

## **EAST AFRICA METALS INC.**

### **CORPORATE DISCLOSURE, CONFIDENTIALITY, INSIDER TRADING AND BLACKOUT POLICY**

#### **1. Purpose of this Policy**

The purpose of this corporate disclosure, confidentiality, insider trading and blackout policy (the "Policy") of East Africa Metals Inc. (the "Corporation") is to:

- (a) reinforce the Corporation's commitment to comply with continuous and timely disclosure obligations as required under applicable Canadian securities laws and regulations of the stock exchange on which the Corporation's securities are listed;
- (b) ensure that all communications to the investing public about the business and affairs of the Corporation are:
  - (i) informative, timely, factual, balanced and accurate; and
  - (ii) broadly disseminated in accordance with all applicable legal and regulatory requirements;
- (c) ensure the Corporation prevents the selective disclosure of Material Information (as defined herein) to analysts, institutional investors, market professionals and others;
- (d) ensure strict compliance by all insiders with the prohibition against insider trading; and
- (e) ensure all persons to whom this Policy applies understand their obligations to preserve the confidentiality of Undisclosed Material Information (as defined herein).

This Policy confirms in writing the Corporation's existing disclosure policies and practices.

#### **2. Application of this Policy**

This Policy applies to all directors, officers, employees and full-time consultants and full-time contractors of the Corporation, as well as those persons authorized to speak on behalf of the Corporation. This Policy also covers all disclosure made in documents filed with stock exchanges, securities regulators, all financial and non-financial disclosure, including management's discussion and analysis and written statements made in the Corporation's annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Corporation's website and other electronic communications, as well as all Undisclosed Material Information. It extends to all oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as presentations, speeches, press conferences, conference calls and webcasts.

### **3. Communication of this Policy**

A copy of this Policy will be distributed annually to all directors, officers, employees and full-time consultants and full-time contractors of the Corporation, as well as those persons authorized to speak on behalf of the Corporation, to ensure they are all aware of this Policy. As well, this Policy will be made available on the Corporation's website. All directors, officers, employees and full-time consultants and full-time contractors will be informed whenever significant changes are made to this Policy. New directors, officers, employees, full-time consultants and full-time contractors will be provided with a copy of this Policy and educated about its importance.

### **4. Disclosure Matters**

#### **4.1 Disclosure Representatives**

The persons holding the following offices with the Corporation or other persons proposed by the Corporate Governance and Nominating Committee will act as the Corporation's Disclosure Representatives:

- (a) Chief Financial Officer
- (b) Vice President, Exploration
- (c) Business Development Shareholder Communication

#### **4.2 Responsibilities of the Disclosure Representatives**

The Disclosure Representatives shall have the responsibility to:

- (a) ensure that all securities regulatory disclosure requirements are met and oversee the Corporation's disclosure practices. This responsibility includes the design and implementation of the Corporation's disclosure controls and procedures;
- (b) evaluate the necessity of making public disclosures;
- (c) review and approve, before they are Generally Disclosed (as defined herein), each Document (as defined herein) to assess the quality of the disclosures made in the Document including, but not limited to, whether the Document is accurate and complete in all material respects;
- (d) review and approve the guidelines and procedures to be distributed to appropriate management and other personnel of the Corporation designed to gather the information required to be disclosed in Core Documents (as defined herein);
- (e) establish timelines for the preparation of Core Documents, which shall include critical dates and deadlines during the disclosure process relating to the preparation of drafts, the circulation of drafts to appropriate personnel at the Corporation, the Corporation's independent auditors, and the Chairman of the

appropriate Committee, the receipt of comments and the review of the comments by the Disclosure Representatives. The timelines should allow for circulation of draft Core Documents to such persons sufficiently in advance of the applicable filing deadline in order to enable such persons to review carefully the filing of Core Documents and discuss any questions and comments related thereto;

- (f) identify appropriate disclosure benchmarks for an assessment of materiality and timely disclosure, taking into consideration the nature of the information, the historical volatility of the Corporation's securities, industry practice and the prevailing market conditions;
- (g) determine whether:
  - i. a Material Change has occurred or Material Facts exist;
  - ii. selective disclosure has been or might be made; or
  - iii. a misrepresentation has been made;
- (h) periodically evaluate the effectiveness of the Corporation's disclosure controls and procedures, particularly prior to the filing of each Core Document, including assessing the adequacy of the controls and procedures in place to ensure that Material Information required to be disclosed in the Corporation's Core Documents is being recorded, processed, summarized and reported within the required time periods;
- (i) make revisions with respect to the disclosures to be contained in Core Documents to be filed by the Corporation;
- (j) conduct discretionary interim evaluations of the Corporation's disclosure controls and procedures in the event of significant changes in securities regulatory requirements, International Financial Reporting Standards ("IFRS") or Canadian GAAP (or other applicable accounting principals), legal, or other regulatory policies, or stock exchange requirements, or if they otherwise consider such evaluations appropriate; and
- (k) monitor the effectiveness of, and compliance with, this Policy and report to the Corporate Governance and Nominating Committee of the Board of Directors of the Corporation (the "**Board**") on the operation of this Policy, specific disclosure issues, the processes followed, the assessment of the quality of disclosure and any related matters, and recommend any necessary changes to this Policy such that it complies with changing requirements and best practices.

