

O3 Mining

CONFIDENTIALITY AND INSIDER TRADING POLICY

Effective as of July 5, 2019

O3 MINING INC.

CONFIDENTIALITY AND INSIDER TRADING POLICY

1. PURPOSE

The rules and procedures outlined below in this Confidentiality and Insider Trading Policy (the "**Policy**") have been formulated by the senior management of O3 Mining Inc. (the "**Corporation**") and approved by the Board of Directors (the "**Board**") in order to prevent improper insider trading and the improper communication of undisclosed material information regarding the Corporation and to ensure that the directors, officers and employees of the Corporation 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 Policy as Schedule "A". An abbreviated version of this Policy for delivery to employees and consultants is attached as Schedule "B".

The onus of complying with this Policy and the relevant insider trading and other rules is on each individual director, officer and employee of the Corporation, 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 the Corporation.**

It is fundamental to the reputation and ongoing success of the Corporation that its directors, officers and employees respect and adhere to the rules and procedures outlined in this Policy. Members of the families of the directors, officers and employees of the Corporation 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 employees of the Corporation.

2. INSIDER TRADING

Each director, officer and employee of the Corporation 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, as described in Schedule "A" to this Policy.

In order to prevent insider trading violations or any appearance of impropriety, the following considerations must be made:

- (a) All those with access to undisclosed material information are prohibited from using such information in trading in the Corporation's securities until the information has been fully disclosed and a reasonable period of time has passed for the information to be disseminated.
- (b) In general, the Corporation has stipulated that a minimum of one clear trading day be allowed after the release of all such disclosures, including after the release of financial statements as well as certain Blackout Periods noted below.

- (c) This prohibition applies not only to trading in the Corporation's securities, but also to trading in other securities whose value may be affected by changes in the price of the Corporation's securities (including contracts for differences, fixed odd bets, financial instruments designed to hedge or offset a decrease in market value of equity securities and other financial products).
- (d) Insider trading is strictly regulated by the corporate and securities laws in Canada and the Toronto Stock Exchange. The penalties and civil liability that may be incurred if the insider trading laws are violated are substantial. The 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.

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 the Corporation, permission to complete the transaction will be denied. The policy of the Corporation 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 the Corporation, especially among its shareholders and the analysts who follow the Corporation.

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 the Corporation 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 employees to enter a trade immediately after the Corporation has made a public announcement of material information. Because the Corporation's non-employee shareholders and the investing public should be afforded the time to receive the information and act upon it, as a general rule, officers, directors, or employees should not engage in any transactions until two business days after the information has been widely disseminated.

2.2 Insider Trading and Other Report

Every "insider" of the Corporation 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 the Corporation. 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. Trades include a change in nature of the ownership of the securities (e.g. a disposition to a Corporation controlled by the insider or a determination that the securities are to be held in trust for another person) and a change in interest in a related financial instrument involving a security of the Corporation.

The following persons are considered to be "insiders" of the Corporation for these purposes:

- (a) a director or officer of a reporting issuer,

- (b) a director or officer of a person or Corporation that is itself an insider or subsidiary of a reporting issuer,
- (c) a person or Corporation that has,
 - (i) beneficial ownership of, or control or direction over, directly or indirectly, securities of a reporting issuer carrying more than 10 per cent of the voting rights attached to all the reporting issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or Corporation as underwriter in the course of a distribution, or
 - (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of a reporting issuer carrying more than 10 per cent of the voting rights attached to all the reporting issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or Corporation as underwriter in the course of a distribution,
- (d) a reporting issuer that has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security,
- (e) a person or Corporation designated as an insider in an order made under subsection 1(11) of the *Securities Act* (Ontario),
- (f) a person or Corporation that is in a class of persons or companies designated under subparagraph 40 v of subsection 143 (1) of the *Securities Act* (Ontario).

