



## CODE FOR DEALING IN SECURITIES

### 1. INTRODUCTION

This Code for Dealing in Securities (“**Code**”) sets out the requirements for Directors, employees, consultants and contractors of South Boulder Mines Ltd (“**STB**”) (collectively “**STB Personnel**”) dealing in STB securities. In order to ensure that STB Personnel do not inadvertently breach the insider trading provisions of the Australian Corporations Act, STB Personnel are generally only permitted to deal in STB securities in limited circumstances determined by this Code. These limited circumstances are called “**trading windows**” and are determined by the provisions of this Code.

Even during trading windows, **prior to any dealing in STB securities** a dealing request must be submitted to and approved by the Managing Director or his delegate or, in the case of STB Directors (other than the Chairman) by the Chairman. Such approval shall be in the form approved by the Managing Director from time to time and shall include electronic approval via email.

Subject to the overriding restriction that persons may not deal in any securities when they are in possession of inside information, STB Personnel may not deal in STB securities during the periods set out in section 3 of this Code.

### 2. PROHIBITED CONDUCT UNDER INSIDER TRADING PROVISIONS

#### 2.1 The Company

As a matter of law, all STB Personnel must not deal (meaning any change whatsoever including, but not limited to, any sale, purchase, exercise of options (even if due to expire), discharge of any right or obligation, or transfer) in STB securities where:

- they possess information which is not generally available;
- that information may have a material effect on the price or value of STB securities; and
- they know or ought reasonably to know that the information is not generally available and if it were it might have a material effect on the price of STB securities, as such information constitutes inside information.

#### 2.2 Other Companies

The laws regarding insider trading extend to dealings in securities of any companies about which a person possesses material price sensitive information which is not generally available including, for example, companies in a joint venture with STB.

**3. RESTRICTIONS**

Subject to section 4, the following restrictions apply:

(a) No STB Personnel are permitted to deal in STB securities in the following periods:

- the Managing Director or his delegate has issued an instruction prohibiting trading in Company Securities by Employees
- it is the day on which the Company has made, or is expected to make, an announcement to the ASX, up until the time the announcement is released by ASX.

(b) No STB Personnel are permitted to deal in STB securities during a trading window when STB is considering matters which are subject to ASX Listing Rule 3.1A or there exists any matter which constitutes inside information in relation to STB securities (whether or not such person has knowledge of such matter) and the proposed dealing would (if permitted) take place before the time when it has become reasonably probable that an announcement will be required in relation to that matter. This is a measure for the benefit and protection of STB Personnel and STB to ensure dealing in STB securities by STB Personnel is, at all times, transparent and free of any potential controversy.

(c) No STB Personnel are permitted outside trading windows to deal in derivative products issued or created over or in respect of STB securities.

**4. EXCEPTIONS TO RESTRICTIONS**

The restrictions outlined in section 3 above do not apply in the following circumstances:

(a) Where the dealing results in no change in the beneficial ownership of the STB securities;

(b) Where the dealing occurs via investments in a scheme or other arrangement where investment decisions are made by a third party, independently of any STB Personnel;

(c) Where the dealing occurs under an offer to all or most of the holders of STB securities such as in a rights issue or pursuant to a takeover offer;

(d) Where the dealing is the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, where the final date for exercise of the option or right falls outside a trading window and the relevant STB Personnel could not reasonably have been expected to exercise it at a time when free to do so.

**5. SEVERE FINANCIAL HARDSHIP**

STB Personnel, who are not in possession of inside information, may apply for and be granted approval to deal in STB securities outside a trading window where they are in severe financial hardship or other exceptional circumstances apply and the authoriser is satisfied that the situation is exceptional. The Chair and/or Managing Director may give written approval to proceed to sell an agreed number of Company Securities within a specified time frame. This mechanism is to be exercised with caution.

Severe financial hardship will be found to exist if the relevant STB Personnel has a pressing financial commitment which cannot be satisfied otherwise than by selling the relevant STB securities.

A limited period in which to trade should be granted, being 3 ASX Business Days, and the closing date during which Securities can be traded should be notified to the individual and the Company Secretary. The Company may require the Employee to swear a statutory declaration in support of their claim of financial hardship.

**6. CLEARANCE  
REQUEST PRIOR TO  
DEALING**

All STB Personnel wishing to deal in STB securities must request prior approval. The Managing Director or his delegate will determine such requests except in the case of STB Directors (other than the Chairman) where such requests will be determined by the Chairman.

**7. GENERAL  
OBSERVATIONS**

If any STB person possesses inside information that is not generally available, such person is prohibited by law from procuring any other person to deal in those securities and from directly or indirectly communicating the information to another person who the STB person believes is likely to deal, or procure another person to deal, in those securities.

It is important that any STB person who possesses inside information that is not generally available does not recommend or otherwise suggest to any person or associates (including a spouse, relative, friend or any trustee of a trust or family company) to deal in STB securities.

Accordingly, this Code applies equally to persons acting for STB Personnel or with whom it may appear STB Personnel may communicate the inside information – that is, the spouse, children, family trusts, family companies of STB Personnel or other associates of STB Personnel must not deal in STB securities otherwise than in accordance with this Code.

STB Personnel should also ensure that before any external body of which they are a member, director, representative or trustee (for example, personal or family superannuation funds) undertakes any dealing regarding STB securities, that such dealing in STB securities complies with this Code.

This Code will be administered by the Company Secretary with input from the Chairman. The Company Secretary will be available to answer any questions you may have in relation to it. However, neither STB nor the Company Secretary is to be held responsible for any answers or any act or omission by you in reliance on those answers. It is your responsibility to comply with the law so if you are in any doubt you should obtain your own legal advice.

This Code is subject to regular review by the Board and will be amended as and when appropriate. Material amendments are to be notified to the ASX.