

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

(Adopted by the Board of Directors on [●], 2022)

STRATEGIC MINERALS EUROPE CORP.

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STRATEGIC MINERALS EUROPE CORP.
(the “**Corporation**”)

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

This Anti-Bribery and Anti-Corruption Policy (the “**Policy**”) applies to the directors, officers and employees of Strategic Minerals Europe Corp. and its subsidiaries (collectively, the “**Corporation**”).

It has always been the policy of the Corporation that we operate ethically, at all times, in every situation. The Corporation is committed to avoiding fraud and corruption in all of its forms. In varying degrees, as a director, officer or employee of the Corporation, each of us represents the Corporation in our dealings with others, whether they be other employees, customers, suppliers, competitors, governments or the general public.

The Corporation is subject to legislation in Canada that prohibits corrupt practices in dealing with foreign governments. The Canadian *Corruption of Foreign Public Officials Act* (“**CFPOA**”) makes it an offence to either directly or indirectly give any kind of benefit to a Foreign Public Official (as defined below) in order to obtain an advantage in the course of business. Violation of this legislation may result in substantial penalties to the Corporation and to individuals. It is the policy of the Corporation to comply with all applicable laws. The CFPOA guidelines (please see “Compliance with the CFPOA - Guidelines” below), which are incorporated into the Policy, are intended to assist the Corporation’s directors, officers and employees (the “**Regulated Parties**”) in their understanding of the CFPOA and its implications with respect to the operations of the Corporation.

At the Corporation, we are all expected, as directors, officers and employees, to conduct our dealings on behalf of the Corporation in accordance with this Policy. So that there can be no doubt as to what is expected of each of us in this regard, the Board of Directors of the Corporation (the “**Board**”) has endorsed this Code, which is to be followed by each director, officer and employee of the Corporation.

SUMMARY OF THE POLICY

As a director, officer or employee, when acting on behalf of the Corporation, you are expected to:

- Not offer expensive gifts or other benefits to persons, including public officials and political parties, that might influence or be perceived as influencing a business decision.
- Not accept expensive gifts or other benefits from persons doing or seeking to do business with the Corporation.
- Comply at all times with the CFPOA.

1. LEGAL AND REGULATORY COMPLIANCE

(a) Giving Gifts

Use your best judgment in giving gifts.

Directors, officers and employees should not offer expensive gifts or other benefits to persons, including public officials and political parties, that might influence or be perceived as influencing a business decision.

Employees, whose duties permit them to do so, such as employees in marketing, may offer modest gifts, entertainment or other benefits to persons who have a business relationship with the Corporation. The

benefits must be given in accordance with generally accepted ethical business practices. For example, it is acceptable to take a customer to dinner but it is not acceptable to give a customer cash.

Any donation or benefit to a public official or political party must be in accordance with this Policy and in connection with a donation or benefit to a foreign public official, must also be in accordance with the Corporation's Corruption of Foreign Public Officials Act Guidelines (please see "Compliance with the CFPOA - Guidelines" below). We encourage you to become involved in political activity acting on your own behalf, but not as a representative of the Corporation.

(b) Receiving Gifts

Directors, officers and employees must not accept expensive gifts or other benefits from persons doing or seeking to do business with the Corporation.

As a director, officer or employee, you cannot solicit, encourage or receive bribes or other payments, contributions, gifts or favours that could influence your or another person's decisions in connection with the Corporation. It is acceptable to accept modest gifts, entertainment or other benefits from persons doing or seeking to do business with the Corporation, provided the benefits are given in accordance with generally accepted ethical business practices and in accordance with the CFPOA (please see "Compliance with the CFPOA - Guidelines" below).

For example, a pair of tickets to a baseball game may be accepted from a supplier. However, it is not appropriate to accept a trip from a supplier, unless there is a specific business purpose and the trip has been approved by the head of the employee's department.

2. COMPLIANCE WITH THE CFPOA - GUIDELINES

(a) Application of the CFPOA

The CFPOA is a Canadian statute that implements the Organization for Economic Co-operation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The statute is aimed at preventing improper efforts to induce Foreign Public Officials (defined below) to act in connection with a party's business activities through bribery.

The CFPOA applies to both: (i) corporations; and (ii) individuals.

(b) Anti-Bribery Prohibitions under the CFPOA

The CFPOA anti-bribery provisions prohibit every person from directly or indirectly giving, offering or agreeing to give or offer a loan, reward, advantage or benefit of any kind to any Foreign Public Official or to any person for the benefit of a Foreign Public Official:

- i. as consideration for an act or omission by the official in connection with the performance of their duties or functions; or
- ii. to induce the official to use his or her position to influence any acts or decisions of the foreign state or public international organization for which the official performs duties or functions,

in order to obtain or retain an advantage in the course of business.

