

FOREIGN CORRUPT PRACTICES POLICY

Purpose

The purpose of this Foreign Corrupt Practices Policy (the "Policy") is to provide a procedure to ensure that Rhyolite Resources Ltd. (the "Company"), together with its directors, officers, employees, consultants and contractors, conducts its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all applicable laws and regulations applicable to the Company and does not contravene the provisions of the *Corruption of Foreign Public Officials Act* (Canada) (the "Act").

Application

The Act applies to any person acting in the course of "any business, profession, trade, calling, manufacture or undertaking of any kind carried on in Canada or elsewhere for profit". Accordingly, this Policy applies to all directors, officers, employees, consultants and contractors of the Company for whom their scope of employment or consulting services involves dealing with any foreign public official (or any person acting for the benefit of a foreign public official). In accordance with section two of the Act, "foreign public official" means (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. All consultants and contractors will be provided with a copy of this Policy and all agreements with consultants and contractors will include a provision that the consultant and contractor must abide by this Policy at all times.

Compliance

All directors, officers, employees, contractors and consultants of the Company, in performing their duties, will comply with the laws, rules and regulations of the locations in which the Company is performing business activities and, in particular, with respect to all foreign corrupt practice laws, rules and regulations. Where uncertainty or ambiguity exists, competent legal advice must be obtained.

Annual Certification

If requested by the Board, all directors and officers of the Company, together with any employees, contractors and consultants determined by the Board, will be required to provide an annual certification of compliance with this Policy in the form attached as schedule A to this Policy.

The Chief Executive Officer of the Company will be responsible for ensuring that all annual certifications requested by the Board are obtained in respect of the previous financial year of the Company on or before the end of the first financial quarter of the next financial year of the Company and for providing written confirmation to the Board that such certifications have been obtained and summarizing the results thereof.

Prevention of Improper Payments

All directors, officers, employees, consultants and contractors of the Company will adhere to the commitment of the Company to conduct its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all applicable laws and regulations. Accordingly, neither the Company nor any of the directors, officers, employees, consultants or contractors will:

- (a) Bribes: directly or indirectly, offer or give, or agree to offer or give, a bribe (and any demands for a bribe will be rejected) or pay or offer, or agree to pay or offer, anything of value (including, without limitation, a loan, reward, advantage or benefit of any kind) to a public official, political party, party official or political candidate in order to corruptly influence any act or omission by the recipient in connection with the performance of the duties or functions of the recipient, or to induce the recipient to violate his or her lawful duty, or to induce the recipient to use his or her influence with a government, an agency of a country or a political subdivision thereof (a "Government Entity") to effect or influence any act or decision of such Government Entity to award new business or to continue business with a particular person, including a decision on the terms of that business, or encouraging another person to make any such decision,
- (b) Kickbacks: kickback any portion of a contract payment to employees of another contracting party or utilize other techniques, such as subcontracts, purchase orders or consulting agreements, to channel any payment to any public official, to employees of another contracting party or to any of their respective relatives or business associates;
- (c) Extortion: directly or indirectly demand or accept a bribe;
- (d) Facilitation Payments: make any facilitation payment; provided that, if the Chief Executive Officer of the Company deems a facilitation payment necessary, then such a facilitation payment may only be made in the following circumstances
 - (i) the payment falls strictly within the facilitation payment provision of the Act,
 - (ii) due diligence has been conducted to ensure both the payment and the amount are made 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,
 - (iii) the payment has been properly recorded in reasonable detail which accurately and fairly reflects the transaction and includes such information as the amount paid and the purpose of and authorization for such payment, and
 - (iv) any such payment is reported on a quarterly basis to the Chairman of the Audit Committee;
- (e) Political Contributions: make any contribution or provide any financial support to any political party or candidate on behalf of the Company;
- (f) Government Agents: retain an agent to represent the business interests of the Company in a particular country if such agent, or any of the principals, staff, officers or key employees of the agent is, a government or any other public official, a political party official, a political candidate, a person related to any of the foregoing, or any other person who might assert illegal influence on behalf of the Company, provided that if the Chief Executive Officer of the Company considers it advisable, then such an agent may be retained in accordance with the following terms and conditions

- (i) the reputation, background and past performance of the agent have been properly researched and documented, and
 - (ii) the agent will be retained pursuant to a written agreement specifically defining the agent's duties, containing representations and warranties from the agent of the absence of all of the relationships set out above and providing for immediate termination in the event of an improper payment and requiring annual certification and the right of the Company to audit expenses and invoices; or
- (g) Employment of Public Officials: employ any officer or other employee of a government or any of its agencies or a government Company, or any person acting in an official capacity for any such entity, including any relative of any such person, provided that, if the Chief Executive Officer of the Company considers it advisable, such a person may be employed in accordance with the following terms and conditions
 - (i) the employment is lawful in the country concerned,
 - (ii) the employment is not in contravention of the Act, and
 - (iii) the services to be rendered by the person do not conflict with the official government duties of the person.

Reporting Violations

Any officer or other employee of the Company that becomes aware of any action which could constitute a violation of this Policy is required to report such violation to their immediate supervisor. However, if an individual is not comfortable discussing the matter with their immediate supervisor, or does not believe that such supervisor has dealt with the matter properly, then such individual should raise the matter with either the Chief Executive Officer or the Chief Financial Officer of the Company. Officers and other employees of the Company who raise genuine concerns will not be subject to any retribution or disciplinary action.

Consequences of Non-Compliance

Failure to comply with this Policy may result in severe consequences, including internal disciplinary action or termination of any employment, consulting or similar arrangement without notice. The violation of this Policy may also violate certain Canadian laws and if it appears that a director, officer or other employee of the Company may have violated such laws, then the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

In addition, a violation of this Policy may constitute a criminal offence under the Act and may expose the Company and/or a director, officer or other employee of the Company to fines and/or imprisonment.

Review

The Board will review and evaluate this Policy on an as needed basis to determine whether this Policy is effective in ensuring compliance by the Company, its directors, officers and other employees, consultants and contractors with the Act.

Queries

If you have any questions about how this Policy should be followed in a particular case, please contact the Chief Executive Officer or the Chief Financial Officer of the Company.

Approved and Adopted by the Board: February 23, 2021

SCHEDULE A

ANNUAL CERTIFICATION

This will certify that I have received, read and understand the Foreign Corrupt Practices Policy (the "**Policy**") of Rhyolite Resources Ltd. (the "**Company**").

I hereby declare that I am responsible for understanding, complying with and implementing the Policy as it applies to my position and area of responsibility. I understand that I must comply with the Policy and the terms of my [**employment or consulting arrangement**] with the Company.

I confirm that for the period from _____ to _____ I have been, and am currently, in compliance with the Policy, except as noted below.

Employee Name and Title (please print)

Signature

Date