Policy is to be reviewed no less than annually by the CFO, who will recommend changes to the Board of Directors.

#### **Effective date**

This Policy was adopted by the Board of Directors on January 23, 2025.

## **Appendix A**

### **DEFINITIONS**

#### **Inside information**

For the purposes of this Policy, “inside information” means information of a precise nature, which has not been made public, relating directly or indirectly to the Company, including the Company’s common shares, or to any financial instrument issued by the Company or linked to the Company, and which, if it were made public, would be likely to have significant effect on the prices of those common shares or financial instruments or on the price of related derivative financial instruments.

Information shall be deemed to be of a precise nature if it indicates (i) a set of circumstances which exists or which may reasonably be expected to come into existence, or (ii) events which have occurred or which may reasonably be expected to occur, and (iii) where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the securities.

Information shall be considered to have a significant effect on the price if a reasonable investor would be likely to use such information as part of the basis of its investment decisions. In other words, it is not required that the information actually has a material effect on the price of securities, only that a reasonable investor would be likely to use such information.

An intermediate step in a protracted process shall be deemed to be inside information if it, by itself, satisfies the criteria of inside information. This means, for example, that in relation to a private M&A deal, inside information may arise well before the actual signing of the sale and purchase agreement, and in relation to Board meetings which are to resolve on a specific issue, inside information may arise well before the Board’s actual decision on the matter. The key factor for determining whether an intermediate step in a protracted process shall be deemed inside information is whether there is a realistic prospect that the circumstances or event will come into existence or occur.

When evaluating what may constitute inside information, factors to be considered include (i) the expected extent or importance of the decision, fact or circumstance compared to the Company’s activities as whole; (ii) the relevance of the information with regard to the determinants of the price of the Company’s financial instruments; and (iii) all other market variables that may affect the price of the financial instruments.

When new information is similar to information that has previously affected the price of the financial instruments or has been considered inside information, the new information is likely to be considered inside information.

#### **Persons discharging managerial responsibilities and closely associated persons**

##### *Persons discharging managerial responsibilities (PDMRs)*

A PDMR is a person who is: (a) a member of the administrative, management or supervisory board of the Company; or (b) a senior executive who is not the member of the bodies referred to in section (a) above but who has regular access to inside information relating directly or indirectly to the Company and power to take managerial decisions affecting the future development and business prospects of the Company.

For the purposes of this Policy the following persons shall be considered to be PDMRs: (a) Board members of the Company; (b) the CEO; and (c) all other members of the Executive Management.

PDMRs and persons closely associated to such persons are subject to certain reporting obligations (see section 3.2) and specific trading prohibitions (see section 3.4).

Each PDMR is responsible for informing its closely associated persons about their respective obligations under this Policy.

#### *Closely associated persons*

A “closely associated person” to a PDMR means: (a) a spouse, or a partner considered to be equivalent to a spouse of a PDMR; (b) a child in custody of a PDMR; (c) a relative of a PDMR who has shared the same household for at least one year on the date of the transaction concerned; or (d) a legal person: (i) the managerial responsibilities of which are discharged by a PDMR or by a person closely associated to such person (*i.e.*, a person referred to in (a)–(c) above); or (ii) which is directly or indirectly controlled by a PDMR or by a person closely associated to such person (*i.e.*, a person referred to in (a)–(c) above); or (iii) which is set up for the benefit of a PDMR or by a person closely associated to such person (*i.e.*, a person referred to in (a)–(c) above); or (iv) the economic interests of which are substantially equivalent to those of a PDMR, or by a person closely associated to such person (*i.e.*, a person referred to in (a)–(c) above).

#### *Reporting insider*

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

**Managerial responsibilities** as referred to above may be executed by, e.g., the CEO of a company or individual board members authorized by the board of directors to represent the legal person in conjunction with its business activities, thus excluding purely administrative matters (such as the assignment of a board member to a nomination committee) or mere cross board membership. A board member not authorized to externally represent the legal person, for example as a special company signatory or by proxy, and that otherwise cannot take part in nor influence decisions of that legal person to carry out transactions in securities, shall not be considered to perform managerial responsibilities in the legal person. If a PDMR, or a natural person closely associated to such person, is the sole board member in a legal person, such legal person is to be considered as a person closely associated to the PDMR.

For the purpose of **control** according to the above, please note that the Swedish Financial Supervisory Authority (the “SFSA”) has not yet provided any further guidance on the word’s meaning in this regard. However, for the time being control may be read according to its lexical wording, entailing that legal persons in which a PDMR or a person closely associated to a PDMR holds or otherwise controls more than fifty (50) per cent of the votes in or otherwise has the right to appoint more than half of the board members, for example pursuant to a shareholders’ agreement, are legal persons closely associated to such PDMR.