Offering, Promising, Giving, Paying, or Authorizing the Payment

Payments and offers or agreements to make a payment are sufficient to constitute a violation under the CFPOA. The CFPOA bars payments even if the Foreign Public Official (defined below) suggested the payment. In addition, a violation can arise even if the bribe is not accepted, it is never actually received, or the object of the bribe is not obtained. As this is a criminal offence, conspiring, attempting, or having an intention in common to bribe a Foreign Public Official is an offence, as are aiding and abetting in, and counseling of bribery of a Foreign Public Official.

Benefits

Currency or other forms of immediately available funds are the most obvious forms of benefit, but gifts that go beyond this are prohibited as well. Any form of payment, either directly or indirectly, is expressly prohibited. Examples would include gifts, entertainment, paying or reimbursing expenses, excessive promotional activities, investment opportunities, subcontracts, stock options, in-kind contributions, and other things of value that could be considered economic benefits that are being used to improperly influence a Foreign Public Official. It is not limited to tangible items of economic value. It can include anything a recipient would find useful. Trips or jobs offered to family members, charitable contributions, and other less obvious benefits may constitute violations. There is no minimum or threshold value under the CFPOA, and even things of modest value can trigger a violation; however there are limited exceptions which are set out below (please see “Exceptions to the CFPOA”).

Facilitation Payments

Effective October 31, 2017, amendments to the CFPOA removed the exemption for facilitation payments and makes such payments illegal. It is now unlawful under the CFPOA to make payments to expedite or secure the performance by a Foreign Public Official of any “act of a routine nature” that is part of the Foreign Public Official's duties or functions. This includes the practice of “expediting” payments, which are “tips” in the form of gratuities or gifts in small amounts to bureaucratic employees to expedite permits, licenses or official documents like visas, functions like police protection or inspections, and services like telephone installation and repair, power and water supply, or loading and unloading cargo.

Foreign Public Official

A “**Foreign Public Official**” under the CFPOA is broadly defined as:

- a. a person who holds a legislative, administrative or judicial position of a foreign state;
- b. a person who performs public duties or functions for a foreign state, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of the foreign state, or is performing such a duty or function; and
- c. an official or agent of a public international organization that is formed by two or more states or governments, or by two or more such public international organizations.

Required Intent

No particular mental element is expressly set out in the CFPOA; however, this offence will be interpreted in accordance with common law principles of Canadian criminal law. The criminal intent or *mens rea* is subjective knowledge. The act must have been committed intentionally or recklessly with either knowledge of the facts or willful blindness to them.

Influencing an Official Act

The types of behavior that are prohibited may include (1) influencing the Foreign Public Official to act in his or her official capacity; (2) inducing the Foreign Public Official not to act, which inaction constitutes a violation of his or her official duties; (3) inducing the Foreign Public Official to use his or her position to influence an act or decision of the government or public international organization for which the Foreign Public Official performs duties or functions; or (4) securing any improper advantage.

Obtaining or Retaining Business Advantage in the Course of Business

By using the words "in order to obtain or retain an advantage in the course of business," the CFPOA seeks to prohibit payments made to either obtain or retain an improper advantage in business. The word "**business**" is defined broadly in the CFPOA as "any business, profession, trade, calling, manufacture or undertaking of any kind carried on in Canada or elsewhere for profit." The CFPOA thus targets bribery in situations where a transaction is being carried out for profit. It is also important to note that the CFPOA prohibits the bribery of Foreign Public Officials in the course of business, and that the offence does not require the crossing of actual borders for conduct to be prohibited; for example, it is an offence under the CFPOA to bribe a Foreign Public Official in Canada to obtain a business advantage in Canada.

Jurisdiction

Canada has jurisdiction over the bribery of Foreign Public Officials when the offence is committed in whole or in part in its territory. There will be a sufficient basis for jurisdiction when there is a real and substantial link between the offence and Canada, for example, when a significant portion of the activities constituting the offence have taken place in Canada. Canadian courts also have jurisdiction over activities constituting an offence perpetrated anywhere in the world, regardless of whether there is any connection to Canada, if committed by a Canadian citizen, a permanent resident or a Canadian organization.

(c) Procedure for Making Agreements with Third Parties

The CFPOA establishes liability for payments made indirectly to a Foreign Public Official. The Corporation and the Regulated Parties may be liable for payments made through a third party, such as an agent, consultant, contractor, distributor, or sales representative (each, a "**Third Party**").

The Corporation has an established procedure for engaging a Third Party, which includes, but is not limited to, reference checks, review of the business practices of a Third Party, and explanation of these Guidelines to the prospective Third Parties. All new Third Parties are subject to this procedure and must be approved by the relevant business managers.

