**KOBO RESOURCES INC.**

**INSIDER TRADING POLICY**

## 1. INTRODUCTION AND PURPOSE

Kobo Resources Inc. ("**Kobo**", together with its subsidiaries, the "**Corporation**") encourages its officers, directors and other personnel to become shareholders of Kobo on a long term investment basis. These individuals will, from time to time, become aware of corporate developments or plans or other information that may affect the value of Kobo's securities before these developments, plans or information are made public. Trading securities of Kobo while in possession of such information before it is generally disclosed (known as "insider trading"), or disclosing such information to third parties before it is generally disclosed (known as "tipping"), is against the law and may expose an individual to criminal prosecution or civil lawsuits. Such action will also result in serious reputational damage and a lack of confidence in the market for Kobo's securities. The rules and procedures outlined in this Insider Trading Policy (the "**Policy**") have been implemented in order to prevent improper trading in the securities of Kobo and the improper disclosure of privileged information or undisclosed Material Information (as defined below) by the Corporation's consultants, employees, officers and directors (the "**Kobo Personnel**"). In addition, this Policy is aimed at preventing Kobo Personnel from engaging in activities that, although not illegal, may expose them or the Corporation to potential reputational risk. This Policy supplements, and does not replace, applicable securities laws and regulations in respect of insider trading.

Kobo Personnel are also responsible for ensuring that (i) the members of their immediate family and members of their households, (ii) the persons to whom Kobo Personnel provide significant financial support, and (iii) the accounts over which such Kobo Personnel share investment power, adhere to this Policy. Copies of this Policy are made available to the Kobo Personnel.

The Chief Executive Officer is responsible for the administration of this Policy.

## 2. DEFINITIONS

"**Designated Insider**" means Kobo Personnel that the Corporation has designated as a person who is subject to certain trading restrictions due to their access to undisclosed Material Information about Kobo.

"**Designated Personnel**" means Kobo Personnel who has been identified as a Designated Personnel by the Corporation.

"**Kobo Securities**" means shares, options, warrants and any other securities that the Corporation may issue from time to time (such as bonds or convertible securities) and includes, for the purposes of this Policy, any instrument, agreement or security whose value, market price or payment obligations are based on the value, market price or payment obligations of a security of the Corporation (such as deferred share units, restricted share units and performance share units) and any other instrument, agreement or understanding that affects, directly or indirectly, a person's economic interest in a security of the Corporation.

"**Material Information**" means any information, favorable or unfavorable, relating to the activities, business, affairs, operations and properties of the Corporation, which can include (i) significant changes in key performance indicators of the Corporation, (ii) actual, anticipated or targeted earnings and other financial information, (iii) financial, sales and other significant internal business forecasts, or a change in previously released estimates, (iv) mergers, business acquisitions or dispositions, or the expansion or curtailment of operations, (v) significant events affecting the Corporation's operations, including any breach in information systems that compromises the functioning of the Corporation's information or other systems or results in the exposure or loss of customer information, in particular personal information, (vi) new equity or debt offerings or significant borrowings, (vii) significant changes in accounting treatment, write-offs or effective tax rate, (viii) significant litigation or governmental investigation, (iv) changes in top management, (v) stock splits, and (vi) other actions of the Corporation that result in, or would reasonably be expected to result in, a significant change in the market price or value of Kobo Securities or that would reasonably be expected to have a significant influence on any reasonable investor's investment decisions. Kobo Personnel should consult with the Chief Executive Officer if Kobo Personnel has any doubt as to whether certain information is Material Information or if certain Material Information has been disclosed before trading in Kobo Securities.

"**Reporting Insider**" means those certain Kobo Personnel who are directors or executive officers designated by the Corporation as a reporting insider within the meaning of National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*.

## 3. GENERAL RESTRICTIONS APPLICABLE TO ALL KOBO PERSONNEL

### 3.1 Non-Disclosure

Kobo Personnel are required to preserve the confidentiality of Kobo's confidential information in accordance with the Corporation's Code of Business Conduct and Ethics. Kobo Personnel should not discuss undisclosed Material Information in public places or in common areas on the Corporation's property.

