



ANTI-BRIBERY AND CORRUPTION POLICY

Updated February 2021

Introduction

The Company are committed to conducting business in line with the Company's values, conducting itself with integrity, honesty and fairness in all business practices. It is the Company's policy to conduct its business observing the rule and spirit of the legal and regulatory environment in which the Company operates, including in relation to bribery and corruption.

The Company takes a zero-tolerance approach to bribery and corruption.

The purpose of this Anti-Bribery and Corruption Policy (Policy) is to:

- a) set out the responsibilities of Company Personnel, including their dealings with and through Third Parties;
- b) provide information and guidance to Company Personnel on how to comply with their obligations under bribery and corruption laws; and
- c) set out policies, procedures and guidelines for Company Personnel in relation to gifts, hospitality and charitable donations.

This Policy applies to:

- a) All directors, officers and employees of Coldwater Mining & Energy LTD
- b) Agents, Suppliers, Contractors, Business Partners and any other party acting for or representing any of the company.



This Policy does not prohibit normal and appropriate gifts and hospitality of moderate value (given and received) to or from Third Parties.

What is considered bribery or corruption?

A bribe is a direct or indirect offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Bribes can take on many different shapes and forms, but typically there will be a “quid pro quo” – meaning that both parties, and/or a party’s designate, will benefit.

A bribe can be any advantage or anything of value and is not limited to cash or money. It could be:

- a) the direct or indirect promise, offering or authorisation, of anything of value (whether the value is material or not);
- b) the offer or receipt of any kickback, loan, fee, reward or other advantage; or
- c) the giving of aid, donations or voting, designed to exert improper influence.

It is irrelevant whether the bribe is accepted or ultimately paid. It is also irrelevant whether a business advantage is in fact obtained. Merely offering a bribe is a contravention of this Policy and usually sufficient for an offence to be committed.

Acts of bribery are designed to influence private individuals or government individuals to act dishonestly in the performance or discharge of their duties.

The Canadian Criminal Act has extra-territorial operation which means it applies to offences committed overseas by Canadian citizens, residents and corporations, as well as offences committed in Canada. It is a specific offence for individuals and corporations to bribe foreign public officials (“foreign bribery”).

Anti-Bribery and Corruption Laws include: the Criminal Code Act 1995 and/or any other anti-corruption laws of the Commonwealth of Canada or any Territory of Canada (including any applicable common law, law or equity, any written law, statute or regulation

It is not acceptable for you to:

- a) give, promise to give, or offer (directly or indirectly), a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- b) accept payment from a Third Party that you know, or reasonably suspect is offered with the expectation that it will obtain a business advantage for them;
- c) accept a gift or hospitality from a Third Party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided in return; or
- d) engage in any activity that might lead to a breach of this policy.

A business advantage is an advantage gained that assists in the conduct of the business. This can include a tax concession or the granting of a licence or permit in circumstances where it may not otherwise be granted.

The Audit and Risk Committee will monitor compliance with this Policy on an ongoing basis.

Gifts & Donations



Facilitation Payments

Facilitation payments are typically minor payments to foreign public officials, either directly or indirectly, to expedite or secure the performance of routine government action (e.g. to facilitate the expedition of applications for visas or licences).

The payment of facilitation payments is a statutory offence in most jurisdictions. The Company therefore prohibits the making of facilitation payments.

Donations

Company Personnel must not make, on the Company's behalf, any direct or indirect contribution to any political party, organisation or individual engaged in politics as a way of obtaining an improper advantage in the Company's business.

The Company may make charitable donations that are legal and ethical under local laws and practices. A charitable donation may only be offered or made with the prior approval of the Managing Director or Company Secretary and General Counsel.

Gifts & Hospitality

This Policy does not prohibit normal and appropriate gifts and hospitality of moderate value (given and received) to or from Third Parties.

The giving or receipt of gifts is not prohibited, if the following requirements are met:

- a) it is not made with the intention of influencing a Third Party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- b) it complies with local law;
- c) it is given in the Company's name, not in your name;
- d) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- e) it is appropriate in the circumstances. For example, in Canada small gifts are often given at Christmas time;
- f) taking into account the reason for the gift, it is of an appropriate type (cash, drugs or other controlled substances should not be given) and monetary value (excessive or expensive gifts should not be given) and given at an appropriate time (gifts should not be given during contract negotiations or the making of important business decisions);
- g) it is given openly, not secretly; and
- h) gifts should not be offered to, or accepted from, foreign public officials or local government officials or representatives, or politicians or political parties, without the prior approval of the Company Secretary & General Counsel.



Kevin R. Lomas
Managing Director & CEO



Breaches & Reporting

Reporting Breaches

Any suspected breaches of this Policy and any other suspicious or corrupt interactions between public officials and Company Personnel must be reported to:

- a) By Workers, their supervisor or Managing Director & CEO, or the Company Secretary and Legal Counsel; and
- b) By Third Parties, the Managing Director & CEO/Company Secretary & General Counsel/Board of Directors.

Any reporting of a breach or other suspicious or corrupt interactions will be dealt with in accordance with the Company's Whistleblower Policy.

In accordance with the Whistleblower Policy, the person reporting the breach or inappropriate conduct will be protected from victimisation or harassment, discrimination, demotion, dismissal or current or future bias as a result of making the report.

A person making a report of a breach or other inappropriate conduct may choose to remain anonymous or request that their name be kept confidential.

All accounts, invoices, memoranda and other documents and records relating to dealings with Third Parties should be prepared and maintained with strict accuracy and completeness.

It is the Company's policy that:

- a) all books and records are kept so that they fully and fairly reflect all receipts and expenditures;
- b) no accounts must be kept "off-book" or secret to facilitate or conceal improper payments;
- c) no false entries should be made in the Company's books and records for any reason; and
- d) 6
- e) no transactions should be effected and no payment should be approved or made, on behalf of the Company, with the intention or understanding that any part of such payment is to be used for any purpose

Consequences of breach

Any breach of this Policy will be regarded as a serious matter and may result in, for Workers, disciplinary action, including termination, or for Third Parties, action in accordance with the terms of the engagement or appointment.

Non-compliance with this Policy and relevant laws could also result in reputational damage and/or serious criminal and civil consequences and penalties for both the individual involved and the Company.

The Audit and Risk Committee will monitor compliance with this Policy on an ongoing basis.

This will include an annual review of this policy to ensure that the Policy and the procedures set out in the Policy remain effective and appropriate for the Company's operations.



Kevin R. Lomas
Managing Director & CEO