



# Securities Trading Policy

**Approved by the Board: 2 September 2020**

**Medallion Metals Limited** ACN 609 225 023  
Suite 1, 11 Ventnor Ave  
West Perth WA 6005

# Securities Trading Policy

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## 1. Introduction

### 1.1 Purpose

This document sets out the policy of Medallion Metals Limited (**Medallion** or the **Company**) regarding its directors, key management personnel (KMP), officers, employees, consultants and contractors (irrespective of location) (each named a **Company Officer**) who Deal or may Deal in Company Securities and should be read in its entirety.

The purpose of this Policy is to:

- (a) provide a summary of the law on insider trading in Australia;
- (b) outline the prohibitions on dealing in Company Securities to prevent the misuse of unpublished information which could materially affect the value of such securities;
- (c) ensure that the reputation of the Company, its directors, KMP, officers, employees, consultants and contractors is not adversely impacted by perceptions of dealing in securities at inappropriate times; and
- (d) achieve high standards of corporate conduct and support market confidence in the integrity of Dealing in Company Securities.

### 1.2 Source of legal obligations

The sources of legal obligations underpinning this Policy include:

- (a) the *Corporations Act 2001* (Cth) (**Corporations Act**), which, among other things, prohibits insider trading by anyone (regardless of geographical location); and
- (b) the ASX Listing Rules, ASX Guidance Note 27 (Trading Policies) and ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition), which set out requirements for responsible trading in listed company shares.

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## 2. Defined Terms

For the purposes of this Policy:

**Approval Officer** means in regard to all of the Company's Officers (excluding the Managing Director (MD)/CEO), the MD/CEO or, in the event that the MD/CEO is absent or on leave, the Chair will act in this capacity. In regard to the MD/CEO, the Chair will act as the Approval Officer.

**Company Officer(s)** means a director, KMP (as defined by Australian Accounting Standard AASB 124 (*related party disclosures*)), officer, employee, consultant and contractor (irrespective of location).

**Company Securities** includes shares, options, warrants, derivatives and interests in shares (including vested options and vested performance share rights) linked in any way to the underlying price of shares in the Company.

**Black-out Periods** means a relevant period as defined by the Company when the Company's Officers may not Deal in Company Securities.

**Dealing and Deal** includes:

- (a) applying for, acquiring or disposing of securities;
- (b) entering into an agreement to apply for, acquire or dispose of, securities; and
- (c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.

**Derivatives** include:

- (a) derivatives within the meaning given in section 761D of the Corporations Act (such as options, forward contracts, swaps, futures, warrants, caps and collars); and
- (b) any other transaction in financial products which operate to limit (in any way) the economic risk associated with holding the relevant securities.

**Inside Information** means information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of securities. It is irrelevant how or in what capacity a person came into possession of the information. For example, information may be acquired in the course of company responsibilities, in passing, or at a social occasion. Annexure A provides further details about what constitutes Inside Information.

**Margin Loan** means any lending or similar arrangement allowing a person to borrow money to invest in securities using existing investments as security.

**Permitted Nominee** means a person or Related Party permitted to accept an offer of Company Securities made to a Company Officer in place of the Company Officer person.

**Related Party** has the meaning given to that term in section 228 of the *Corporations Act 2001* (Cth).

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### 3. Insider Trading Prohibition – the Law

It is an offence under the Corporations Act [section 1043A] to Deal using Inside Information, or communicate Inside Information to others who will, or are likely to, Deal on the Inside Information.

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## 4. Dealing in Company Securities

### 4.1 When a Company Officer MAY Deal

A Company Officer may Deal in Company Securities unless restricted from doing so under clause 4.2 (When a Company Officer May Not Deal).

### 4.2 When a Company Officer MAY NOT Deal

- (a) Subject to clause 5 (Exceptions), a Company Officer may not Deal in Company Securities, whether held in their own name, in a company, by a family member or friend or under some other arrangement, during the following designated **Black-out Periods**:
  - (i) the period one week prior to, and 24 hours after the release of the Company's quarterly activity and cash flow reports;

- (ii) the period two weeks prior to, and 24 hours after the release of the Company's half-year results;
  - (iii) the period two weeks prior to, and 24 hours after the release of the Company's full-year results; and
  - (iv) any other period determined by the MD/CEO in consultation with the Chair and CFO to be a Black-out Period from time to time.
- (b) In addition to the restrictions in paragraph 4.2(a), a Company Officer may not Deal in Company Securities, or in the securities of other companies during confidential negotiations, at any time if he or she has:
  - (i) information that he or she knows, or ought reasonably to know, is Inside Information; or
  - (ii) not complied with clause 6 (Approval and notification requirements)
- (c) At any time on an ad hoc basis by direction of the Approval Officer and/or a majority of directors, the Dealing of Company securities may be restricted. The restriction of Dealing is not necessarily required to be communicated to Company Officers.

### **4.3 Prohibition on active trading**

Dealing in the securities of the Company is subject to the prohibition that a Company Officer must not engage in the business of active dealing in Medallion securities. This means not actively trade in Medallion securities with a view to deriving profit related income from that activity. "Active trading" for this purpose means to deal in Medallion securities in a manner which involves frequent, short-term and regular trading activity.