There are "red flags" that should alert you to potential problems with a Third Party and which must be investigated before entering into an agreement with such Third Party. "Red flags" may include: (i) requests for payments in cash instead of by cheque; (ii) payments made to some party other than the Third Party; (iii) lack of standard invoices; (iv) unusual credits granted to customers; (v) unusual bonuses paid to managers of foreign operations; (vi) comments or suggestions that bribery has occurred; (vii) the reputation of the country in which the Third Party operates; (viii) requests for political or charitable contributions; (ix) objections to CFPOA compliance; (x) the desire by the Third Party to keep his representation of the Corporation secret; and (xi) any relationship between the Third Party and a Foreign Public Official.

After signing an agreement with a Third Party, the Corporation should monitor the Third Party's activities and expenses for continued compliance with the CFPOA. If the Third Party makes an improper payment or gift to a Foreign Public Official, the Corporation may be held liable under the CFPOA even if it did not

expressly authorize the payment. To guard against liability, the Corporation requires documentation before paying or authorizing unusual or excessive invoices or expenses.

The Corporation may also be held accountable for bribes paid by foreign subsidiaries or joint ventures in which it participates. The Corporation may be held accountable if the subsidiary or joint venture engages in illegal conduct of which it should have been aware as may be evidenced by a seat on the board of directors. As a publicly-traded Canadian company, the Corporation faces an additional risk of prosecution by the Canadian Securities Administrators (“CSA”) for violating accounting rules if a payment is made by a foreign subsidiary, but it is improperly labeled in the Corporation's financial statements.

With respect to joint ventures, the Corporation must monitor the joint venture’s activities, as well as those of the joint venture partners. When the Corporation has a majority interest in the venture, it is required to comply with the CFPOA. When the Corporation has a minority interest, it is required to make a good-faith effort to cause the venture to comply with the CFPOA. To protect itself, the Corporation should ensure that the joint venture agreement contains representations and warranties that the venture partners will comply with the CFPOA and that no improper payments will be made to Foreign Public Officials to obtain business. The Corporation should also insert an escape clause in the joint venture agreement that would allow it to exercise its right to withdraw from a joint venture with non-Canadian participants upon the occurrence of any prohibited conduct. The escape clause should also provide for an indemnity for any losses or damages incurred by the Corporation that are caused by the improper actions of the other joint venture partner(s).

(d) Accounting

On June 19, 2013, the CFPOA was amended to create a new books and records offence which prohibits:

- Unrecorded or improperly recorded accounts;
- Unrecorded or inadequately identified transactions;
- Records of non-existent expenditures;
- Incorrectly identified liabilities;
- Using false documents; and
- Early destruction of accounting books and records.

(e) Exceptions to the CFPOA

Promotional and Marketing Expenses

A payment to a Foreign Public Official to pay for reasonable *bona fide* expenses incurred in good faith by or on behalf of the Foreign Public Official (i) in the promotion, demonstration or explanation of the Corporation's products or services; or (ii) in the execution or performance of a contract between the Corporation and the foreign state for which the Foreign Public Official is acting, are exceptions to the CFPOA. Such expense may include meals, travel and lodging expenses for a Foreign Public Official directly related to promoting the Corporation’s products and services. Such expenses should only be made if permitted by the laws of the foreign country.

Payments that are Legal Under Local Laws

Payments that are permitted or required under the laws and regulations of the foreign country or foreign public organization for which the Foreign Public Official performs duties or functions do not constitute violations under the CFPOA. However, recognized customs or practices are not sufficient, nor is it a defense that “everyone does it”. Should you have any questions with respect to any payments permitted or required under local laws, please contact the Vice President, Legal of the Corporation.

Emergencies

If a payment is made under threat of serious harm, the payment would not be covered by the CFPOA. True extortion situations, where payment is made to keep someone out of jail, would not be held to be a “bribe” because of a lack of intent.

Please note that even though the CFPOA allows these exceptions, Regulated Parties are also subject to the Corporation’s Code of Business Conduct and Ethics which states that: “It has always been the policy of the Corporation that all of our activities should be conducted with the highest standards of honesty and integrity and in compliance with all legal and regulatory requirements.” Additionally, some customers to whom the Corporation provides products and services may have higher standards than the law requires.

(f) Penalties for Violating the CFPOA

Under the CFPOA:

- the Corporation may be fined. The amount of any fine is at the discretion of the judge, and there is no maximum;
- an individual may be guilty of an indictable offence and may be imprisoned for a term of up to fourteen years; and
- as bribery of a Foreign Public Official is an extraditable offence there is no limitation period.

CURRENCY OF THIS POLICY

This Policy was approved by the Board on [●], 2022.