

SAMA GRAPHITE INC.

Insider Trading and Blackout Policy

This memorandum sets forth the “Policy” of The Corporation Graphite Inc. (the “Corporation”) on insider trading and trading blackouts in order to ensure the strict compliance by all Insiders (as defined below) with the prohibition against insider trading.

This Policy will be reviewed periodically by the Board of Directors of the Corporation and supplemented as required from time to time.

General Rule

All directors, officers and any persons such as consultants and persons in a Special Relationship (as defined below) with the Corporation, as well as directors and officers of (i) subsidiaries of the Corporation; and (ii) reporting issuers of which the Corporation itself is an insider), who have been given access or are privy to material confidential information prior to its release to the public are deemed insiders of the Corporation (the “Insider”).

Insiders who become privy to material confidential information are prohibited from trading in the Corporation’s securities from when the Insider gains access to such undisclosed material confidential information until 24 hours after the material announcement has been disclosed and disseminated by way of press release or filing on the System for Electronic Document Analysis and Retrieval (“SEDAR”).

Information which may be material, but not limited to, the following:

Changes in Corporate Structure

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

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 The Corporation’s dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to rights of security holders

Changes in Financial Results

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

Changes in Business and Operations

- any development that affects the Corporation's resources or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant resource discoveries
- changes to the board of directors or executive management, including the departure of the Corporation's CEO, CFO, COO or president (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
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the Corporation's securities or the Corporation's movement from one quotation system or exchange to another

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 Corporation'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.

Please contact the Corporation's CEO if you require further clarification.

This prohibition applies not only to trading in the Corporation's securities, but also to trading in other securities whose value may be affected by changes in the price of the Corporation's securities.

If an Insider becomes aware of undisclosed material information about another public corporation, the Insider may not trade in securities of that other corporation.

Insider trading is strictly regulated by the corporate and securities laws in Canada and the United States, as well as the TSXV.

Responsibility for Disclosing Material Information

The following individuals are responsible for disclosing material information on behalf of The Corporation:

- (a) with respect to all matters, the Corporation's CEO; and
- (b) with respect to financial related matters only, the Corporation's CFO.

Filing Insider Reports

All directors and officers of the Corporation must file an initial report with the applicable securities commissions and with all other securities regulatory authorities in Canada upon acquiring any securities in the Corporation or upon becoming an Insider (whichever last occurs) and to report all trades made in the securities of the Corporation within 5 days of the day any trade is made. Trades include a change in nature of the ownership of the securities (e.g., a disposition to a company controlled by the Insider or a determination that the securities are to be held in trust for another person). The System for Electronic Disclosure by Insiders ("SEDI") creates a streamlined processing for filing insider reports electronically through a publicly assessable Internet website (www.sedi.ca).

Each Insider should notify the Corporation's CEO of any impending filing of an insider report.

Each person that is obligated to file a report is responsible for filing his or her own report. If desirable and at the request of the Insider, the Corporation's Corporate Secretary can act as an Insider's agent and file insider reports on behalf of an Insider.

"Special Relationship"

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" includes the following:

- (a) Insiders; and
- (b) affiliates or associates of the Corporation which include, for example, the Corporation or the Corporation's subsidiaries and their spouses and other relatives that live with the Insider.

Securities laws also prohibit "tipping" which is defined as communicating non-public material information, other than in the necessary course of business, to another person. All Insiders 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 CEO of the Corporation.

Speculation In Securities

In order to ensure that perceptions of improper insider trading do not arise, Insiders should not "speculate" in securities of the Corporation. For the purpose of this Policy, the word "speculate" means the purchase or sale of securities with the intention of reselling or buying back in a relatively short period of time in the expectation of a rise or fall in the market price of such securities. Speculating in such securities for a short term profit is distinguished from purchasing and selling securities as part of a long term investment program.

Insiders should not at any time sell securities of the Corporation short or buy or sell a call or put option in respect of securities of The Corporation or any of its affiliates.

Liability For Insider Trading

Liability is imposed under various securities laws on certain persons who, in connection with the purchase or sale of securities, make improper use of material information that has not been publicly disclosed.

Relevant 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 material information which has not been generally disclosed 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 confidential material information may be liable for damages.

Please note that anyone who learns of material undisclosed information from any person in a Special Relationship with the Corporation is also considered to be in a Special Relationship with the Corporation.

What Is A Security?

The definition of “security” includes shares, options, subscriptions or other interests in or to a security and includes puts, calls, or other rights or obligations to purchase or sell securities, the market price of which varies materially with the market price of the securities of the Corporation.

Trading Blackouts

1. General

A trading blackout prohibits trading:

- (a) once the Insider is in receipt of material information before a scheduled material announcement is made; and/or
- (b) once the Insider is in receipt of material information before an unscheduled material announcement is made;

until 24 hours after the material announcement has been disclosed and disseminated by way of press release or filing on SEDAR.

Management will consider pending transactions to determine when to prohibit trading. 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 which is the subject of the blackout. Wherever possible, the Corporation will notify appropriate persons that a trading blackout is imminent. The Corporation’s consultants and advisors will be notified of any trading blackout applicable in the circumstances.

2. Pre-announcement Trading Blackout

- (a) Scheduled material announcements.

All Insiders are prohibited from trading from the time they gain access to such material undisclosed information until 24 hours after the material information has been disclosed and disseminated by way of press release or filing on SEDAR.

- (b) Unscheduled material announcements.

The Corporation will impose a blackout period if there is a pending undisclosed material development on all Insiders where they are prohibited from trading. The blackout period will commence at the time that the Corporation becomes aware of material undisclosed information.

3. Post-announcement Trading Blackout

The Corporation must allow the market time to absorb the information before Insiders can resume trading after the release of material information.

(a) Scheduled material announcements.

All Insiders are prohibited from trading from the time they gain access to such material undisclosed information until 24 hours after the material announcement has been disclosed and disseminated by way of press release or filing on SEDAR.

(b) Unscheduled material announcements.

All Insiders are prohibited from trading from the time they gain access to such material undisclosed information until 24 hours after the material announcement has been disclosed and disseminated by way of press release or filing on SEDAR.

The Corporation's Corporate Secretary will keep a record of the dates of all trading black-out periods and the reason for such black-out period.

Exercise of Stock Options

The trading prohibitions set out above 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.

Contact Person

Please contact the Corporation's CEO if you require any further clarification on this Policy or have any queries regarding pending blackout periods for trading in the Corporation's securities. In the absence of the CEO, please contact the Corporation's Corporate Secretary. The Corporate Secretary is responsible for monitoring and ensuring compliance with this Policy.

Approved by the Board of Directors on January 18, 2017

RECEIPT AND ACKNOWLEDGEMENT

I, _____, hereby acknowledge that I have received and
(Print Name)

read a copy of the “Insider Trading and Blackout Policy” and agree to comply with its terms. I understand that violation 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.

Signature

Date