

RISK MANAGEMENT

Coldwater Mining & Energy LTD | Updated January 2021

Policy

Recognising and managing risk is fundamental to the Company achieving its strategic objectives and a crucial part of the role of the Board, Audit and Risk Committee and employees. Sound risk management practices can not only help to protect established value but can also assist in identifying and capitalising on opportunities to create value.

The Company understands that a failure by it to recognise or manage risk appropriately can adversely impact not only the Company and its shareholders, but also other stakeholders who have an association with the Company.

The Board has ultimate responsibility for deciding the nature and extent of the risks it is prepared to accept to meet the Companies strategic objectives. To do this, the Company must have an appropriate risk management framework to identify and manage risk on an on-going basis. Managing risk is the responsibility of everyone at Coldwater Mining and Energy Ltd.

To deliver on our commitments we will as a minimum:

- a) integrate structured, comprehensive, and consistent risk management processes and practices into our core business activities, Risk Management Guidelines, including integration into corporate governance and business management processes;
- b) establish, communicate, and continually review our risk appetite to ensure it is aligned with our objectives;
- c) proactively identify our risks and ensure they are continually monitored through established processes;
- d) implement appropriate risk mitigation controls and measures, and regularly test these controls for ongoing suitability and effectiveness;
- e) regularly review and report on risk activity through all areas of the business, and ensure the Audit and Risk Committee and the Board have current information from which to base decisions upon; and
- f) build upon the internal resilience of our business through effective response and recovery plans when faced with material adverse events that could affect Company performance.

This Policy is approved by the Board and will be reviewed on an annual basis.



Kevin R. Lomas
Managing Director & CEO

