



FIRST METALS, INC.

WHISTLEBLOWER POLICY

This policy was adopted by the Board of Directors of First Metals Inc.

First Metals Inc. (the “**Company**”) is committed to maintaining the highest standards of integrity and ethical behaviour in the conduct of its business, and in its accounting standards and disclosures, internal accounting controls, and audit practices. It is the policy of the Company to comply with, and to require its directors, officers, and employees to comply with, the Company’s Code of Business Conduct (the “**Code**”) and all applicable legal and regulatory requirements relating to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against shareholders. Every employee has the responsibility to assist the Company in meeting these requirements.

The Code outlines the general standards of conduct expected in business practices undertaken by or on behalf of the Company. The Company expects honest, professional and ethical conduct from its directors, officers and employees. As set out in the Code, each director, officer and employee is expected and encouraged to report what he or she reasonably believes are violations of the Code, whether accidental or deliberate, by any director, officer or employee of the Company.

The Company’s internal controls and corporate reporting and disclosure procedures are intended to prevent, deter and/or remedy any violation of the applicable laws and regulations that relate to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against the shareholders and or customers, suppliers and or other counter parties. Even the best systems of control and procedures, however, cannot provide absolute safeguards against such violations. The Company has a responsibility to investigate and, if required, report to appropriate governmental authorities, any violations relating to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against shareholders, and the actions taken by the Company to remedy such violations.

This policy governs the process through which employees and others, either directly or anonymously, can notify the Audit Committee of the Company’s Board of Directors of actual or potential violations or concerns. In addition, this policy establishes a mechanism for responding to, and keeping records of, complaints from employees and others regarding such actual or potential violations or concerns. The Audit Committee is responsible for establishing procedures for the confidential, anonymous submission by Company employees or others of concerns regarding questionable business conduct or accounting or auditing matters.



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1. Reporting Alleged Violations or Concerns

If an employee reasonably believes that any Company employee or other person acting on behalf of the Company has violated the Code, or any legal or regulatory requirements or internal policy relating to accounting standards and disclosures, internal accounting controls, or matters related to the external audit of the Company's financial statements, that employee should immediately report his or her concern.

Employees wishing to do so may also report their concerns directly to the Chairman of the Audit Committee, as follows:

In writing: Chairman of the Audit Committee
First Metals Inc.
55 University Avenue
Suite 1010
Toronto ON M5J 2H7

By email: info@firstmetalsinc.com

By telephone: (416) 594-3223

If an employee is not comfortable reporting a concern directly to the Chair of the Audit Committee, he or she should report the concern to any supervisor or member of the Company's management whom he she is comfortable approaching. Any manager or other supervisory employee who receives a report of an alleged violation must immediately forward the report to the Chairman of the Audit Committee, maintaining anonymity of the employee if the employee desires (subject to the qualifications set out below). The Chairman of the Audit Committee will communicate all reports of alleged violations to such Committee, and, if necessary, the Board Directors.

The Audit Committee is composed entirely of directors of the Company who are independent of the officers and management of the Company. The Audit Committee is solely responsible for investigating and responding to reports of violations regarding business conduct, accounting standards and disclosures, internal accounting controls, or matters related to the external audit of the Company's financial statements.

The Company will make good faith efforts to keep all reports of alleged violations confidential, whether or not they were submitted anonymously, however, the Company or its employees and agents shall be permitted to reveal the reporting employee's identity and confidential information to the extent necessary to permit a thorough and effective investigation, and as may be required by law or in court proceedings.

This policy assumes that employees will act in good faith and will not make false accusations when reporting any wrongdoing or alleged wrongdoing by any employee or



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other person acting on behalf of the Company. An employee who knowingly or recklessly makes statements or disclosures that are not in good faith may be subject to discipline, which may include termination. Reports of alleged violations should be factual, rather than speculative, and should contain as much specific detail as possible to allow for proper assessment. The complaint describing an alleged violation or concern should be candid and should clearly set forth all of the information that the employee knows regarding the allegation or concern. In addition, the complaint should contain sufficient corroborating information to support the commencement of an investigation. The Company may, in its reasonable discretion, determine not to commence an investigation if a complaint contains only unspecified or broad allegations of wrongdoing without appropriate factual support.

2. Investigation of Complaints

Upon receipt of a complaint alleging a violation of the Code, or any provincial or federal law or internal policy regarding accounting standards and disclosures, internal accounting controls, or matters related to the external audit of the Company's financial statements, the Audit Committee, or a designated member of such Committee, will make a determination as to whether a reasonable basis exists for commencing an investigation into the conduct alleged in the complaint. If the Audit Committee or its designated member concludes that an investigation is of the allegations. The Audit Committee shall have the authority to obtain assistance from the Company's management, counsel or auditors, or to retain separate outside legal or accounting expertise as it deems necessary or desirable in order to conduct the investigation.

At each quarterly meeting of the Audit Committee, the Committee will discuss the status of any ongoing investigation and review the resolution of each complaint submitted during the previous quarter, whether or not the complaint resulted in the commencement of a formal investigation.

3. Corrective Action

The Audit Committee is ultimately responsible for determining the validity of each complaint and fashioning, with the input of its advisors and Company management, if requested, the appropriate corrective action. The Committee shall report any questionable business conduct or legal or regulatory noncompliance to Company management and ensure that management takes corrective action including, where appropriate, reporting any violation to relevant governmental authorities.

Any director, officer, or employee found by the Audit Committee to have violated the Code, or any law, rule or regulation, or any internal policy regarding accounting standards and disclosures, internal accounting controls, or matters related to the external audit of the Company's financial statements, may be subject to disciplinary action, up to and including termination.



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4. No Retaliation

Employees should feel confident to report violations as described above or to assist in investigations of such alleged violations. The Company will not tolerate retaliation or discrimination of any kind by or on behalf of the Company and its employees officers and/or Directors against any employee making a good faith complaint of, or assisting in the investigation of, any violation of government laws, rules, or regulations or the Code or internal policies regarding accounting standards or disclosures, internal accounting controls, or matters related to the external audit of the Company's financial statements.

5. Retention of Complaints and Documents

The Audit Committee shall retain all documents and records regarding any complaint for a period of five (5) years.

It is illegal and against the Company's policy to destroy (except in accordance with above documents retaining policies) any corporate audit or other records that may be subject to or related to any investigation by the Company or any federal, provincial or regulatory body.

6. Compliance with this Policy

All employees of the Company must follow the procedures outlined in this policy and cooperate with any investigation initiated pursuant to this policy. Adhering to this policy shall be deemed to be a condition of continuing employment with the Company. The Company must have the opportunity to investigate and remedy any alleged violations or employees concerns, and each employee must ensure that the Company has an opportunity to undertake such an investigation.

This policy does not constitute a commitment of the Company. This policy should not be construed as preventing, limiting, or delaying the Company from taking disciplinary action against any individual, up to and including termination, in circumstances, (such as, but not limited to, those involving problems of performance, conduct, attitude, or demeanour) where the Company deems disciplinary action appropriate.

This policy in no way alters an employee's "at will" employment status with the Company. Either the Company or an employee can terminate such employment relationship at the Company at any time, for any reason or no reason, with or without cause, warning, or notice. Employees who report acts of wrongdoing pursuant to this policy can and will continue to be held to the Company's general job performance standards and adherence to the Company's policies and procedures.