### 3.2 Insider Trading

Kobo Personnel are prohibited from trading in Kobo Securities while in possession of undisclosed Material Information, subject to limited exceptions under applicable laws and regulations. This prohibition includes orders for purchases and sales of Kobo Securities as well as increasing or decreasing investment in Kobo Securities through a retirement account. Any Kobo Personnel who possesses undisclosed Material Information may not trade in Kobo Securities until two (2) trading days after the issuance of a news release disclosing such information. There is no exception to this Policy, even for hardship to the Kobo Personnel or based on the use of proceeds (such as making a mortgage payment or for an emergency expenditure).

### 3.3 Tipping

Kobo Personnel are prohibited from disclosing undisclosed Material Information to, or "tipping", another party or recommending that another party trade in Kobo Securities or another public company's securities while Kobo Personnel have knowledge of undisclosed Material Information. Tipping is a violation of law, even if the person disclosing the information does not personally make a trade or otherwise benefit from disclosing the information.

There are limited circumstances in which undisclosed Material Information may be disclosed in the necessary course of business if there are no grounds to believe the undisclosed Material Information will be used or disclosed contrary to applicable laws and regulations. If Kobo Personnel believe they are faced with these circumstances, they should send a written request to the Chief Executive Officer to confirm whether such undisclosed Material Information may be disclosed.

### 3.4 Consequences of Non-Compliance

The consequences of insider trading and tipping can be severe. Kobo Personnel who contravene securities laws or regulations not only expose themselves to criminal, penal and administrative actions by the relevant authorities, which could lead to substantial fines and imprisonment, but Kobo Personnel who violate this Policy will also be subject to disciplinary actions, which may include restrictions on future participation in equity-based incentive plans or termination of employment without notice or payment in lieu of notice.

### 3.5 Avoid Speculation

Investing in Kobo Securities provides an opportunity to share in the future growth of the Corporation, but the investment in the Corporation and sharing in the growth of the Corporation does not mean short term speculation based on fluctuations in the market. Such activities put the personal gain of Kobo Personnel in conflict with the best interests of the Corporation. Although this Policy does not mean that Kobo Personnel may never sell Kobo Securities, the Corporation encourages employees and directors to avoid frequent trading in Kobo Securities.

### 3.6 Other Companies' Securities

Kobo Personnel who learn undisclosed Material Information about any publicly traded suppliers, customers or competitors through their work at Kobo are prohibited from trading in the securities of such public companies until two (2) trading days after the information becomes public. Kobo Personnel are also required to keep that undisclosed Material Information confidential and must not recommending that another party trade in securities of such other public companies.

### 3.7 Pledging of Securities, Margin Accounts

Kobo Securities which are pledged may be sold by the pledgee without the pledgor's consent under certain conditions. For example, securities held in a margin account may be sold by a broker without the customer's consent if the customer fails to meet a margin call. Because such a sale may occur at a time when Kobo Personnel have undisclosed Material Information or they are otherwise not permitted to trade in Kobo Securities, the

Corporation prohibits employees and directors from pledging Kobo Securities in any circumstance, including by purchasing Kobo Securities on margin or holding Kobo Securities in a margin account.

### 3.8 Anti-Hedging Restrictions

Kobo Personnel shall not in respect of Kobo Securities engage in: (i) short sales; (ii) derivatives transactions, such as put and call options; or (iii) any other hedging or equity monetization transaction in which the individual's economic interest and risk exposure in Kobo Securities is changed, such as collars or forward sales contracts, or that are designed to hedge or speculate on any change in the market value of Kobo Securities.

Trading in options or other derivatives is generally highly speculative and very risky. Persons who trade in options are usually betting that the stock price will move rapidly. For that reason, when a person trades in options in his or her employer's securities, it often raises suspicion under securities laws that the person was trading on the basis of undisclosed Material Information, particularly where the trading occurs in advance of an important announcement or major event. At that point it is often difficult for an employee or director to prove that he or she was not aware of the announcement or event.