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 the Corporation's common shares. As a result, it is imperative that any director, officer or employee who intends to complete a share acquisition that will result in the crossing of the threshold referred to above consult with the Chairman of the Corporation to determine the nature of the individual's reporting obligations under applicable Canadian securities legislation.

Each person that is obligated to file a report is responsible for filing his or her own report.

2.3 Special Relationship

Any person or Corporation that is in a "**special relationship**" with the Corporation is prohibited from trading on the basis of Undisclosed Material Information concerning the affairs of the Corporation. A person or Corporation considered to be in a "**special relationship**" includes the following:

- (a) a person or Corporation that is an insider, affiliate or associate of,
 - (i) the Corporation;

- (ii) a person or Corporation that is proposing to make a take-over bid for the securities of the Corporation; or
- (iii) a person or Corporation that is proposing to become a party to a reorganization, amalgamation, merger or arrangement or similar business combination with the Corporation or to acquire a substantial portion of its property;
- (b) a person or Corporation that is engaging in or proposes to engage in any business or professional activity with or on behalf of the Corporation or with or on behalf of a person or Corporation described in subsections 2.3(a)(ii) or (iii);
- (c) a person who is a director, officer or employee of the Corporation or of a person or Corporation described in subsections 2.3(a)(ii) or (iii) or 2.3(b);
- (d) a person or corporation that learned of the material fact or material change with respect to the Corporation while the person or corporation was a person or corporation described in subsections 2.3(a), (b) or (c); and
- (e) a person or corporation that learns of a material fact or material change with respect to the Corporation from any other person or corporation described in this section 2.3, and knows or ought reasonably to have known that the other person or corporation is a person or corporation in such a relationship.

3. OTHER TRADING RESTRICTIONS

It is inappropriate for any of the directors, officers or employees of the Corporation 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 the Corporation or its ongoing success; (ii) that creates or may create a false or misleading appearance of trading activity in the shares of the Corporation; (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 the Corporation short (i.e. selling shares not owned by the seller in anticipation of a falling price for the shares of the Corporation);
- (b) lending shares of the Corporation to others for any purpose not approved in advance by the Chief Financial Officer of the Corporation;
- (c) purchasing, writing or otherwise trading in puts, calls or other options on the shares of the Corporation (other than options granted under the Corporation's 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 the Corporation without the prior approval of the Chief Financial Officer of the Corporation;

- (d) purchasing or selling shares or other securities of the Corporation 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 the Corporation at the same time or at approximately the same time; or
- (f) retaining or causing to be retained any person or Corporation to engage in any form of stock promotion in respect of the shares or other securities of the Corporation.

In order to ensure that perceptions of improper insider trading do not arise, insiders should not "**speculate**" in securities of the Corporation. 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 a short-term profit is distinguished from purchasing and selling securities as part of a long-term investment program.

Insiders shall not at any time sell securities of the Corporation short or sell a call option or buy a put option in respect of securities of the Corporation or any of its affiliates or engage in any other transaction to synthetically monetize securities of the Corporation.

4. CONFIDENTIALITY

In the course of the Corporation's ongoing business operations, the directors, officers and employees of the Corporation often are engaged in transactions or other activities that are or may become material to the Corporation 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 the Corporation.

Communication of confidential information regarding the Corporation may be made to other the Corporation directors, officers and employees 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 and/or Chief Financial Officer of the Corporation.

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 telecopier 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 senior management on a "need to know basis" or through the use of passwords.
6. 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.
7. To the fullest extent practicable, if the Corporation 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 the Corporation and may not be removed, disclosed, copied or otherwise used except in the normal course of employment or with the prior permission of the Corporation.

5. 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 or employee of the Corporation from accepting a gift or other benefit of any nature in consideration for causing the Corporation 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 Corporation in return for such Corporation agreeing to do something for or in relation to the Corporation, including the purchase of its shares or other securities, whether issued or un-issued.