#### 4.3 Disclosure Representatives to be fully informed of corporate developments

All employees of the Corporation, directly or through their immediate supervisor, must keep all Disclosure Representatives sufficiently apprised of potentially material

developments so they can discuss and evaluate any events that might give rise to a disclosure obligation.

## 5. Designated Spokespeople

The Corporation's Chief Executive Officer is responsible for all public relations, including all contact with the media, and are the only individuals ("**Spokesperson**"), unless otherwise authorized by the Chief Executive Officer, authorized to respond to analysts, the media and investors on behalf of the Corporation.

Employees other than a Spokesperson must not respond under any circumstances to inquiries from the investment community, the media, regulatory authorities or others unless specifically authorized by a Spokesperson. All such communications must be immediately referred to the Chief Executive Officer.

## 6. Procedures Regarding the Preparation and Release of Documents

- 6.1 The procedures in this section apply to all directors, officers and employees, as well as full-time consultants and full-time contractors.
- 6.2 A "Document" means any public written communication, including a communication prepared and transmitted in electronic form (hereinafter referred to as a "**Document**"):
- (a) that is required to be filed with the British Columbia Securities Commission (the "**BCSC**"), or any other securities regulatory authority in Canada on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at *www.sedar.com* or otherwise;
  - (b) that is not required to be filed with the BCSC or on the SEDAR website but is so filed;
  - (c) that is filed or required to be filed with a government or an agency of a government under applicable securities or corporate laws or with any stock exchange or similar institution under its by-laws, rules or regulations; or
  - (d) any other communication the content of which would reasonably be expected to effect the market price or value of the securities of the Corporation.
- 6.3 A "misrepresentation" means:
- (a) an untrue statement of a Material Fact; or
  - (b) an omission to state a Material Fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.
- 6.4 For the purpose of this Policy, the following documents are "**Core Documents**":
- (a) prospectuses;

- (b) take-over bid, issuer bid, directors', rights offering and information circulars;
- (c) management's discussion and analysis ("**MD&A**");
- (d) material change reports;
- (e) annual information forms; and
- (f) annual and interim financial statements.

6.5 Prior to the time that any Document is to be released to the public, filed with the BCSC, any other securities regulatory authority in Canada, or filed on SEDAR, the following procedures must be observed:

- (a) the Document must be prepared in consultation with, and be reviewed by, personnel in all applicable internal departments of the Corporation, and input from external experts and advisors should be obtained as necessary;
- (b) any Core Document must be reviewed and approved by the Disclosure Representatives;
- (c) the Chief Executive Officer must review and approve all news releases;
- (d) the Chief Financial Officer and Audit Committee must review and approve any news release or Core Document containing financial information;
- (e) in the event a report, statement or opinion of any expert is included or summarized in a Document, the written consent of the expert to the use of the report, statement or opinion or extract thereof and the specific form of disclosure shall be obtained. In addition, the Disclosure Representatives must be satisfied that:
  - i. there are no reasonable grounds to believe that there is a misrepresentation in the part of the Document made on the authority of the expert; and
  - ii. part of the Document fairly represents the expert report, statement or opinion; and
- (f) Core Documents, other than interim financial statements and material change reports, must be provided to the directors sufficiently in advance of the time they are to be filed or released to allow the directors to review and comment on such documents.

6.6 The Corporation, as determined by the Disclosure Representatives, must have a reasonable basis for disclosing Forward-Looking Information (as defined by applicable Canadian securities laws). Materiality of Forward-Looking Information will be determined by considering if a reasonable investor's investment decision would be influenced or changed if the Forward-Looking Information were omitted or misstated

and all material Forward-Looking Information will be broadly disseminated via news release. Forward-Looking Information will only be published if there is a reasonable basis for drawing the conclusions or making the forecast and projections set out.

- 6.7 Once the Corporation has published Forward-Looking Information, it will ensure that past disclosure of Forward-Looking Information is accurately reflected in the current MD&A, including disclosure and discussion of material differences between the Forward-Looking Information and actual results.
- 6.8 Any Document containing Forward-Looking Information must be identified as such, and must include disclosure, in written form, that:
- (a) identifies Forward-Looking Information as such;
  - (b) cautions users of Forward-Looking Information that actual results may vary from the Forward-Looking Information and identifies material risk factors that could cause actual results to differ materially from the Forward-Looking Information;
  - (c) states the material factors or assumptions used to develop Forward-Looking Information; and
  - (d) cautions that the information is being provided as of a specified date and is subject to change after that date and describes the Corporation's policy for updating Forward-Looking Information.