Moreover, Canadian regulators and stock exchanges routinely monitor active options trading prior to material announcements and will investigate suspicious behavior. Responding to regulatory investigations can lead to severe penalties and expenses for the persons involved as well as reputational risk for the issuer. As a consequence, the Corporation prohibits Kobo Personnel from trading in options or other derivatives related to Kobo Securities.

## 4. ADDITIONAL RESTRICTIONS APPLICABLE TO REPORTING INSIDERS, DESIGNATED INSIDERS AND DESIGNATED PERSONNEL

### 4.1 Trading Restrictions and Blackout Periods

All Reporting Insiders and Designated Insiders are subject to "regular blackout periods" surrounding the release of Kobo's quarterly and annual financial results. Reporting Insiders and Designated Insiders may not trade in Kobo Securities from the date that is tenth (10th) day prior to the end of each financial quarter or financial year until the third (3rd) trading day after the release of the Corporation's annual or quarterly financial statements.

The Chief Executive Officer may from time to time as a result of special circumstances relating to Kobo, such as an acquisition, project, financing or other material event or transaction, designate a "discretionary blackout period" for such length of time as is deemed necessary and determine the Kobo Personnel to which such discretionary blackout period applies. Such Kobo Personnel will be Designated Personnel and will be prohibited from trading in Kobo Securities during the discretionary blackout period. Notice of being designated as Designated Personnel will be communicated to the relevant individuals by the issuance of a formal notice in such special circumstances.

Trading blackout periods will also apply to all Kobo Personnel with access to undisclosed Material Information, such as during periods when certain Kobo Personnel prepare financial statements but results have not yet been publicly disclosed. Notice of such blackouts may or may not be communicated by the issuance of a formal notice.

### 4.2 Certain Exemptions

As part of the yearly operational planning and budget approval processes, the Board of Directors may, in accordance with applicable laws and regulations, grant stock options, warrants and other equity awards to Kobo Personnel. The trading restrictions, however, do apply to the exercise of stock options, warrants and to any of the underlying stock.

Furthermore, automatic purchases in accordance with applicable laws and regulations may be made during blackout periods under written automatic purchase or disposition plans established prior to the relevant blackout periods and that are approved by the Board of Directors. For greater certainty, Kobo Personnel is however prohibited from entering into, amending, suspending or terminating such a plan during a blackout period.

### 4.3 Pre-Clearing Trades

All Reporting Insiders, Designated Insiders and Designated Personnel who wish to trade in Kobo Securities must first submit a request in writing to the Chief Executive Officer. A request should specify the type of transaction (e.g., purchase or sale of shares or exercise of stock options and confirmation on the intention to subsequently hold or sell the underlying shares). No trade may be carried out without the pre-clearance of the Chief Executive Officer. Once a Reporting Insider, Designated Insider or Designated Personnel receives clearance, the trade must be executed by the end of the next trading day, otherwise clearance must be obtained again.

To the extent that Material Information remains undisclosed, Reporting Insiders, Designated Insiders and Designated Personnel may not be given permission to trade in Kobo Securities and may not be informed of the reason they may not trade. Any person that is made aware of the reason for an event-specific prohibition on trading shall not disclose the reason for the prohibition to third parties and should avoid disclosing the existence of the prohibition.

Kobo Personnel are reminded that, notwithstanding the pre-clearance of a trade by the Chief Executive Officer, the ultimate responsibility for complying with applicable insider trading laws and regulations rests with the individual trading in Kobo Securities.

### 4.4 Filing Insider Reports

Under applicable Canadian securities legislation, a person or corporation who becomes a Reporting Insider must file an initial insider report within ten (10) calendar days of becoming a Reporting Insider.

In addition, a Reporting Insider whose direct or indirect beneficial ownership of or control or direction over Kobo Securities changes (i.e. the Reporting Insider trades in Kobo Securities), must file an insider report on SEDI within five (5) calendar days of the date of the change/trade. It is the responsibility of each such Reporting Insider to set up and maintain their SEDI profile and to make the necessary filings. A failure to set up and maintain his or her SEDI profile within the appropriate deadlines may result in monetary penalties for the Reporting Insider.

Dated: April 6, 2023

Approved by: Board of Directors