

# Trading Policy

## 1. Introduction

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### 1.1 Background and purpose

The purpose of this trading policy (**Policy**) is to ensure that Employees are aware of, and to assist Employees in complying with, the prohibitions under Applicable Laws against insider trading, tipping, and recommending trades in the securities of Patriot Battery Metals Inc (**Company**) and other issuers in certain circumstances (**Insider Trading**). This Policy also contains additional pre-clearance, closed period and other trading restrictions.

Additional objectives of this Policy include the following:

- (a) to minimise the risk of Employees contravening the Applicable Laws against Insider Trading;
- (b) to minimise the risk of the appearance of Insider Trading and the significant reputational damage it may cause to the Company;
- (c) to assist the Company in meeting its reporting obligations under Applicable Laws; and
- (d) to increase transparency with respect to trading in the Company's securities by Employees.

### 1.2 Who does this Policy apply to?

This Policy applies to all Directors, officers, and employees of the Company and its Related Bodies Corporate (**Employees**).

In addition, certain sections of this Policy also apply to the related persons of Employees, including an individual's spouse, minor children, and anyone else living in the individual's household and any legal entities controlled by the individual (**Related Persons**).

It is important to remember that although this Policy only applies to Employees and Related Persons, the Insider Trading prohibitions set out in Applicable Laws apply to all persons (including consultants and advisors to the Company).

If you are in any doubt as to how this Policy may affect you, you should seek assistance from the Company Secretary before trading.

## 2. Definitions and interpretation

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### 2.1 Definitions

Defined terms and abbreviations used in this Policy have the meanings set out below:

<b>Applicable Laws</b>	means applicable corporate and securities laws, rules, regulations, and policies (including the Corporations Act, the <i>Securities Act</i> in relevant Canadian Provinces, and rules and instruments adopted by the Canadian Securities Administrators), and applicable stock exchange policies and rules (including the ASX Listing Rules and the TSX-V <i>Corporate Finance Policies</i> ), as amended from time to time.
<b>ASX</b>	means the Australian Securities Exchange.
<b>ASX Listing Rules</b>	means the listing rules of the ASX, as amended from time to time.
<b>Board</b>	means the board of Directors of the Company.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Related Bodies Corporate</b>	has the meaning given to it under the Corporations Act.
<b>trade</b>	means a trade or other transaction involving securities, and <b>trading</b> has a similar meaning.
<b>TSX-V</b>	means the TSX Venture Exchange.

## 3. What securities are covered by this Policy?

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This Policy applies to the issue of new securities of the Company and its Related Bodies Corporate, and the trade of any securities issued by the Company or its Related Bodies Corporate from time to time.

The definitions of “securities” in Applicable Laws are very broad. The Company’s securities include, but are not limited to:

- (a) common shares of the Company;
- (b) options, warrants, and other convertible securities of the Company;
- (c) CHESS Depositary Interests (CDIs) over the Company’s common shares;
- (d) convertible debt issued by the Company; and

- (e) financial products or instruments issued or created over or in respect of securities issued by the Company, whether the financial products or instruments are created by the Company or by third parties.

## 4. Standards

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All Employees should ensure that all trades in the Company's securities comply with all Applicable Laws (including Insider Trading provisions of those Applicable Laws).

## 5. Prohibitions on Insider Trading

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### 5.1 Dual Listing

The Company's shares are listed on both the ASX and the TSX-V. As such, the Company's securities are subject to Applicable Laws related to Insider Trading in both Australia and Canada.

