

# SECURITIES TRADING POLICY

*Coldwater Mining & Energy LTD | Updated March 2021*

## Policy

The purpose of this policy is to:

- a) assist those persons covered by the policy to comply with their obligations under the insider trading provisions of the Corporations Act 2001;
- b) aim to ensure that the reputation of the Company and its subsidiaries (Company) is not adversely impacted by perceptions of trading in the Company's securities at certain times, and to ensure a proper market for the Company's securities is maintained that supports shareholder and investor confidence;
- c) establish a procedure for trading in the Company's securities by persons covered by the policy, including setting out: the periods when trading is prohibited; the restrictions on trading; the exceptional circumstances when trading may be permitted during a prohibited period with prior written clearance; the procedure to obtain written clearance to trade, including during a prohibited period; and the trading that is excluded from the policy; and
- d) comply with the exchange's Listing Rules. This policy is for the protection of the Company and each of the persons covered by the policy. If you do not understand any part of this policy, or the summary of the law relating to insider trading, or how it applies to you, you should contact the Company Secretary before trading in any securities covered by this policy. Ultimately it is your responsibility to make sure that none of your trading constitutes insider trading.

## Who Does This Policy Apply To?

This policy applies to Restricted Persons. A Restricted Person is a person who is:

- a) a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company (Key Management Personnel);
- b) an employee or contractor of the Company nominated by the Managing Director or Company Secretary from time to time as a person to whom this Policy applies (Employees); and
- c) a Connected Person of Key Management Personnel/Employees

A Connected Person means a spouse or partner; child or step-child under 18 years; a parent; an unlisted body corporate which the Key Management Personnel or Employee controls or is director of; a trust of which the Key Management Personnel or Employee is a trustee and of which he or she or any of the persons referred to above is a beneficiary; or any other person over whom the Key Management Personnel or Employee has significant influence or control. Where this policy requires a Restricted Person to do an act or thing, the relevant Restricted Person must do that act or thing in respect of the Connected Person.



**Kevin R. Lomas**  
Managing Director & CEO



## What Securities are Covered by this Policy?

This policy applies to trading in all securities issued by the Company, and includes the following types of securities:

- a) shares, performance shares, share acquisition rights and options;
- b) debentures (including bonds and notes); and
- c) derivatives of any of the above (including equity swaps, futures, hedges and exchange-traded or over-the-counter options) whether settled by cash or otherwise,

The insider trading provisions in the Corporations Act also apply to the securities of other companies and entities if you have inside information about that company or entity. These other companies and entities may include contractors, suppliers or customers of the Company; joint venture partners; or companies that the Company or another member of the Company has entered (or is planning to enter) into a transaction with, for example a takeover or asset sale.

To “trade” in securities means, whether as principal or agent, to apply for, acquire or dispose of securities; enter into an agreement to apply for, acquire or dispose of securities. To “trade” includes the exercise of an option or the conversion of a share acquisition right.

## Insider Trading Prohibition

Inside Information is information that: (a) is not generally available; and (b) if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the securities. A reasonable person would be taken to expect information to have a material effect on the price or value of securities if (and only if) the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of those securities. In other words, the information must be shown to be material to the investment decision of a reasonable hypothetical investor in the securities. It does not matter how you come to know the Inside Information. For the purpose of the insider trading provisions of the Corporations Act, “information” is given a wide meaning and includes matters of supposition and other matters that are insufficiently definite to warrant being made known to the public and matters relating to the intentions, or the likely intentions of a person. Examples of information which, if made available to the market, may depending on the circumstances be likely to have a material effect on the price of Company Securities are set out in the Annexure 1.

### Information is generally available if:

- a) it consists of ‘readily observable matter’;
- b) it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities of a kind whose price or value might be affected by the information and since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- c) it consists of deductions, conclusions or inferences made or drawn from information of the kind referred to in (a) or (b) above.