## **7. Disclosure Controls and Procedures**

- 7.1 The following disclosure controls and procedures of the Corporation have been reasonably designed to ensure that information required to be disclosed is recorded, processed, summarized and reported on a timely basis:
- (a) The Disclosure Representatives shall assign responsibility to the appropriate individuals to draft the required disclosures in the material public disclosures of the Corporation and shall develop a timeline to ensure the drafting and review is conducted in a timely manner.
  - (b) The Disclosure Representatives shall review new developments, key risks and business challenges or areas of concern for special attention during the drafting process.
  - (c) The Disclosure Representatives shall review the draft as many times as necessary, and consider all comments raised by any other Disclosure Representatives and other reviewers. Concerns will be addressed with outside counsel and the independent auditors, as necessary.
  - (d) The Disclosure Representatives shall ensure disclosure includes any information the omission of which would make the rest of the disclosure misleading. Unfavourable Material Information shall be disclosed as promptly and completely as favourable information. The materiality of information cannot be

altered by breaking down the information into smaller, non-material components.

- (e) Where it considers it necessary or advisable, the Disclosure Representatives will have portions of Core Documents reviewed by another knowledgeable person. All financial information shall undergo a second internal review and a review by the Corporation's independent auditors.

## 8. Timely Disclosure of Material Information

- 8.1 **"Material Information"** consists of both **"Material Facts"** and **"Material Changes"**. A **"Material Fact"** means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Corporation. A **"Material Change"** means a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Corporation and includes a decision to implement such a change if such a decision is made by the Board or by senior management of the Corporation who believe that confirmation of the decision by the Board is probable.

Schedule "A" attached to this Policy lists examples of Material Information.

- 8.2 Any person to whom this Policy applies who becomes aware of information that may be material must immediately disclose that information to the Chief Executive Officer, who shall advise the Disclosure Representatives.
- 8.3 Upon the occurrence of any change that may constitute Material Information in respect of the Corporation or upon the Disclosure Representatives becoming aware of an event that has the possibility of being Material Information, the Disclosure Representatives, in consultation with such other advisors as they may consider necessary, shall:

- (a) consider whether the event constitutes a Material Change;
- (b) if it does constitute a Material Change, prepare a news release and a material change report describing the Material Change as required under applicable securities laws;
- (c) determine whether a reasonable basis exists for filing the material change report on a confidential basis. In general, filings will not be made on a confidential basis although, in exceptional circumstances (such as disclosure related to a potential acquisition), confidential disclosure may be appropriate;
- (d) to the extent practicable, circulate the draft news release and material change report to the members of the Board and senior management together, if applicable, with the recommendation that it be filed on a confidential basis; and
- (e) if applicable, following approval by the Disclosure Representatives, file the material change report on a confidential basis and when the basis for

confidentiality ceases to exist, and the event remains material, issue a news release and file a material change report in compliance with applicable securities laws, including the *Securities Act* (British Columbia) (the “**Act**”). During the period of time while a confidential Material Change has not been publicly disclosed, the Corporation shall maintain complete confidentiality and shall not release a document or make a public oral statement that, due to the undisclosed Material Change, contains a misrepresentation.

- 8.4 News releases disclosing Material Information will be transmitted to the stock exchange upon which securities of the Corporation trade, relevant regulatory bodies and major news wire services that disseminate financial news to the financial press. News releases disclosing Material Information must be pre-cleared by the Investment Industry Regulatory Organization of Canada if issued during trading hours or as may otherwise be required by the stock exchange upon which securities of the Corporation trade. Subject to Section 11 of the TSX Venture Exchange Policy 3.3, regardless of when an announcement involving Material Information is released, news releases must be pre-filed with the Investment Industry Regulatory Organization of Canada prior to dissemination to the public where the news release contains information relating to the following:
- (a) reverse takeovers, changes of business or other reorganizations;
  - (b) reviewable transactions, including corporate acquisitions or dispositions;
  - (c) change of control;
  - (d) future-oriented financial information or other operating projections; and
  - (e) disclosure of mineral reserves or mineral resources.
- 8.5 Disclosure on the Corporation’s website alone does not constitute adequate disclosure of Material Information. News releases will be posted on the Corporation’s website immediately after confirmation of dissemination over the newswire. The website will include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures.
- 8.6 Should a material statement inadvertently be made in a selective forum, the Corporation will immediately issue a news release to fully disclose that information, and will request a halt in trading, if necessary.
- 8.7 Disclosure must be corrected immediately if the Corporation learns that earlier disclosure by the Corporation contained a material error at the time it was given.

