



3. SECURITIES TRADING POLICY

Purpose

This policy is to ensure persons with access to material non-public information understand that they are prohibited from using such material or information in trading securities of the Company until the information has been fully disclosed and a reasonable period of time has passed.

Insider Trading

The Corporations Act 2001 prohibits Insider Trading.

If a directors and employees become aware of undisclosed material inside information, it is illegal for the person to:

- a) Deal in the securities of the Company;
- b) Advise, procure or encourage another person to deal in the securities; or
- c) Pass on the information to another person who the person knows, or ought reasonably to know, is likely to deal or procure another person to deal in the securities of the Company.

Insider trading is a crime and is punishable by substantial fines and/or imprisonment or both. A company can also be liable if an employee or director engages in insider trading.

What is Inside Information?

Under the Corporations Act a person is prohibited from dealing in securities when;

- a) The person possesses information which is not generally available to the public and;
- b) If it were generally available, would or would likely to, influence persons who commonly invest in securities to act or procure another person to act based on the information that may have a material effect on the price or value of the securities.

Trading

Directors, officers and employees must not,

- a) buy, sell or trade in Adriatic Metals securities whilst in possession of price sensitive information;
- b) advise, procure or encourage others to do so whilst in possession of price sensitive information;
- c) Pass on the information to another person who the person knows, or ought reasonably to know, is likely to deal or procure another person to deal in the securities of the Company;
- d) perform short term trading (within 3 months) or short selling of the Company's securities at any time;
- e) engage in margin lending collateral or other financing arrangements in respect of the Company's securities; or
- f) the Non-Executive Directors and senior executives who participate in equity based remuneration schemes are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements or entitlements subject to a holding lock



When dealing may occur

Directors and the Company Secretary must obtain clearance for any proposed dealing of Adriatic Metals securities as follows;

- a) A Director and the Company Secretary must inform and obtain approval from the Chairperson before the transaction takes place, and;
- b) The Chairperson must obtain approval from the Board before the transaction can take place and confirm that there is no market sensitive information that has not yet been released.

Closed Trading Period

The following periods are considered a “closed period” for directors, officers and employees who must not trade in the company’s securities;

- a) The period 14 days immediately preceding announcement of the company’s quarterly results;
- b) The period 14 days immediately preceding the Board meeting for approval of the Company’s half and full year results;
- c) Within 24 hours following a material announcement to the market; or
- d) The period 14 days immediately preceding an Annual General Meeting; or
- e) As advised by the company.

However, if there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception, then directors, officers and employees must not deal in securities of the company during those prohibited periods.

In specific circumstances however, such as financial hardship, the Chairman may waive in writing the requirement of a director, officer or employee to deal in the Company’s securities outside closed periods on the condition that the director, officer or employee can demonstrate to the Chairman that he or she is not in possession of any price sensitive information that is not generally available to the public. In such circumstances, the director, officer or employee must provide a written statement to the Chairman setting out the relevant exceptional circumstances, confirming that they are not in possession of any information which is price sensitive and which would have a material effect on the price or value of the securities.

In addition to trading permitted within a trading window the following is permitted;

- a) Transfers where beneficial ownership is unchanged such as securities held in a superannuation fund whereby the transferee is the major beneficiary;
- b) Exercise of an option or right or conversion of security where the final date to exercise falls in a closed period;
- c) During a period where a prospectus or other form of disclosure document pursuant to which persons may subscribe for securities;

Director requirement to report to the Market

Directors are required to provide details of all changes in their interest in Adriatic Metals securities registered in the name of the Director or held on behalf of the Director, directly or indirectly. The details must be provided as soon as reasonably possible after the date of the change and no later than 3 business days after the change or another time as agreed with the Company Secretary which allows for compliance with listing rule obligations. The ASX Listing Rules require the Company to notify the ASX within 5 business days.

Other Securities

Dealing in securities of other listed companies is allowable however, the prohibited conduct under the Corporations Act includes dealings in securities of Adriatic Metals as well as other listed entities where an



employee possesses non-public information regarding any investigations or negotiations conducted on that company. E.g. if you were aware that Adriatic Metals was about to sign an agreement with another listed company, you should not trade securities in Adriatic Metals or the other company.

Breach of Policy

Compliance with the rules in this policy are considered mandatory and infringement of the policy may lead to disciplinary action may also be a breach of the law which could attract a substantial monetary penalty, imprisonment or both.