



Related Party Transactions Policy

Sierra Nevada Gold Inc

Adopted by the Board on 28 November 2021 to come into effect upon admission of the Company to the Official List of the Australian Securities Exchange.

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Related Party Transactions Policy

of Sierra Nevada Gold Inc (ARBN 653 575 618)

1. Commitment to compliance

Sierra Nevada Gold Inc (**Company**) is committed to:

- (a) complying with the related party transaction requirements contained in the Nevada Revised Statutes and the ASX Listing Rules; and
- (b) preventing financial benefits from being given to related parties without due consideration by the Board and, if appropriate, shareholders.

2. Purpose

The purpose of this policy is to:

- (a) record the Company's commitment to complying with all related party transaction requirements under the Nevada Revised Statutes and the ASX Listing Rules;
- (b) set out a framework for obtaining approval for all related party transactions; and
- (c) establish a clear process to comply with the Company's related party transaction obligations.

3. Interpretation

In this policy:

- (a) **ASX** means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it;
- (b) **ASX Listing Rules** means the listing rules of ASX;
- (c) **Board** means the board of directors of the Company;
- (d) **Company Group** means the Company and its subsidiaries;
- (e) **Company Secretary** means secretary of the Company; and
- (f) concepts not defined in this policy which are given a meaning in the Nevada Revised Statutes have the same meaning as in the Nevada Revised Statutes.

4. Scope

The policy applies to all related parties of the Company Group.

In summary, all related party transactions must be:

- (a) notified to the Company Secretary prior to their execution; and
- (b) authorised or ratified in one of the following manners:

- (i) the proposed transaction is determined by the Board to be fair to the Company as at the time of determination;
- (ii) the proposed transaction is approved or ratified by the Board; or
- (iii) if required by the ASX Listing Rules, the proposed transaction is approved by the Company's shareholders.

Additionally, unless otherwise determined by the directors of the Company, any director of the Company who has a personal interest in the outcome of the proposed related party transaction must not be present in a directors' meeting while the proposed transaction is being considered or vote on the proposed transaction.

5. Related Party Transactions – General Principles

A financial benefit provided by the Company and members of the Company Group to a related party or a transaction entered between the above parties is susceptible to a risk of being found void or voidable. This is the case unless certain requirements are satisfied, including, for example, the Company's shareholders have approved the giving of the financial benefit and/or entering the transaction.

As an entity listed on ASX, the Company is also prohibited from entering into certain transactions with related parties without shareholder approval.

6. Who is a related party?

For the purposes of this policy, the Company has adopted the definition of a "related party" as set out in the ASX Listing Rules(as at the date of this policy), being:

- (a) an entity that controls the Company;
- (b) if the Company is controlled by an entity that is not a body corporate, the persons making up that entity;
- (c) directors of the Company or of an entity that controls the Company;
- (d) spouses and de facto spouses of anyone referred to in (b) and (c) above;
- (e) parents and children of anyone referred to in (b), (c) and (d) above;
- (f) an entity controlled by anyone referred to in (a) to (e) above unless it is also controlled by the Company;
- (g) anyone who has fallen within (a) to (f) above within the past 6 months;
- (h) anyone who believes or has reasonable grounds to believe that that they are likely to fall within (a) to (g) at any time in the future;
- (i) anyone acting in concert with someone referred to in (a) to (h) above; and
- (j) an entity in which one or more directors or officers of the Company are directors or officers or are financially interested.

Note: If there is any doubt as to whether a particular person or entity is a related party of the Company Group for the purposes of this policy, the matter should be referred to the Company Secretary and a decision will be made by the Board.

7. What is a financial benefit?

The term 'financial benefit' is to be interpreted broadly.

When applying this policy, the Board will have regard to the commercial nature of the transaction, and any consideration given for the benefit will be disregarded (even if the consideration is considered to be adequate).

Some examples of financial benefits include:

- (a) giving or providing finance or property (including buying, selling or leasing an asset);
- (b) supplying or receiving services; and
- (c) issuing securities or granting options.

8. Shareholder approval

The Company and members of the Company Group may provide a financial benefit to, or enter into a transaction with, a related party if it has obtained prior shareholder approval for such provision or transaction. Other than shareholder approval, the Company is also deemed to have obtained the required approval if the circumstances set out in sections 9 or 10 of this policy apply, unless shareholder approval is otherwise required pursuant to the ASX Listing Rules .

9. Fair terms

The Company and members of the Company Group may enter into a transaction with, or provide a financial benefit to, a related party if the Board is satisfied that the proposed transaction is fair as to the Company at the time the matter is authorised or approved. A transaction may be considered to be fair as to the Company if it is on arm's length terms, or on terms that are less favourable to the related party.