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## **5. Exceptions**

### **5.1 Permitted dealings**

Subject to not being in the possession of Inside Information, a Company Officer may at any time:

- (a) transfer Company Securities already held into a superannuation fund or other saving scheme in which the Company Officer is a beneficiary;
- (b) invest in, or trade in units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or scheme are invested at the discretion of a third party;
- (c) undertake to accept, or accept, a takeover offer;
- (d) participate in an offer or invitation made to all or most security holders, including a rights issue, equal access buy-back, security purchase plan or dividend or distribution reinvestment plan, where the timing and structure of the offer or invitation has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (e) exercise (but not Deal with the securities following exercise) an option or right under an employee incentive scheme where the final date for the exercise of the option or right falls during a Black-out Period or the Company has had a number of consecutive

Black-out Periods and the Company Officer or Permitted Nominee could not reasonably have been expected to exercise it at a time when free to do so;

- (f) acquire (but not Deal with the securities following acquisition) Company shares by conversion of financial instruments giving rights to conversion to shares (e.g. options or convertible securities) where the final date for the conversion of the security falls during a Black-out Period or the Company has had a number of consecutive Black-out Periods and the Company Officer could not reasonably have been expected to exercise it at a time when free to do so;
- (g) acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (h) acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders of securities of the same class;
- (i) acquire, or agree to acquire or exercise options under a Company employee share plan;
- (j) withdraw ordinary shares in the Company held on behalf of the Company Officer or Permitted Nominee in an employee share plan where the withdrawal is permitted by the rules of that plan;
- (k) acquire ordinary shares in the Company as a result of the exercise of options held under an employee share scheme; or
- (l) where the Company Officer is a trustee, trade in the securities of the Company by that trust, provided the Company Officer is not a beneficiary of the trust and any decision to trade during a Black-out Period is taken by the other trustees or by the investment managers independently of the Company Officer.

## 5.2 Approval to dispose or transfer Company Securities in exceptional circumstances

- (a) In exceptional circumstances a Company Officer may seek written approval from the **Approval Officer** to dispose of or transfer (but not acquire or otherwise Deal with) Company Securities during a Black-out Period (**Disposal Consent**).
- (b) The Approval Officer will act with caution in determining whether there are exceptional circumstances, which may include, but will not be limited to, where:
  - (i) the Company Officer is in severe financial hardship and a pressing financial commitment cannot be satisfied otherwise than by disposing of Company Securities; or
  - (ii) the Company Officer is required by a court order, or there are court enforceability undertakings, to transfer or dispose of Company Securities or there is some other overriding legal regulatory requirement for them to do so.
- (c) A Company Officer 5.2(b)(i) must provide the Approval Officer with:
  - (i) a written application stating all of the facts; and
  - (ii) copies of relevant supporting documentation, including contact details of the Company Officer's accountant, bank and other such independent institutions (where applicable).
- (d) A Company Officer 5.2(b)(ii) must provide the Approval Officer with a written application accompanied by relevant court and/or supporting legal documentation (where applicable).

- (e) The Approval Officer may grant Disposal Consent to a Company Officer :
    - (i) only if that Company Officer is not in possession of Inside Information; and
    - (ii) on such terms and conditions (including the duration of the right to dispose or transfer) as considered reasonable in the circumstances by the Approval Officer.
  - (f) The Approval Officer will notify the Board of any Disposal Consent granted to a Company Officer .
  - (g) A Disposal Consent, if granted, will be issued in writing to the Company Officer and will contain a specified time period during which the disposal or transfer can be made.
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## **6. Approval and Notification Requirements**

### **6.1 Company Officer and their Related Party**

- (a) If a Company Officer (including a Director) or their Related Party intends to Deal in Company Securities, the Company Officer must give prior notice to the Company by submitting a Notification Form (**Annexure B – Part A**) to the Approval Officer. Further, subject to paragraph 6.1(b), the relevant Dealing must not occur until a confirmation is received back from the Approval Officer (**Annexure B – Part B**) and may only then take place within 7 days of receipt of such confirmation.
- (b) Separately, for Directors, in addition to the restriction in clause 6.1(a), the relevant Dealing must not occur until Annexure B (comprising both Part A and Part B) has been sent to the other Directors by the Approval Officer. Directors have agreed with the Company, as a statutory requirement of their appointment, to provide details of such Dealings to the Company Secretary as soon as possible to enable the Company to comply with its obligations under the ASX Listing Rules [*ASX Listing Rule 3.19A*]. A notice given by the Company to the ASX under the ASX Listing Rules satisfies the Director's obligation to notify the ASX under the Corporations Act.

### **6.2 Notification process not an approval**

The processes for notification of an intention to Deal in Company Securities, as set out in this clause 6.1 do not provide for the Approval Officer. At all times, the person intending to Deal in Company Securities is personally responsible for any decision to Deal and compliance with this Policy and the law.