## 9. Confidentiality of Undisclosed Material Information

- 9.1 “**Undisclosed Material Information**” of the Corporation is Material Information about the Corporation that has not been “**Generally Disclosed**”, which means that the Material Information has been disseminated to the public by way of a news release and

a reasonable amount of time (24 hours, unless otherwise advised that the period is longer or shorter, depending on the circumstances) has passed since the dissemination of the news release for the public to analyze the information.

- 9.2 Any person to whom this Policy applies and who has knowledge of Undisclosed Material Information must treat the Material Information as confidential until the Material Information has been Generally Disclosed.
- 9.3 Undisclosed Material Information shall not be disclosed to anyone except in the necessary course of business. If Undisclosed Material Information has been disclosed in the necessary course of business, anyone so informed must clearly understand that it is to be kept confidential, and, in appropriate circumstances, execute a confidentiality agreement. Schedule "B" attached hereto lists circumstances where securities regulators believe disclosure may be in the necessary course of business. When in doubt, all persons to whom this Policy applies must consult with the Chief Executive Officer to determine whether disclosure in a particular circumstance is in the necessary course of business. For greater certainty, disclosure to analysts, institutional investors, other market professionals and members of the press and other media will not be considered to be in the necessary course of business.
- 9.4 In order to prevent the misuse or inadvertent disclosure of Undisclosed Material Information, the procedures set forth below should be observed at all times:
  - (a) documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" that information in the necessary course of business and code names should be used if necessary;
  - (b) confidential matters should not be discussed in places where the discussion may be overheard;
  - (c) confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them;
  - (d) employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office;
  - (e) access to confidential electronic data should be restricted through the use of passwords and documents should not be stored in a shared directory;
  - (f) transmission of documents containing Undisclosed Material Information by electronic means should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions;
  - (g) unnecessary copying of documents containing Undisclosed Material Information should be avoided and extra copies of documents must be promptly removed from meeting rooms and work areas at the conclusion of the meeting and must

be securely destroyed if no longer required;

- (h) persons who do not require notice of a special blackout period should not be told whether a special blackout period has been designated under this Policy; and
- (i) the whereabouts of personnel of the Corporation or the identity of visitors to the Corporation's premises or operations shall not be disclosed.

9.5 Other than during certain specified windows of time designated in advance by the Chief Executive Officer of the Corporation or as the Chief Executive Officer may designate from time to time, the Vice President, Exploration, and members of the exploration team working with him as may be approved from time to time by the Chief Executive Officer of the Corporation, is the only individual at the Corporation who will receive drill and assay results before they are processed, pass quality assurance and quality control procedures, and are ready for public disclosure in accordance with the Corporation's timely disclosure obligations, so as not to provide others at the Corporation, including the Board of Directors, with potentially Material Undisclosed Information.

## **10. Trading in Securities of the Corporation**

10.1 Any person or company 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 company considered to be in a "special relationship" with the Corporation includes the following:

- (a) a person or company that is an insider, affiliate or associate of (i) the Corporation, (ii) a person or company that is proposing to make a take-over bid for the securities of the Corporation; or (iii) a person or company 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 company 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 company described in subclause (a)(ii) or (iii);
- (c) a person who is a director, officer or employee of the Corporation or of a person or company described in subclause (a)(ii) or (iii) or clause (b);
- (d) a person or company that learned of the Material Fact or Material Change with respect to the Corporation while the person or company was a person or company described in clause (a), (b) or (c); and
- (e) a person or company that learns of a Material Fact or Material Change with respect to the Corporation from any other person or company described in this subsection, including a person or company described in this clause, and knows or ought reasonably to have known that the other person or company is a

person or company in such a relationship.

- 10.2 Securities laws also prohibit “tipping,” defined as communicating Undisclosed Material Information, other than in the necessary course of business, to another person. All officers, directors and employees must ensure that they do not divulge such non-public information to any unauthorized person, whether or not such person may trade on the information. If in doubt about the need to disclose, the matter should be discussed with the Chief Executive Officer of the Corporation.
- 10.3 In order to avoid possible inadvertent conflict with this Policy, standing sell orders or standing purchase orders are not to be left with a broker. Selling short, or buying or selling a call or put option in respect of the Corporation’s securities is prohibited. Executive officers and directors are prohibited from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

## 11. Trading Blackouts

### 11.1 General

A trading blackout prohibits trading by certain directors, officers, employees and other persons subject to this Policy (a) before a material announcement is made, and (b) for a specific period of time after a material announcement has been made.

Management will consider pending developments to determine (a) when to prohibit trading, and (b) whom should be prohibited from trading. Depending on the nature of the development and which individuals subject to this Policy will have access to Undisclosed Material Information, management will develop a list of those individuals who will be subject to a particular trading blackout (the “**Blacked Out Individuals**”).