In considering whether the arm's length exception applies to a transaction, the Board will have regard to the following factors:

- (a) the terms of the transaction;
- (b) any protocols adopted by the Company to ensure that conflicts of interest were appropriately managed;
- (c) the impact of the proposed transaction on the Company and its shareholders;
- (d) any other options that may be available; and
- (e) any expert advice received in relation to the proposed transaction.

10. Approval by the Board

Without limiting the Board's general powers in considering and approving a proposed related party transaction, provided that the requirements under this policy are followed, the Board may approve or ratify a transaction which results in:

- (a) the giving of a financial benefit to a related party and such financial benefit represents reasonable remuneration payable to the related party as an officer or employee, or the reimbursement of expenses;
- (b) the giving of an indemnity, exemption or insurance policy in respect of a liability incurred as an officer or employee;
- (c) benefits given to a shareholder of the Company that do not discriminate unfairly against other shareholders of the Company; and
- (d) benefits given by the Company to a wholly-owned subsidiary (or vice versa),

unless shareholder approval is otherwise required pursuant to the ASX Listing Rules.

11. Protocols for negotiations with related parties

In respect of negotiations with related parties, the Board should consider putting in place protocols to ensure that the related party does not influence the Company's decisions. For example, it may be appropriate to put in place 'Chinese Walls' in relation to the proposed transaction, form a Board sub-committee to consider the proposed transaction and seek independent advice.

12. All related party transactions to be referred to the Board

Where a member of the Company Group proposes to enter into a transaction with a related party the following procedure **must** be followed.

- (a) Full and appropriate disclosure about the proposed transaction is to be made to the Company Secretary **prior** to any transactions being entered into. Such disclosure should include the following information:
 - (i) full details of the proposed transaction, including the parties and the nature of their relationship (that is, why they are or might be considered to be related parties);
 - (ii) whether an exception to the requirement to obtain shareholder approval applies or may apply;
 - (iii) why the exception (if any) applies to the proposed transaction; and
 - (iv) any other information appropriate or necessary in the circumstances for the Board to determine whether the transaction is fair or if any other relevant exception applies.

- (b) The Company Secretary will compile the information provided, and include an item in the agenda for the Board to consider the proposed transaction at the next directors' meeting.
- (c) Where appropriate, the Board may refer to any internal or external advice or recommendations on the proposed transaction.
- (d) Where the Board determines that the appropriate manner by which the proposed transaction is to be approved or ratified is fair, it may resolve to proceed with the proposed transaction on terms it considers appropriate.
- (e) Where the Board determines, based on the information available to it, that the proposed transaction should be presented to the Company's shareholders for consideration and approval, the Board will propose a resolution to shareholders to consider and, if thought fit, approve the proposed transaction.

Note: The procedures set out in this policy must be complied with in relation to all related party transactions.

However, any routine transactions entered into by a member of the Company Group in the ordinary course of business and fair terms (for example, travel bookings made by a related party through a member of the Company Group) are not required to be referred to the Board in accordance with this policy.

13. Persons with material interest not to participate

Any person who has a material personal interest in the outcome of a proposed related party transaction must disclose that interest to the Company Secretary, who will notify the Board. The interested person must not participate or be any way involved in the decision-making process of the Company or the Board in relation to the proposed related party transaction.

For clarity, a director or officer of the Company is deemed an interested person for the purposes of this Policy if the director or officer is:

- (a) a party in the proposed related party transaction; or
- (b) a director or officer of, or financially interested in, the entity which is a party in the related party transaction.

Unless the Board determines otherwise, where the interested person is a director of the Company, he or she must not:

- (a) be present while the proposed transaction is being considered by the Board; or
- (b) vote on the proposed transaction.

14. All related party transactions to be appropriately documented

All related party transactions (including those that are determined by the Board to be fair as to the Company or be approved by the Board) must be appropriately recorded and documented.

15. Disclosure of related party transactions

To the extent required by law, details of all related party transactions are to be fully disclosed in each annual report issued by the Company.

16. Register

The Company Secretary will keep and maintain a register of all related party transactions involving members of the Company Group, including details of the transaction, the parties and whether shareholder approval was obtained or one of the exceptions applied.

17. Review of policy

This policy will be reviewed by the Board as necessary to ensure that it remains relevant and appropriate to the Company Group, to determine the effectiveness of the policy, and to make any changes necessary.

18. Endorsement

The Company is committed to this policy and its implementation and to ensuring that the Company and the Company Group comply with their obligations in relation to related party transactions.

19. Communication

This document has been published on SNG's website. It is reviewed at least annually by management and the Audit and Risk Committee or Board to ensure its effectiveness, continued application and relevance.

DATE OF POLICY: 28 November 2021