### 5.2 Insider Trading prohibitions: Australia

- (a) The Corporations Act makes it an offence for a person in possession of information that is not generally available but which, if generally available, a reasonable person would expect it to have a material effect on the price or value of the Company's securities to:
  - (i) trade in (e.g., apply for, acquire or dispose of, or enter into an agreement to do any of these things) the Company's securities; or
  - (ii) procure another person to trade in the Company's securities,(each a **"dealing in the Company's securities"**).
- (b) It is an offence to communicate price-sensitive information to another person with the knowledge that the person could deal in the Company's securities. Accordingly, the prohibition on Insider Trading cannot be avoided by a person procuring or arranging for another person to deal on his or her behalf.
- (c) For the purposes of this Policy, information is **"generally available"** if:
  - (i) it consists of a readily observable matter;
  - (ii) it has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed;
  - (iii) it is derived from information which has been made public; or

- (iv) it consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.
- (d) For the purposes of this Policy, “**price-sensitive information**” means information relating to the Company or the Company’s subsidiaries that would, if the information were publicly known, be likely to:
  - (i) have a material effect on the price or value of the Company’s securities; or
  - (ii) influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company’s securities.
- (e) Examples of possible price-sensitive information include, but are not limited to, the following:
  - (i) information relating to Company drilling exploration results or reserve statements;
  - (ii) information on the outcome of any economic studies, such as pre-feasibility studies or definitive feasibility studies;
  - (iii) information on changes in production or production forecasts;
  - (iv) information relating to the Company’s financial results or forecast results;
  - (v) a material acquisition, joint venture, realisation or disposal of assets;
  - (vi) a threat of material litigation against the Company;
  - (vii) the Company’s sales and profit results materially exceeding or falling short of the market’s expectations or the previously announced guidance by the Company;
  - (viii) a material change in debt, liquidity or cash flow;
  - (ix) a significant new development proposal (i.e. a new product or technology);
  - (x) the granting or refusal of a major contract;
  - (xi) a management or business restructuring proposal;
  - (xii) a change in the capital structure, such as a capital return or the buy back of a financial product;
  - (xiii) a payment of dividends or a share issue;
  - (xiv) a change to the Board or significant changes in senior management;
  - (xv) the entering into of an agreement or option to acquire an interest in an asset or business, or to enter into a joint venture or other arrangement in relation to an asset or business; and

- (xvi) any information required to be announced to the market pursuant to ASX Listing Rule 3.1 (the Continuous Disclosure Rule) which is yet to be released to the market.
- (f) The ASX requires the Company, as a listed entity, to have a trading policy that restricts its key management personnel from trading in its securities during certain closed periods. For the purposes of the ASX Listing Rules, the Company has determined that its key management personnel are its Directors, Chief Executive Officer and Company Secretary, and any employee (whether full-time, part-time or casual) having authority and responsibility for planning, directing and controlling, directly or indirectly, the activities of the Company (**Key Management Personnel**).

### 5.3 Insider Trading prohibitions: Canada

- (a) An Employee must not make a trade involving a security of the Company if the Employee knows of a material fact or material change with respect to the Company which has not been generally disclosed.
- (b) Employees must not inform another person of a material fact or material change with respect to the Company unless:
  - (i) the material fact or material change has been generally disclosed, or
  - (ii) informing the person is necessary in the course of business of the Employee.
- (c) For the purposes of this Policy:
  - (i) “**material change**” means a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of a security of the Company, or decision to implement such a change made by the Directors or the Company’s senior management who believe that confirmation of the decision by the Directors is probable; and
  - (ii) “**material fact**” means, when used in relation to a security issued or proposed to be issued, a fact that would reasonably be expected to have a significant effect on the market price or value of the security, and when used in relation to a derivative, a fact that would reasonably be expected to have a significant effect on the market price or value of, or obligations under, the derivative.
- (d) The examples of possible price-sensitive information set forth in paragraph 5.2(e) above are generally also examples of material facts and material changes.

### 5.4 Dealing through third parties

The Insider Trading prohibitions extend to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies.

## **5.5 Consequences for breach of Insider Trading prohibitions**

- (a) Breach of the Insider Trading prohibition by an Employee or a Related Person could expose the Employee to criminal and civil liability including fines and imprisonment.
- (b) Significantly, a breach of the Insider Trading prohibition could result in an Employee or a Related Person being sued by another party or the Company for any loss suffered as a result of Insider Trading.
- (c) Breaches of Insider Trading laws or this Policy will also be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal of an Employee.