In some cases, the prohibition on trading may occur as soon as discussions about a transaction begin. During blackout periods, the Corporation must also avoid discussions with analysts, private briefings and interviews to the maximum extent reasonable. An appropriate response (not involving disclosure of material and/or non-public information) should be developed ahead of meetings that cannot be avoided to handle questions about the information that is the subject of the blackout. Any individual who is subject to a trading blackout is not to disclose to any party, including other directors, officers, employees or consultants, that a blackout is in effect.

### 11.2 Pre-announcement Trading Blackout

The Corporation will impose a blackout period on applicable Blacked Out Individuals if there is a pending undisclosed material development. The blackout period will commence at the time that an individual designated by the Chief Executive Officer disseminates an email to all of the applicable Blacked Out Individuals confirming same.

### 11.3 Post-announcement Trading Blackout

The Corporation must allow the market time to absorb the information before the applicable Blacked Out Individuals can resume trading after the release of Material Information.

All applicable Blacked Out Individuals are prohibited from trading for one clear trading day after the earlier of (i) the material announcement being made; and (ii) the dissemination of an email from the Chief Executive Officer of the Corporation (or such other individual as the Chief Executive Officer of the Corporation may designate from time to time) confirming that the information in question is no longer material.

### 11.4 Trading Blackout Following News Release

In the absence of a trading blackout, the Corporation must allow the market time to absorb information before individuals can resume trading after the dissemination of a news release. All directors, officers, employees and other persons subject to this Policy are prohibited from trading for one clear trading day after the announcement is made, other than for news releases made in the ordinary course (such as announcing the grant of options).

11.5 The trading prohibitions in Sections 11.1, 11.2, 11.3 and 11.4 do not apply to the acquisition of securities through the exercise of stock options but do apply to the sale of the securities acquired through the exercise of stock options.

## 12. Blackout Period

Spokespersons must not provide any Forward-Looking Information relating to the business and affairs of the Corporation or any of its subsidiaries, including information relating to drilling or other exploration results, during any blackout period imposed pursuant to this Policy.

During a blackout period, a Spokesperson may respond to unsolicited inquiries about non-Material Information or information that has been Generally Disclosed.

The Corporation must also avoid discussions with analysts, private briefings and interviews during a blackout period to the extent reasonable. An appropriate response that does not involve material or non-public information should be developed ahead of any unavoidable meetings to handle questions that are the subject of the blackout.

## 13. Insider Reporting

13.1 All "Reporting Insiders" of the Corporation must file an initial report through the System for Electronic Disclosure by Insiders (known as SEDI) within 10 days of the later of (a) acquiring any securities of the Corporation, and (b) becoming a Reporting Insider. All Reporting Insiders of the Corporation must file subsequent reports through SEDI within five days of the day on which any subsequent trade is made in the securities of the Corporation. 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).

**“Reporting Insider”** means an insider of a reporting issuer if the insider is

- (a) the chief executive officer, chief financial officer or chief operating officer of the reporting issuer, of a Significant Shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;
- (b) a director of the reporting issuer, of a Significant Shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;
- (c) a person or company responsible for a principal business unit, division or function of the reporting issuer;
- (d) a Significant Shareholder of the reporting issuer;
- (e) a Significant Shareholder based on post-conversion beneficial ownership of the reporting issuer’s securities and the chief executive officer, chief financial officer, chief operating officer and every director of the Significant Shareholder based on post-conversion beneficial ownership;
- (f) a management company that provides significant management or administrative services to the reporting issuer or a major subsidiary of the reporting issuer, every director of the management company, every chief executive officer, chief financial officer or chief operating officer of the management company, and every Significant Shareholder of the management company;
- (g) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (a) to (f);
- (h) the reporting issuer itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or
- (i) any other insider that (i) in the ordinary course receives or has access to information as to Material Facts or Material Changes concerning the reporting issuer before the Material Facts or Material Changes are generally disclosed; and (ii) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the reporting issuer.

**“Significant Shareholder”** means a person or company that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, securities of an issuer carrying more than 10 per cent of the voting rights attached to all the issuer’s outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or company as underwriter in the course of a distribution.

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

#### **14. Liability for Insider Trading**

The Act imposes liability on certain persons who, in connection with the purchase or sale of securities, make improper use of Undisclosed Material Information.

The relevant provincial securities legislation provides that persons who are in a special relationship with the Corporation and purchase or sell securities of the Corporation with knowledge of Undisclosed Material Information may be liable for damages to the person on the other side of the trade. In addition, any such person who informs or tips a seller or a purchaser of securities of Undisclosed Material Information may be liable for damages. The purchaser, vendor or informer is also liable to compensate the seller or purchaser of the securities, as the case may be, for damages as a result of the trade. Under the Act, a person who engages in trading with knowledge of Undisclosed Material Information or tipping is also liable to a minimum fine equal to the profit made or loss avoided, and a maximum fine equal to the greater of (i) \$3,000,000; and (ii) an amount equal to three times any profit made or loss avoided. Under the Act, any such person may also be liable for imprisonment for a term of up to three years.

