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**TRADING IN SECURITIES OF OTHER COMPANIES**

**If,**

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company's securities, until the information becomes public or is no longer material. You must always treat this information as confidential and with the same care required with respect to information relating directly to FACT.

## **PROHIBITED AND LIMITED TRANSACTIONS**

Certain types of trading in our securities increase our exposure to legal risks and may create the appearance of improper or inappropriate conduct. In addition, certain of these transactions may cause your individual interests not to align with our goal of delivering value to our shareholders. Therefore, the following types of transactions involving FACT securities are prohibited or discouraged, even if you do not possess material non-public information.

### **PROHIBITED TRADING**

Any transaction solely designed to economically benefit you if FACT's stock decreases in value is prohibited. We want to ensure that you are aligned with our long-term objectives, which focus on improving our company and delivering value to shareholders.

**Short sales of securities.** Short sales of securities are transactions where you borrow securities, sell them, and then buy securities at a later date to replace the borrowed securities. Short sales evidence an expectation on the part of the seller that the securities will decline in value and therefore have the potential to signal to the market that the seller lacks confidence in our prospects, creating selling pressure and fostering a volatile trading market. In addition, short sales may reduce a seller's incentive to seek to improve our performance. Short sales are prohibited by this Policy.

### **STRONGLY DISCOURAGED TRADING**

We strongly discourage you from entering into trades involving our securities that focus on and benefit from FACT's short term share price at the expense of our long-term objectives. The transactions described below suggest that the investor is not interested in the fundamental or intrinsic value of FACT shares, but rather in price trends and patterns. The lack of alignment with the long-term objectives of FACT is particularly harmful when the right to vote is separated from one's economic interest in our shares, often referred to as "empty voting". Transactions including hedging or margin accounts can lead to empty voting situations. Furthermore, certain transactions identified below, such as transactions including options, have a relatively short term and may create the appearance that the transaction involving our securities is based on material non-public information. The following types of transactions are strongly discouraged.

**Put and call options:** A "put" is an option or right to sell specific shares at a specific price before a set date, and a "call" is an option or right to buy specific shares at a specific price before a set date. Generally, call options are purchased when one believes that the price of a share will rise, whereas put options are purchased when one believes that the price of a share will fall.

**Short-term trading:** Short-term or "swing" trading is when investors try to take advantage of short term price momentum and generally trade within one to four days.

**Hedging transactions:** Hedging or monetization transactions can be accomplished through the use of various financial instruments, including but not limited to prepaid variable forwards, equity swaps, collars and exchange funds.

No director or officer of FACT is permitted to purchase 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 any FACT securities granted as compensation or held, directly or indirectly, by such director or executive officer.

## **TERMINATION OF EMPLOYMENT OR ENGAGEMENT**

If you are in possession of material non-public information at the time of termination, you may not enter into a transaction involving our securities until that information is no longer considered non-public or is no longer material. FACT also discourages you from entering into any of the types of transactions described under the section titled “Prohibited and Limited Transactions” for at least a short period of time following the termination of your employment as these could still create negative perceptions in the market for us.

## **VIOLATIONS**

Any violation of this Policy could subject you, FACT and FACT's management and Board of Directors to criminal and civil penalties, including possible fines and imprisonment, civil actions for damages, and administrative sanctions such as cease trade orders. You may also create the potential for loss of market confidence, failure of proposed transactions, and damage to the reputation of FACT, among other things. We take our obligations under applicable securities laws and stock exchange rules very seriously and require the same from you.

Violations of this Policy could lead to disciplinary actions, up to and including dismissal. We may also report the matter to the appropriate regulatory authorities.

## **REPORTING VIOLATIONS**

You should be alert and sensitive to situations that could result in actions that might violate any laws, rules or regulations or the standards of conduct set out in this Policy. If you believe your own conduct or that of a fellow employee may have violated this Policy or any laws, rules or regulations, including but not limited to prohibited transactions involving our securities or disclosure of material non-public information, or that such a violation will occur, you should report the matter to the **[CFO]**, in as much detail as possible, to facilitate an appropriate investigation and response.

We will not tolerate any act of reprisal or retaliation against a person for reporting in good faith any suspected violations of this Policy or applicable securities laws. While we encourage all individuals to identify themselves to facilitate investigation of complaints, it is not required that you do so and you may report a suspected violation of this Policy anonymously. The **[CFO]** will report suspected violations of this Policy to FACT's **[Audit]** Committee, such Committee having been granted all necessary authority to investigate and determine appropriate action in response to a report.

Adopted by the Board: Dec 10, 2020

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**SCHEDULE A**  
**EXAMPLES OF POSSIBLE MATERIAL INFORMATION**

**Changes in Corporate Structure**

- changes in share ownership that may affect control of FACT
- changes or proposed changes in corporate structure, such as tender offers, take-over bids, pending or proposed reorganizations, amalgamations, mergers, issuer bids or insider bids
- receipt of any shareholder proposal in which such shareholder intends to appoint their own Board nominees (e.g., a proxy battle)
- a pending or proposed acquisition or disposition of material assets, property or joint venture interests

**Changes in Capital Structure and Securities Matters**

- proposed public offering of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation or share exchange
- any significant change in dividend policy or the declaration of a stock split
- material modifications to the rights of security holders
- the imposition of a ban on transactions involving our securities or the securities of another company

**Changes in Financial Results**

- projections of future earnings or losses, or other earnings guidance
- a significant increase or decrease in near-term earnings prospects
- significant changes to previously announced earnings guidance, or the decision to suspend earnings guidance
- shifts in financial circumstances, such as significant cash flow reductions, major asset write-offs or write-downs
- material or significant changes in the value or composition of FACT's assets
- any material change in FACT's accounting policies
- any material change in our pricing or cost structure
- any notice that reliance on a prior audit is no longer permissible

- a change in our audit firm

### **Changes in Business and Operations**

- any development that significantly affects FACT's royalty or metal stream interests, products or markets
- a significant change in corporate objectives
- major labour disputes or disputes with major contractors at any of the operations where we hold an royalty or metal stream interest
- significant new contracts, or significant losses of contracts or business
- changes to the Board or executive management, including the departure of FACT's chairman, chief executive officer, or chief financial officer (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors and other key employees
- eminent de-listing of FACT's securities or their movement from one quotation system or exchange to another

### **Changes in Credit Arrangements**

- impending bankruptcy or the existence of severe liquidity problems
- mortgaging or encumbering of FACT'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