## **5.6 Source of information is irrelevant**

- (a) Insider Trading is prohibited at any time if the person possesses material undisclosed price-sensitive information or knowledge of material facts or material changes which have not been generally disclosed.
- (b) It does not matter how or where the person obtains the information or knowledge and it does not have to be obtained from the Company to constitute inside information. Applicable Laws will apply to any Employee who acquires such information or knowledge in relation to the Company's securities, regardless of capacity.

## **5.7 Employee incentive scheme**

The prohibition on trading in the Company's securities applies to acquisitions of shares or options by employees of the Company made under an employee share or option scheme or performance rights plan, as well as the acquisition of shares as a result of the exercise of options under an employee option scheme. The prohibition also applies to the sale of any such securities.

## **5.8 Director fees**

The prohibition on trading in the Company's securities does apply to a Director's election to receive his or her fees in shares or in cash. Accordingly, a Director is prohibited from making such an election during a Closed Period or any other restricted period.

## **5.9 Dealing in shares of other companies**

- (a) If an Employee has price-sensitive information which is not generally available, or knowledge of a material fact or material change which has not been generally disclosed, relating to a company other than the Company, the same Insider Trading rules outlined above apply to trading securities in that company.
- (b) In the course of performing duties as an employee of the Company, Employees may obtain price-sensitive information or knowledge of material facts or material

changes relating to another company in a variety of circumstances. Examples include, but are not limited to the following:

- (i) another company may provide price sensitive information or material facts about itself to the Company in the course of a proposed transaction;
  - (ii) another company with whom the Company is dealing may provide price sensitive information or material facts about a third-party company; or
  - (iii) information concerning the Company or actions which may be taken by the Company (e.g., a planned transaction or strategic change) could reasonably have an effect on a third-party company.
- (c) Apart from the application of Applicable Laws regarding Insider Trading to securities in other companies, Employees are also bound by a duty of confidentiality in relation to information in respect of third parties obtained in the course of their employment with the Company.

## 6. Closed Periods and Restricted Trades

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### 6.1 Closed Periods

There are certain periods when Employees must not trade in the Company's securities, given the heightened risk of actual or perceived Insider Trading, which are sometimes referred to as "closed periods" or "black-out periods" (**Closed Periods**).

Unless otherwise provided by this Policy, Employees are prohibited from trades involving the Company's securities during Closed Periods, which include:

- (a) when the Employee is in possession of price sensitive information, or knowledge of material facts or material changes, relating to the Company which has not been publicly disclosed;
- (b) during the period commencing two weeks prior to the release of the Company's annual financial results or annual report, and ending one trading day after the public disclosure of those results or reports in accordance with Applicable Securities Laws and Applicable Exchange Policies;
- (c) during the period commencing one week prior to the release of the Company's quarterly financial results, and ending one trading day after the public disclosure of those results or reports in accordance with Applicable Securities Laws and Applicable Exchange Policies; and
- (d) any other time periods that may be designated by the Company from time to time.
- (e) The Closed Period trading prohibition does not limit any other obligations of Employees prescribed by this Policy.

## 6.2 Other restricted periods

- (a) Key Management Personnel
  - (i) The Company reserves the right to impose ad hoc restrictions on its Key Management Personnel from trading in its securities in addition to the fixed Closed Periods set out in paragraph 6.1.
  - (ii) In determining when ad hoc restrictions should be imposed on its Key Management Personnel, the Company may have regard to any imminent announcements of market sensitive information it is proposing to make under ASX Listing Rule 3.1.
- (b) Other individuals
  - (i) In addition to the Key Management Personnel, the Company may also impose ad hoc trading restrictions on:
    - (A) staff who work closely with, or in close proximity to, Key Management Personnel;
    - (B) staff who work in the finance area or in a strategic planning group;
    - (C) the next layer of management below Key Management Personnel;
    - (D) staff (such as IT staff) who may have access to email or document folders belonging to Key Management Personnel; and
    - (E) family members and entities closely connected to Key Management Personnel.