#### **15. Rumours**

The Corporation shall not comment, affirmatively or negatively, on rumours, including those rumours disseminated on the Internet. Spokespersons will respond consistently to those rumours, saying "It is our policy not to comment on market rumours or speculation."

If a securities regulatory authority requests that the Corporation make a statement in response to a market rumour, the Disclosure Representatives will consider the matter and make a recommendation to the Chief Executive Officer as to the nature and content of any response. If the rumour is true, in whole or in part, this may be evidence of a leak, and the Corporation will immediately issue a news release disclosing the relevant Material Information.

#### **16. Dealing with Regulators**

The Chief Executive Officer or a person authorized by the Chief Executive Officer will be responsible for receiving inquiries from the Investment Industry Regulatory Organization of Canada with respect to unusual trading activity or market rumours.

If required by applicable laws, rules and regulations, the Chief Executive Officer or a person authorized by the Chief Executive Officer is responsible for contacting the Investment Industry Regulatory Organization of Canada in advance of the release of Material Information to seek approval of the news release, to watch for unusual trading and to determine if a halt in trading is required.

## 17. Dealing with the Investment Community

### 17.1 General

In communicating with investment analysts, security holders, potential investors and the media, the following practices must be avoided:

- (a) disclosing Material Information that has not been previously announced in a news release;
- (b) selective disclosure;
- (c) distribution of investment analyst reports; and
- (d) commenting on unreleased technical information.

### 17.2 Conference Calls and Webcasts

The Corporation may hold investor conference calls with investment analysts and other interested parties as soon as practicable (usually within one business day) after the release of quarterly financial results or significant technical or other material news. Conference calls also may be held following announcements of Material Information and events. The Corporation will issue a news release containing all relevant Material Information prior to all conference calls.

The Corporation will announce the date and time of any conference call in a news release prior to the call, if appropriate, and on the Corporation's website. An audio recording of the conference call will be made available by either telephone or through an Internet webcast for a limited time period thereafter and Investor Relations will retain a permanent record as part of the Corporation's corporate disclosure record. The Corporation will normally make summary slides available at the time of the conference on the Corporation's website. Such slides will summarize the contents of the Material Information in the news release and will not contain any information not disclosed in the news release.

Where practical, statements and responses to anticipated questions should be scripted in advance and reviewed by the Disclosure Representatives. At the beginning of each call, the Spokesperson will provide appropriate cautionary language with respect to any Forward-Looking Information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties.

Spokespersons will keep notes of telephone conversations with analysts and investors.

The Disclosure Representatives will normally hold a debriefing meeting as soon as practicable after any conference call. If such debriefing uncovers unintentional selective disclosure of previously undisclosed information, the Corporation will immediately disclose such information in a news release, and take any other steps the Disclosure Representatives deem appropriate.

### 17.3 Analyst Meetings

The Corporation's executives may meet with analysts and portfolio managers on an individual or small group basis as required, and initiate or respond to analyst and investor calls in a timely manner. Normally, the Chief Executive Officer, or his designate, will attend such meetings. When the Chief Executive Officer, or his designate, is unable to attend such meetings, prior to such meetings, he may brief those participating in the Corporation's public disclosure to help ensure consistency in messages and disclosure. Where practical, statements and responses to anticipated questions should be scripted or discussed in advance by Business Development Shareholder Communication. The Business Development Shareholder Communication may attend such meetings to keep detailed records and/or transcripts of all meetings, and to ensure that selective disclosure of Material Information does not occur and to allow follow-up cross-briefing with other Spokespersons to ensure that communication is consistent amongst all Spokespersons.

All analysts that cover the Corporation shall receive fair and equitable treatment regardless of whether they are recommending buying or selling the Corporation's securities.

In general, conversations with analysts should be limited to explanations or clarifications of Generally Disclosed Material Information or other non-Material Information or non-confidential information. The Corporation will keep a written log of these meetings, which will be maintained for at least five years and be included in the Corporation's formal disclosure record. It is not required to capture the various non-material discussions held formally.

If for any reason Material Information is selectively disclosed to analysts, investors or media in any forum, the Disclosure Representatives should be notified immediately, and the Corporation will immediately disclose such information in a news release, and take any other steps the Disclosure Representatives deem appropriate.

### 17.4 Analyst Reports and Models

When reviewing analysts' reports, comments of directors, officers, employees and full-time consultants and full-time contractors must be limited to identifying factual information that has been Generally Disclosed that may affect an analyst's model and pointing out inaccuracies or omissions with respect to factual information that has been Generally Disclosed.

Any comments must contain a disclaimer that the report was reviewed for factual accuracy only. No comfort or guidance shall be expressed on the analysts' earnings models or earnings estimates and no attempt shall be made to influence an analyst's opinion or conclusion.

