



## RELATED PARTY TRANSACTION POLICY

### I. Policy

Defense Metals Corp. (the "**Company**" or "**Defense**") recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its shareholders' best interests.

Therefore, this Policy regarding the review, approval or ratification of Related Party Transactions has been adopted by the Company's Board of Directors in order to set forth the guideline under which certain transactions must be reviewed and approved or ratified by the independent members of the Board of Directors, or its Audit Committee under authority delegate by the Board of Directors (in each case, the "**Approving Body**"), and the disclosure requirements for Related Party Transactions

### II. Definitions

For the purposes of this Policy:

- A. "**Related Party Transaction**" includes (i) a "Related Party Transaction" as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transaction* ("**MI 61-101**"); and (ii) a transaction with a "Non-Arm's Length Party" (as such term is defined in Policy 1.1 of the TSX Venture Exchange); and
- B. "**Related Party**" includes a "Related Party" as defined in MI 61-101 or a Non-Arm's Length Party.

### III. Identification of Related Party Transactions

- A. Directors, nominees for director and executive officers shall promptly notify Defense's Chief Executive Officer of any proposed transaction involving Defense and a Related Party, or in the case of any proposed transaction involving Defense and the Chief Executive Officer, the Chief Executive Officer shall promptly notify the Chief Financial Officer.
- B. Any potential Related Party Transactions that are brought to Defense's attention will be analyzed by Defense's Chief Executive Officer (or in the case of any potential Related Party Transaction involving the Chief Executive Officer will be analyzed by the Chief Financial Officer), in consultation with management and with outside counsel, as appropriate, to determine whether the transaction or relationship does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

### IV. Review, Approval and Ratification of Transactions

All Related Party Transactions, other than those specifically exempted herein, shall be reported to the Approving Body by Defense's Chief Executive Officer, or in the event that the Chief Executive Officer has an interest in the Related Party Transaction, the transaction shall be reported to the Approving Body by the Chief Financial Officer of Defense.

## **V. Approving Body Review of Related Party Transactions**

- A. The Approving Body shall be provided with the material facts of all new, existing or proposed Related Party Transactions that require the Approving Body's approval (including the terms of the transaction and the business purpose of the transaction) and either approve, disapprove or ratify such transactions.
- B. In assessing a Related Party Transaction, the Approving Body shall consider such factors as it deems appropriate, including without limitation:
- (i) the business reasons for Defense to enter into the Related Party Transaction;
  - (ii) the commercial reasonableness of the terms of the Related Party Transaction;
  - (iii) the materiality of the Related Party Transaction to Defense;
  - (iv) whether the terms of the Related Party Transaction are fair to Defense and on the same basis as would apply if the transaction did not involve a Related Party;
  - (v) the extent of the Related Party's interest in the Related Party Transaction;
  - (vi) if applicable, the impact of the Related Party Transaction on a non-employee director's independence; and
  - (vii) the actual or apparent conflict of interest of the Related Party participating in the Related Party Transaction.
- C. No director shall participate in the evaluation or approval of any Related Party Transaction for which he or she is a Related Party and will abstain from voting on the approval of the Related Party Transaction, except that the director shall provide all material information concerning the Related Party Transaction to the Approving Body and may otherwise participate in some or all of the Approving Body's discussions if so requested by the Approving Body.
- D. If a Related Party Transaction will be ongoing, the Approving Body may, in its discretion, establish guidelines for Defense's management to follow in its ongoing dealings with the Related Party. Thereafter, the Approving Body shall periodically review and assess ongoing relationships with the Related Party to see that they are in compliance with the Approving Body's guidelines.

## **VI. Pre-Approved Transactions**

The following types of transactions ("Pre-Approved Transactions") will not be reviewed by the Approving Body and do not require approval or ratification:

- (i) transactions in the ordinary course of business that do not exceed \$50,000 in any fiscal year;
- (ii) executive officer and director compensation arrangements approved by the Compensation Committee of the Board of Directors, if any, or the Board of Directors;
- (iii) transactions in which the Related Party's interest is derived solely from his or her direct or indirect ownership of an entity (other than a general partnership) that is a party to the

transaction when such ownership interest is less than ten percent (10%) of the equity interest of such entity and has a value less than \$50,000;

- (iv) transaction in which the Related Party's interest is derived solely from his or her ownership of a class of equity securities of the Company and all holders of that class of equity securities will receive the same benefit on a pro rate basis; and
- (v) transactions available to all employees generally.

## **VII. Disclosure**

- A. All Related Party Transactions shall be disclosed by Defense as required pursuant to applicable securities laws and the policies of the stock exchange on which the shares of Defense are listed or quoted for trading.
- B. Defense shall ensure that public disclosure of all Related Party Transactions is consistent with the Company's Disclosure, Confidentiality and Insider Trading Policy including, Part VII *Timely Disclosure of Material Information*.
- C. The Audit Committee shall review all disclosure of Related Party Transactions in the Company's financial statements prior to its release to the public.

This policy was adopted by the Board effective October XX, 2024.