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## **7. Other Restrictions**

### **7.1 Incomplete Buy or Sell Orders**

- (a) Buy or sell orders for Company Securities which are placed but not completed outside of a Black-out Period are subject to the following restrictions once the Black-out Period commences:
  - (i) the order must be completed within 5 trading days otherwise it will lapse; and
  - (ii) the order cannot be varied.

- (b) Any order subject to this procedure should be notified in writing to the Approval Officer within 24 hours of the Black-out Period commencing.

## **7.2 Derivatives**

- (a) The Company prohibits the use of Derivatives in relation to unvested equity instruments, including performance share rights, and vested Company Securities that are subject to disposal restrictions (such as a "Holding Lock").
- (b) Derivatives may be used in relation to vested positions which are not subject to disposal restrictions subject to compliance with the law and the other provisions of this Policy.

## **7.3 Prohibition on Margin Loan Arrangements**

Designated Persons may not:

- (a) enter into a Margin Loan or similar funding arrangement to acquire any Company Securities; or
- (b) use Company Securities as security for a Margin Loan or similar funding arrangement.

## **7.4 Securities of other companies**

The prohibitions in the Corporations Act against insider trading applies equally to where Inside Information is being held by a person about another listed company or entity. This may occur, for example, where in the course of negotiating a transaction with the Company, another listed entity provides confidential information about itself or another listed entity. Accordingly, if a person possesses Inside Information in relation to the securities of another listed entity, they must not Deal in those securities.

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# **8. Penalties**

- (a) Insider trading is a criminal offence. A person who commits a breach of the insider trading provisions could be subject to both civil and criminal penalties for the individual and for the Company.
- (b) In addition, the insider trader, and any other persons involved in the contravention, may also be liable to compensate third parties for any resulting loss.

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# **9. Policy Compliance**

- (a) During the year the Company may require confirmation from Company Officers that they have complied with this Policy. The Company may also require confirmation (or declarations) of holdings in securities. All such requested information must be supplied within 5 business days of the request being made.
- (b) A breach of this Policy will be regarded very seriously and may lead to disciplinary action being taken (including termination of employment). If the Company becomes aware of any breach of this Policy, then the Company may report such breach to the Australian Securities and Investments Commission.

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## **10. Publication**

This Policy will be made available on the Company website: [www.medallionmetals.com.au](http://www.medallionmetals.com.au)

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## **11. Who to Contact**

If an individual is in any doubt regarding their proposed dealing in securities, they should contact the Approval Officer.



## **ANNEXURE A - INSIDE INFORMATION**

### **1. Inside information**

Inside Information means information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of securities.

### **2. Information that is generally available**

Information is considered to be generally available if:

- (a) it consists of readily observable matter; or
- (b) it has been made known in a manner likely to bring it to the attention of investors in securities and a reasonable period for dissemination of that information has elapsed; or
- (c) it may be deduced, inferred or concluded from the above.

Information will be generally available if it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the investing public and a reasonable period of time has elapsed after the information has been disseminated in one of these ways.

For the purposes of the insider trading provisions of the Corporations Act, information is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public. It also includes matters relating to the intentions of a person.

### **3. Material effect on the price of securities**

Information is considered by the Corporations Act to be likely to have a material effect on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all of information that may be material, however, the following type of information would be likely to be considered to have a material effect on the Company's share price:

- (a) information regarding a material increase or decrease in the Company's financial performance from previous results or forecasts, such as changes to profit results;
- (b) a proposed material business or asset acquisition or sale;
- (c) the damage or destruction of a material operation of the Group;
- (d) proposed material legal proceedings to be initiated by or against the Company;
- (e) regulatory action or investigations undertaken by a Government authority;
- (f) the launch of a new business or material new product; or
- (g) a proposal to undertake a new issue of securities or major change in financing.



## ANNEXURE B

### NOTIFICATION AND CONFIRMATION FORMS REGARDING INTENT TO DEAL IN SECURITIES

#### Part A - For completion by a Company Officer

Name of Company Officer (and Permitted Nominee if applicable)	
Description of securities (proposed number and class of securities)	
Nature of proposed dealing (sale, purchase, subscription etc)	
Proposed date of completion ( <i>must be within 7 days of receipt of confirmation</i> )	

I, \_\_\_\_\_, confirm that:

I am not in possession of any information that is not generally available (including unpublished information), which, if generally available, or published, a reasonable person would expect it to materially affect the price or value of MM8 securities; and

the dealing in securities described above does not contravene the Securities Trading Policy.

Signature: .....

Date: .....

#### Part B - For completion by the Approval Officer

I confirm that I am not aware of any circumstances pursuant to which the person above is, or is likely to be, in possession of information that is not generally available, which, if generally available, a reasonable person would expect to materially affect the price or value of MM8 securities. This confirmation does not constitute an approval or endorsement by me or Medallion of the proposed dealing by the above person.

Name: .....

Signature: .....

Date: .....

*After Part A of this form is completed, it should be sent / given to the Approval Officer. Once Part B is completed by the Approval Officer a copy should be sent / given to the relevant Company Officer with a copy to the Company Secretary.*