6. DESIGNATION OF OFFICERS

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

7. ACKNOWLEDGEMENT

For each director and officer of the Corporation and each employee of the Corporation or its subsidiaries having managerial or similar responsibility will be required to sign the Receipt and Acknowledgement form attached hereto as Schedule "C". The signed Receipt and Acknowledgement form will be placed in each individual's personnel record.

8. COMPANY

Any person who has any questions about this Policy may obtain additional guidance from the Corporation's senior management and legal counsel. However, the ultimate responsibility for adhering to the Policy and avoiding improper transactions rests with each director, officer or employee of the Corporation.

SCHEDULE "A"
SUMMARY OF PROHIBITIONS AGAINST INSIDER TRADING

1. INTRODUCTION

This memorandum briefly summarizes the prohibitions against insider trading contained in the *Securities Act* (Ontario) (the "**OSA**"). Insider trading legislation has also been enacted in most other provinces in Canada. Reference should be made to the full text of applicable laws.

2. PROHIBITIONS AGAINST INSIDER TRADING

- (a) The OSA prohibits a person or Corporation in a "special relationship" with a reporting issuer from purchasing or selling securities of the issuer with knowledge of a material fact or material change with respect to that issuer that has not been generally disclosed. For the purposes of the OSA, a fact or change is material if it would reasonably be expected to have a significant effect on the market price or value of any of the securities of the reporting issuer.
- (b) The OSA also prohibits a person or Corporation in a special relationship with a reporting issuer from informing another person or Corporation (other than in the necessary course of business) of a material fact or material change with respect to a reporting issuer before it has been generally disclosed.
- (c) The OSA also prohibits a person or Corporation that proposes to make a take-over bid for the securities of a reporting issuer or to become party to a reorganization, amalgamation or other business combination with the reporting issuer or that proposes to acquire a substantial portion of its property from informing another person or Corporation of undisclosed material information with respect to the issuer except in the necessary course of business to effect the takeover bid, business combination or acquisition.
- (d) The OSA also prohibits a person or Corporation (a "**tippee**") who learns of undisclosed material information regarding a reporting issuer from any other person or Corporation in a special relationship with that issuer, including another tippee, and who knows or ought reasonably to have known that the other person or Corporation was in a special relationship with the issuer, from purchasing or selling securities of the issuer or from informing another person or Corporation of the undisclosed material information.
- (e) The prohibitions contained in the OSA against insider trading only apply to persons or companies that are in a special relationship with the reporting issuer. The concept of a special relationship with the reporting issuer is defined broadly in the OSA to include, among others, any director, officer or employee of the reporting issuer, any person or Corporation who beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attaching to the outstanding voting securities of the reporting issuer (a "**10% shareholder**"), any director or senior officer of any of the subsidiaries or 10% shareholders of the reporting issuer, any tippee and every person or Corporation (and its directors, officers

and employees) that is engaging in or proposes to engage in any business or professional activity with or on behalf of the reporting issuer.

3. PENALTIES AND CIVIL LIABILITY FOR INSIDER TRADING VIOLATIONS

The OSA provides that every person or Corporation who contravenes the insider trading provisions of the OSA may be liable for a fine in an amount not less than the profit made by the person or Corporation by reason of the contravention and not more than the greater of \$5,000,000 and three times the profit made. A violation of the insider trading provisions also may result in imprisonment for a term of up to five years less a day.

The OSA also provides that a person or Corporation in a special relationship with a reporting issuer who purchases or sells securities of that reporting issuer while in the possession of undisclosed material information with respect to that issuer also may be liable to compensate the seller or purchaser of the securities, as the case may be, for damages suffered as a result of the trade. In addition, certain persons in a special relationship with a reporting issuer who violate the insider trading rules are accountable to the reporting issuer for any benefit or advantage received or receivable by them.