**Kevin R. Lomas**  
Managing Director & CEO



In summary, the Corporations Act prohibits three types of conduct relating to Inside Information:

- a) the direct or indirect acquisition or disposal of securities using Inside Information;
- b) the procurement of another person to acquire or dispose of securities using Inside Information; and
- c) communication of Inside Information to another person for the purpose of the other person acquiring or disposing of securities.

You must not, whether in your own capacity or as an agent for another, apply for, acquire or dispose of, or enter into an agreement to apply for, acquire or dispose of, any securities, or procure another person to do so if you:

- a) possess Inside Information; and
- b) know or ought reasonably to know, that: (i) the information is not generally available; and (ii) if it were generally available, it might have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities.

Further, you must not either directly or indirectly pass on this kind of information to another person if they know, or ought reasonably to know, that this other person is likely to apply for, acquire or dispose of the securities or procure another person to do so.

Engaging in "insider trading" can subject you to criminal liability, including substantial monetary fines and/or imprisonment. You may also be subject to civil liability, which may include being sued by another party or the Company, for any loss suffered as a result of insider trading. Insider trading is prohibited at all times.

## Blackout Periods

In addition to the prohibitions on insider trading set out in the Corporations Act, Restricted Persons must not trade in Company Securities in the periods between:

- a) the close of books and 24 hours immediately following the release of the Company's half-year financial accounts;
- b) the close of books and 24 hours immediately following the release of the Company's annual financial accounts; and
- c) the end of each of the March and September financial quarters and 24 hours immediately following the release of the Company's quarterly reports for those financial quarters

(Blackout Periods), unless the circumstances are exceptional and the procedure for prior written clearance described in section 7 has been met. In addition to the prohibitions on insider trading set out in the Corporations Act, Restricted Persons must not trade in Company Securities within any period imposed by the Board from time to time, for example because the Company is considering matters that would require disclosure to the market but for Listing Rule 3.1A (Additional Period), unless the circumstances are exceptional and the procedure for prior written clearance described in section 7 has been met. This prohibition is in addition to the Blackout Periods. The Blackout Periods and the Additional Period are together referred to as a Prohibited Period in this policy. Restricted Persons must not disclose to anyone that an Additional Period is in effect.



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Managing Director & CEO



Please note that even if it is outside a Prohibited Period, Restricted Persons must not trade in the Company's Securities if they are in possession of Inside Information

## Exceptional Circumstances When Trading May Be Permitted Subject To Prior Written Clearance

A Restricted Person, who is not in possession of Inside Information, may be given prior written clearance to trade in Company Securities during a Prohibited Period in accordance with the procedure described in section 7, in the following exceptional circumstances:

- a) where the person is in severe financial hardship; or
- b) where there are other circumstances deemed to be exceptional by the person granting the prior written clearance.

The determination of whether a person is in severe financial hardship or whether there are other exceptional circumstances can only be made by the relevant Approving Officer in accordance with the procedure for obtaining clearance prior to trading set out in section 7.

A person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company Securities. A tax liability may constitute severe financial hardship, particularly where the person has no other means of satisfying the liability. A circumstance may be considered exceptional if the person in question is required by a court order or a court enforceable undertaking to transfer or sell, or accept a transfer of, the Company Securities or there is some other overriding legal or regulatory requirement for him or her to do so.

## Procedure For Obtaining Written Clearance Prior To Trading

Restricted Persons must not trade in Company Securities at any time, including in the exceptional circumstances referred to in section 6, unless the Restricted Person first obtains prior written clearance from:

- a) in the case of Employees, the Company Secretary or, in his/her absence, the Managing Director;
- b) in the case of a director or officer or Key Management Personnel, the Chair or, in his/her absence, the Managing Director;
- c) in case of the Managing Director, the Chair or, in his/her absence, the Chair of the Audit and Risk Committee; or
- d) in the case of the Chair, the Chair of the Audit and Risk Committee, (each, an Approving Officer).