## 6.3 Further restrictions on trading to Employees

- (a) The Company has determined that Employees are more likely to be in possession of price-sensitive information regarding the Company. As a result, further restrictions on dealing in the Company's securities apply to Employees.
- (b) Prior to dealing in the Company's securities, Employees must first notify the Chair of the proposed type of dealing and the number of securities to be traded and seek the Chair's written consent to the proposed dealing in the Company's securities.

## 6.4 Exceptions

- (a) There are no exceptions to the Policy.



## 6.5 Notification of Closed Periods

The Company Secretary will endeavour to notify Employees of all Closed Periods. Even when such notification is not provided, however, Closed Periods will apply as set out in this Policy.

## 6.6 Consent to trade during Closed Periods

- (a) An Employee may trade in the Company's securities during a Closed Period if that person obtains written consent to do so in accordance with this paragraph 6.6.
- (b) An Employee who wishes to trade in the Company's securities at any time (**Applicant**) must obtain the prior written consent (which may be provided by way of an email) of:
  - (i) the Chair; or
  - (ii) where the Chair is the Applicant, the chair of the Company's Audit and Risk Committee,(collectively, the **Decision Maker(s)**).
- (c) The Decision Maker(s) may only provide written permission to trade in the Company's securities where the Decision Maker(s) is satisfied that the trade complies with all Applicable Laws and Company policies.
- (d) Any permission provided under this paragraph 6.6 must be obtained by the Applicant not less than two trading days before the proposed trade (or such shorter period as the Decision Maker(s) may determine).
- (e) Any pre-clearance request that has been granted will only be valid for two business days following the approval date, unless earlier terminated by the Decision Maker(s). If a trade for which pre-clearance has been granted is not effected within such period, the trade must be pre-cleared again.
- (f) To the extent that a material fact or material change affecting the Company remains non-public, persons subject to the pre-clearance requirement will not be given permission to trade securities of the Company. Such persons may not be informed of the reason they may not trade. Any person that is made aware of the reason for an event-specific prohibition on trading shall not disclose the reason for the prohibition to third parties and should avoid disclosing the existence of the prohibition.
- (g) Copies of written approvals of the Decision Maker(s) must be forwarded to the Company Secretary prior to the approved trade.
- (h) A clearance to trade can be given or refused by the Company in its absolute discretion. The Company's decision to refuse clearance is final and binding on the person seeking clearance.

- (i) A clearance to trade can be withdrawn if new information comes to light or there is a change in circumstances.
- (j) If clearance to trade is refused, the person seeking the clearance must keep the information relating to the refusal (including the refusal itself) confidential and not disclose it to anyone.
- (k) Exceptional circumstances may apply to the disposal of the Company's securities by an Employee or a Restricted Person if such person is required by a court order or a court enforceable undertaking (for example in a bona fide family settlement, to transfer or sell securities of the Company), or if there is some other overriding legal or regulatory requirement to do so. Any application for an exemption allowing a trade of the Company's securities during a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation. Any exemption, if issued, will be in writing and will contain a specified time period during which the sale of securities can be made.

## **6.7 Sales of securities**

Employees need to be mindful of the market perception associated with any trade of the Company's securities and possibly the ability of the market to absorb the volume of securities being traded. With this in mind, the management of the trade of any significant volume of the Company's securities (i.e., a volume that would represent a volume in excess of 10% of the total securities held by the seller prior to the trade, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the ASX or the TSX-V for the preceding 20 trading days) by an Employee must be discussed with the Board prior to the execution of any trade. These discussions must be documented in the form of a file note, to be retained by the Company Secretary.

## **6.8 Restricted Trades**

Despite any other provision of this Policy:

- (a) Employees must not engage in short-term trading of any of the Company's securities (e.g., purchasing the Company's shares with an intention to sell them within a 12-month period);
- (b) Employees must not engage in short selling of the Company's securities;
- (c) Employees must not enter into an arrangement that would have the effect of limiting their exposure to risk relating to either unvested remuneration, or vested remuneration which remains subject to a holding lock; and
- (d) Employees must not enter into any margin lending or other secured financing arrangements in respect of the Company's securities.