The Corporation shall not distribute analysts' reports to any third parties. However, the Corporation will post, on its website, a complete listing of the analysts who have reports available for their retail clients (regardless of their recommendation) and their firm. The

Corporation will not provide a link to their website or publications and will not post copies of analyst reports on its website.

#### 17.5 Analyst Revenues, Earnings and other Estimates

The Spokespersons responding to inquiries by analysts regarding the Corporation's rate of expenditures, cash forecasts, revenues and earnings, and other estimates will be limited to: company forecasts and guidance already publicly disclosed and the range and average of estimates made by other analysts. The Corporation must not guide analysts with respect to financial estimates.

Should management determine that future results likely will be materially out of range of any previously issued guidance by the Corporation, the Corporation will disclose such information in a news release, and take any other steps the Disclosure Representatives deem appropriate, including a conference call to explain the change.

#### 17.6 Industry Conferences

The Corporation may participate in various industry conferences in Canada and elsewhere. In general, conversations with interested parties should be limited to explanations or clarifications of publicly disclosed Material Information or other non-Material Information or non-confidential information. The Disclosure Representatives should approve brochures or other material prior to dissemination to the public. A Disclosure Representative should be present to monitor that Material Information is not disclosed, unless it has been disclosed previously. If unintentional selective disclosure of non-public Material Information occurs, the Disclosure Representatives should be notified immediately, and the Corporation will immediately disclose such information in a news release, and take any other steps the Disclosure Representatives deem appropriate.

#### 17.7 Shareholder Interaction with the Board

Generally, it is management's responsibility to communicate with shareholders. However, the Corporation may facilitate access for shareholders who wish to communicate directly with the Board about non-trivial concerns. To guard against selective disclosure, directors should be familiar with this Policy, briefed on the public disclosure record and given guidelines on what constitutes materiality. In addition, corporate counsel and/or a Disclosure Representative should be present at meetings between directors and shareholders.

### **18. Dealing with the Media**

In communicating with the media, the following procedures will be followed:

- (a) The Corporation will not provide any Material Information or related documents to a reporter on an exclusive or selective basis;
- (b) Spokespersons should promptly respond to all media inquiries. Although the Business Development Shareholder Communication will be the initial media contact, and filter all

media requests as appropriate, senior management or subject matter experts should be utilized in key announcements, as appropriate, to build credibility and provide more informed disclosure;

- (c) If media news conferences are conducted in separate forums from investor conferences, access to information disclosed should be similar in all material respects; and
- (d) A Disclosure Representative should attend all media conferences and interviews to ensure that Material Information has not been disclosed and to maintain a record of the conference and interview.

## **19. Electronic Communications**

### **19.1 General**

This Policy also applies to electronic communications. Accordingly, personnel responsible for written and oral public disclosure are also responsible for electronic communications.

### **19.2 Websites**

The [Shareholders Communication] will be responsible for creating and maintaining the Corporation's website to ensure it is maintained in accordance with this Policy and securities laws and that such disclosure is accurate, complete and up-to-date. Disclosure on the Corporation's website or through social media networks alone does not constitute adequate disclosure of information that is considered non-public Material Information. Any disclosures of Material Information on the website or social media networks will be preceded by the issuance of a news release.

- (a) the following information must be included on the website:
  - 1. all Material Information that has previously been Generally Disclosed, including, without limitation, all documents filed on SEDAR or a link to those documents on SEDAR;
  - 2. all non-Material Information that is given to analysts, institutional investors and other market professionals (such as fact sheets, fact books, slides of investor presentations, materials distributed at analyst and industry conferences); and
  - 3. all news releases or a link to those news releases;
- (b) the website must contain an email link to a contact for the Corporation to facilitate communication with investors;
- (c) all information posted on the website must be dated when it is posted or modified and the website must include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures;

- (d) inaccurate information must be promptly removed from the website;
- (e) no media articles pertaining to the business and affairs of the Corporation will be posted;
- (f) links from the Corporation's website must include a notice that advises the reader that he or she is leaving the Corporation's website and that the Corporation is not responsible for the contents of the other site;
- (g) no links will be created from the Corporation's website to chat rooms, newsgroups or bulletin boards; and
- (h) all information on the Corporation's website will be retained for a period of two years from the date of issue.

If the Corporation is considering a distribution of its securities, the content of the website must be reviewed before and during the offering to ensure compliance with applicable securities laws.

Business Development Shareholder Communication will be responsible for:

- (a) posting all public information on the Corporation's website as soon as is practicable after public dissemination has taken place;
- (b) carrying out regular reviews of the Corporation's website to ensure the information is accurate, complete, current and in compliance with applicable disclosure requirements and electronic disclosure guidelines;
- (c) ensuring all outdated or inaccurate information is removed on a timely basis and electronically archived;
- (d) maintaining a log that lists the date and content of all Material Information that is posted and/or removed from the website;
- (e) approving all links from the Corporation's website to third party websites and ensuring all such links include a notice that advises the reader that he or she is leaving the Corporation's website and that the Corporation is not responsible for the contents of the other site; and
- (f) responding to all electronic enquiries and in so doing ensuring that only information that could be otherwise disclosed in accordance with this Policy shall be used in such responses. The [Shareholders Communication] will maintain a file of these responses to inquiries for two years.