A request for prior written clearance under this policy should be made in writing using the Company form entitled 'Request for Prior Written Clearance to Trade in Company Securities' and given to the Approving Officer. The request may be submitted in person, by mail, by email or by facsimile. Any written clearance granted under this policy will be valid for the period of five business days from the time which it is given or such other period as may be determined by the Approving Officer.



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Managing Director & CEO



The expiry time of the clearance will be stated in the clearance granted. Written clearance under this policy may be given in person, by mail, by email or by facsimile.

## WHAT TRADING IS NOT SUBJECT TO THIS POLICY?

The following trading by Restricted Persons is excluded from the restrictions outlined in section 5, but is subject to the insider trading provisions of the Corporations Act summarised in section 4 of this policy:

- a) transfers of Company Securities between a Restricted Person and their spouse, civil partner, child, step-child, family company, family trust or other close family member or of Company Securities already held into a pension fund or other saving scheme in which the Restricted Person is a beneficiary;
- b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- c) where a Restricted Person is a trustee, trading in the Company Securities by that trust provided that the Restricted Person is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- d) undertakings to accept, or the acceptance of, a takeover offer;
- e) a disposal of Company Securities arising from a scheme of arrangement;
- f) trading under an offer or invitation made to all or most of the security holders such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- g) a disposal of Company Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement. Please note section 11 of this policy; Restricted Persons must not enter into margin loan agreements or other secured lending arrangements in relation to Company Securities without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7;
- h) the exercise (but not the sale of Company Securities following exercise) of an option or right under an employee incentive scheme, or the conversion of a convertible security, where: (i) the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and the Company has been in an exceptionally long Prohibited Period or the Company has had a number of consecutive Prohibited Periods and the Restricted Person could not reasonably have been expected to exercise it at a time when free to do so; and (ii) the Restricted Person obtains prior written clearance to exercise the option or right, or convert the security, in accordance with the procedure set out in section 7 of this policy;



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- i) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where: (a) the Restricted Person did not enter into the plan or amend the plan during a Prohibited Period; and (b) the trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade;
- j) an acquisition, or agreement to acquire, Company Securities under an employee incentive scheme;
- k) the exercise or automatic conversion of Company Securities giving a right to conversion to shares, issued under an employee incentive scheme (but not the sale of Company Securities following exercise or conversion);
- l) the acquisition of shares by conversion of Company Securities giving a right to conversion to shares (but not the sale of Company Securities following exercise or conversion).

## Long Term Trading

The Company wishes to encourage Restricted Persons to adopt a long-term attitude to investment in Company Securities. Therefore, Restricted Persons must not engage in short term or speculative trading of Company Securities.

## Hedging Transactions

Restricted Persons must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7.

Restricted Persons are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

## Margin Loans & other Secured Lending

Restricted Persons must not enter into margin loan agreements or other secured lending arrangements in relation to Company Securities without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7.

## Non-Discretionary Trading Plans

Restricted Persons must not put in place a non-discretionary trading plan in respect of Company Securities without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7. Restricted Persons must not cancel any such trading plan during a Prohibited Period, unless the circumstances are exceptional and the procedure for prior written clearance set out in section 7 has been met.



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Managing Director & CEO



## Director Notification Requirements

Directors have agreed with the Company to provide details of changes in Company Securities they hold (directly or indirectly) to the Company Secretary as soon as reasonably possible to enable the Company to comply with its obligations.

Directors are reminded that it is their obligation to notify the market operator within 14 days after any change in a director's interest if the Company has failed to do so.

## Training

Training on this Policy will be provided to all new Key Management Personnel and Employees and all Key Management Personnel and Employees will receive mandatory training on this Policy on at least an annual basis.

Key Management Personnel or Employees who are unclear about this Policy should contact the Company Secretary & General Counsel.

## Consequences of Breach

Breach of the insider trading prohibition could expose you to criminal and civil liability. Breach of this policy (irrespective of whether the insider trading prohibition or any other law is breached) will also be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

This policy does not contain an exhaustive analysis of the restrictions imposed by insider trading. Restricted Persons who wish to obtain further advice in this matter are encouraged to contact the Company Secretary



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