## 7. ASX notification by Directors

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- (a) Directors are required to notify the Chair and the ASX of any dealing in the Company's securities (either personally or through a third party) which results in a change in the relevant interests of the Director in securities in the Company.
- (b) While the Corporations Act requires Directors to notify the ASX of any changes to their holdings within 14 days (or if also a substantial shareholder as early as by 9.30am on the next trading day), the Company is required under the ASX Listing Rules to notify the ASX:
  - (i) of the initial holding of each Director upon appointment and such subsequent dealings within five business days of the change; and
  - (ii) whether the dealing occurred during a Closed Period and if so, whether written clearance was obtained and on what date it was obtained.
- (c) To enable the Company to comply with these requirements, each Director must enter into a letter agreement with the Company in a form consistent with the pro forma agreement set out in Attachment 1 to Guidance Note 22 of the ASX Listing Rules. Directors must furnish the relevant information as soon as reasonably possible and in any event no later than three business days after the date of appointment or change, to the Company Secretary who will facilitate the transmission of these notifications to the ASX. Notifications will also be tabled before the Board.

## 8. Canadian Insider Reporting - SEDI

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- (a) Under Canadian securities laws, "reporting insiders" (directors and senior officers of the Company and its subsidiaries, and persons or companies, funds or organizations owning or controlling more than 10% of the common shares of the Company) are required to file insider reports electronically through the "System for Electronic Disclosure by Insiders" ("**SEDI**") at [www.sedi.ca](http://www.sedi.ca), disclosing their direct or indirect beneficial ownership of, or control or direction over, securities of the Company.
- (b) Insider reports are required to be filed by reporting insiders on SEDI within 10 days of becoming a reporting insider (for example, on election as a director or appointment as a senior officer, if such individual beneficially owns or exercises control or direction over the Company's securities at that time) and thereafter within 5 days after any change to previously filed information, or as otherwise may be prescribed by Canadian securities laws from time to time.
- (c) Filing of insider reports is the responsibility of each reporting insider, not of the Company. The Company does not file insider reports on behalf of any reporting insiders, but may assist in compliance on request.
- (d) Reporting insiders are required to update their insider profile on SEDI: (i) if there is a change in the reporting insider's name, his/her/its relationship to the

Company, or if he/she/it ceases to be a reporting insider, within 10 days of the event; or (ii) if there has been any other change to the insider profile, at the next time of filing an insider report or amended insider profile. There are daily fines for late reporting and certain regulatory authorities publish a list of insiders who are late reporters.

## 9. Employment and monitoring

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- (a) To promote understanding of the Insider Trading prohibitions, related Applicable Laws, and this Policy, a copy of this Policy will be distributed to all Employees (present and future) and will be available on the Company's website.
- (b) The induction procedures for new Employees must require that a copy of this Policy be provided to each new Employee.

## 10. Compliance

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- (a) Compliance with the rules set out in this Policy is mandatory and is a condition of the employment of each officer and employee by the Company. Infringement of the Insider Trading provisions can attract a substantial monetary penalty, imprisonment or both in addition to loss of employment or other disciplinary action.
- (b) Any Employee who does not comply with this Policy will be considered to have engaged in serious misconduct which may result in the termination of their engagement by the Company.
- (c) Ultimate discretion rests with the Chair in respect of granting a waiver to the requirements of this Policy to allow Employees to trade in the securities of the Company, provided that to do so would comply with Applicable Laws. A waiver can be given or refused by the Chair in his or her absolute discretion. The Chair's decision to refuse a waiver is final and binding on the person seeking the waiver.

## 11. Review

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The Board will review this Policy annually and this Policy may be amended by resolution of the Board.

## 12. Policy responsibility

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Each Employee is responsible for adhering to this Policy. The Company Secretary has the responsibility for enforcing this Policy.

### 13. Disclosure of Policy

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This Policy will be made available, and updated as required, on the Company's website in a clearly marked "Corporate Governance" section.