

**Southern Hemisphere
Mining Limited**

ABN: 17 140 494 784

Suite 12
11 Vantor Avenue
WEST PERTH, WA
Australia, 6005

Postal Address:

PO Box 1240
West Perth WA 6872

Phone: +61 (0) 8 6245 2050
Fax: +61 (0) 8 6245 2055

Website: shmining.com.au

Directors:

Chairman
Mark Stowell

Directors
Keith Coughlan
David Lenigas

Company Secretary:
Jessamyn Lyons

Issued Capital:
108,639,892

Corporate Information:
ASX Code: SUH



30 June 2020

Market Announcements Office
ASX Compliance Pty Ltd
Level 40 Central Park
152-158 St Georges Terrace
Perth WA 6000

SECURITIES TRADING POLICY

Southern Hemisphere Mining Limited (ASX:SUH) provides the attached copy of its updated Securities Trading Policy in accordance with Listing Rule 12.9.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "J Lyons".

Jessamyn Lyons
Company Secretary

Trading Policy

Approved by the Board with effect 30 June 2020

1. Introduction

1.1 Purpose

This document sets out the Company's policy regarding its directors, officers, employees, consultants and contractors (irrespective of location) 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 brief summary of some applicable laws on insider trading in Australia;
- (b) outline the Company's prohibitions on dealing in Company Securities to prevent the misuse of unpublished information which could materially affect the value of such securities;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, 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, which set out requirements for responsible trading in listed company shares.

2. Defined terms

For the purposes of this Policy:

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 Designated Persons may not Deal in Company Securities.

Dealing 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.

Designated Persons means each of:

- (a) the Directors of the Company;
- (b) any person who by their role or otherwise, becomes aware of Inside Information by having access to confidential material which may contain potentially price sensitive information including the Company board papers, periodic disclosure materials or any other relevant document; and
- (c) in relation to those persons identified in paragraphs (a) and (b) above, the following people are also deemed to be Designated Persons:
 - (i) their spouse or any of their children (including step children) under the age of 18 years;
 - (ii) a trust which they, any members of their family, or family controlled company are a trustee or beneficiary; and
 - (iii) a company which they or their family control.

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. 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.

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

3. Insider trading prohibition – the law

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

4. Dealing in Company securities

4.1 When a Designated Person MAY Deal

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

4.2 When a Designated Person MAY NOT Deal

(a) Subject to clause 5 (Exceptions), a Designated Person may not Deal in Company Securities during the following designated Black-out Periods:

- (i) the period two weeks prior to, the release of the Company's quarterly results;
- (ii) the period two weeks prior to, the release of the Company's half-year results;
- (iii) the period two weeks prior to, the release of the Company's full-year results;
- (iv) any other period determined by the Board, CEO and or Chair in consultation with the Company Secretary to be a Black-out Period from time to time.

(b) In addition to the restrictions in clause 4.2(a), a Designated Person may not Deal in Company Securities 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 (Notice of Dealing in Company Securities).

4.3 When employees, consultants or contractors (other than a Designated Person) MAY Deal

An employee, consultant or contractor (who is not a Designated Person) may, at any time, Deal in Company Securities if he or she does not have information that he or she knows, or ought reasonably to know, is Inside Information.

4.4 When employees, consultants or contractors (other than a Designated Person) MAY NOT Deal

An employee, consultant or contractor (who is not a Designated Person) who has information that he or she knows, or ought reasonably to know, is Inside Information may not:

- (a) Deal in Company Securities;
- (b) advise, procure or encourage another person to deal in Company Securities; or

- (c) pass on information to any person if they know, or ought reasonably to know, that the person may use the information to Deal in (or procure another person to Deal in) Company Securities.

4.5 Approval to dispose or transfer Company Securities in exceptional circumstances

- (a) In exceptional circumstances a Designated Person may seek written approval from the Chair (**Approval Officer**) to dispose of or transfer (but not acquire or otherwise Deal with) Company Securities during a Black-out Period (**Disposal Consent**).

5. Policy compliance

- (a) During the year the Company may require confirmation from Designated Persons 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.

6. Publication

This Policy will be made available from the Company website at <https://www.shmining.com.au/profile/corporate-governance.html>.

7. Who to contact

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