### 19.3 Internet Chat Rooms, Electronic Bulletin Boards and Social Media

Directors, officers, employees and full-time consultants and full-time contractors must not discuss or post any information relating to the Corporation, its subsidiaries, or the securities of the Corporation or its subsidiaries in an Internet chat room, on a

newsgroup discussion, or any other form of social media without the prior consent of a Disclosure Representative. Directors, officers, employees and full-time consultants and full-time contractors who encounter a discussion pertaining to the Corporation in such forums should advise a Disclosure Representative immediately, so that the discussion may be monitored.

#### 19.4 Email

All Corporation email addresses are corporate property, and all correspondence sent or received via such email addresses is subject to the provisions of this Policy.

### **20. Maintenance of Disclosure Record**

The Business Development Shareholder Communication will maintain:

- (a) copies of all minutes and decisions of the Disclosure Representatives; and
- (b) copies of transcripts of presentations, conference calls and webcasts, notes from meetings with the media and analysts and analyst reports on the Corporation.

### **21. Policy Review**

The Board, or a committee of the Board, will review and evaluate this Policy annually to determine if this Policy effectively ensures accurate and timely disclosure in accordance with its disclosure obligations.

### **22. Commitment**

To demonstrate the Corporation's determination and commitment to the purposes of this Policy, the Corporation asks each employee to review this Policy periodically throughout the year, and to take the opportunity to discuss with management any circumstances that may have arisen that could be a breach of this Policy.

Directors, officers and the Disclosure Representatives are required to sign this Policy annually. Employees are required to sign this Policy when they are engaged or when this Policy is significantly revised.

Anyone who violates this Policy may face disciplinary action up to and including termination of employment with the Corporation without notice. The violation of this Policy may also violate certain securities laws, which could also expose directors, officers or employees to personal liability. If it appears that an employee may have violated such securities laws, the Corporation may refer the matter to the appropriate regulatory authorities, which could lead to fines or other penalties.

Approved by the Board of Directors on March 28, 2013.

**RECEIPT AND ACKNOWLEDGEMENT**

I, \_\_\_\_\_, hereby acknowledge that I have received and read a copy of the “East Africa Metals Inc. Corporate Disclosure, Confidentiality, Insider Trading and Blackout Policy” and agree to comply with its terms. I understand that violations of insider trading or tipping laws or regulations may subject me to severe civil and/or criminal penalties, and that violation of the terms of the above-noted Policy may subject me to discipline by the Corporation up to and including termination.

Name: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **Schedule "A"**

### **Examples of Information That May Be Material**

(Based on National Policy 51-201, Section 3.8 of Policy 3.3 the TSX Venture Exchange Company Manual and Section 410 of the Toronto Stock Exchange Manual)

#### **Changes in corporate structure**

- changes in share ownership that may affect control of the company
- changes in corporate structure such as reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids
- change of name

#### **Changes in capital structure**

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders
- acquisitions or dispositions of issuer's own securities

#### **Changes in financial results**

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policies

#### **Changes in business and operations**

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- results of any asset or property development, discovery or exploration, whether positive or negative
- changes to the Board or executive management, including the departure of the company's Chairman, CEO, CFO, COO (or persons in equivalent positions)
- the commencement of, or developments in, material litigation, legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another, including notice of suspension review or suspension of trading
- any oral or written employment, consulting or other compensation arrangements with any

- director or officer
- any oral or written management contract, any agreement to provide any investor relations, promotional or market making activities, any service agreement not in the normal course of business or any related party transaction, including a transaction involving non-arm's length parties
- any amendment, termination, extension or failure to renew any agreement where disclosure of the original agreement or transaction was required
- the establishment of any special relationship or arrangement with a participating organization or member of the TSX Venture Exchange or other registrant
- any other developments relating to the business or affairs of the issuer that would reasonably be expected to significantly affect the market price or value of any of the issuer's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions

**Acquisitions and dispositions**

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

**Changes in credit arrangements**

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

**Schedule "B"**  
**Examples of Disclosures That May Be Necessary in the Course of Business**  
(Reproduced from National Policy 51-201)

- (1) Disclosure to:
  - vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts
  - employees, officers and directors
  - lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the Corporation
  - parties to negotiations
  - labour unions and industry associations
  - government agencies and non-governmental regulators
  - credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available)
- (2) Disclosures in connection with a private placement
- (3) Communications with controlling shareholders, in certain circumstances