Any person or Corporation who contravenes the tipping provisions of the OSA is liable to compensate any person or Corporation that thereafter sells securities of the reporting issuer to, or purchases securities of the reporting issuer from, the person or Corporation that received the information

SCHEDULE "B"
CONFIDENTIALITY AND SECURITIES TRADING RULES

TO: EMPLOYEES & CONSULTANTS OF O3 MINING INC.

O3 Mining Inc. (the "Corporation") is a public company with shares listed on the Toronto Stock Exchange. As a public company, all employees must refrain from conducting improper trading in shares of the Corporation or the improper communication of undisclosed material information regarding the Corporation.

1. INSIDER TRADING

Each director, officer and employee of the Corporation and each of the other persons and companies to whom these rules apply is expected to comply fully with the provisions of applicable securities law relating to insider trading.

Securities laws prohibit an employee or consultant from purchasing or selling securities of the issuer with knowledge of a material fact or material change with respect to that issuer that has not been generally disclosed. A fact or change is material if it would reasonably be expected to have a significant effect on the market price or value of any of the securities of the reporting issuer.

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, no employee or consultant of the Corporation will be permitted to purchase or sell any shares or other securities of the Corporation or to exercise any outstanding stock options granted or warrants issued by the Corporation unless permission for the proposed transaction is first obtained from your supervisor. Failure to comply with these rules and procedures may result in the immediate suspension or dismissal as an employee or consultant of the Corporation.

2. CONFIDENTIALITY

In the course of the Corporation's ongoing business operations, the employees and consultants of the Corporation often are engaged in transactions or other activities that are or may become material to the Corporation but which have not been generally disclosed to the public. Examples of transactions or activities that may give rise to material information include exploration results, the acquisition or sale of significant assets or any other development that would reasonably be expected to significantly affect the market price or value of the outstanding shares of the Corporation.

Communication of confidential information regarding the Corporation may be made to other the directors, officers and employees of the Corporation 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 your supervisor.

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 telecopier 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 senior management on a "need to know basis" or through the use of passwords.
6. 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.
7. To the fullest extent practicable, if the Corporation 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 the Corporation and may not be removed, disclosed, copied or otherwise used except in the normal course of employment or with the prior permission of the Corporation.

The onus of complying with the above requirements and the relevant insider trading and other rules is on each employee and consultant of the Corporation, each of whom is expected to be familiar with these requirements and those rules and to comply fully with them. It is in your interest that the rules and procedures outlined above be complied with fully. **Failure to comply with these rules and procedures may result in the immediate suspension or dismissal as an employee or consultant of the Corporation.**

Members of the families of the employees and consultants of the Corporation 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 these rules, as if they themselves were employees and consultants of the Corporation.

3. COMPANY ASSISTANCE

Any person who has any questions about these rules may obtain additional guidance from the Corporation's Senior Management and legal counsel. However, the ultimate responsibility for adhering to these rules and avoiding improper transactions rests with each employee and consultant of the Corporation.

SCHEDULE "C"
RECEIPT AND ACKNOWLEDGEMENT FORM
****[FOR USE BY DIRECTORS, OFFICERS & MANAGERIAL STAFF]****

I, _____, a _____
(Name) *(Title, i.e. Employee, Consultant)*

of **O3 MINING INC.** (the "**Corporation**") hereby acknowledge receipt of the Corporation's Rules on Confidentiality and Securities Trading. I further acknowledge that I have read and understood the Rules on Confidentiality and Securities Trading and I agree to comply with such rules in all respects.

As applicable, I agree that all members of my family, all other persons who reside with me, all holding companies and other related entities over which I exert control, and all persons or companies acting on behalf of or at my request, are expected to comply with the Rules on Confidentiality and Securities Trading.

I understand and acknowledge that any breach or failure to comply with the Rules on Confidentiality and Securities Trading may result in sanction by, or otherwise constitute grounds for summary dismissal for just cause of my employment without notice or payment in lieu of notice.

DATED this _____ day of _____, 20____.

SIGNATURE: _____

WITNESS: _____

Name:

Title: