

**CONNECTED MINERALS LIMITED**  
**(ACN 009 076 233)**  
**("COMPANY")**

**SECURITIES TRADING POLICY**

**1. INTRODUCTION**

- (a) This Securities Trading Policy ("**Policy**") regulates the sale and purchase of securities in the Company by its Directors, employees and contractors.
- (b) The purpose of this Policy is to:
  - (i) assist Directors, employees and contractors of the Company to understand and comply with the insider trading prohibitions set out in the *Corporations Act 2001* (Cth) ("**Corporations Act**");
  - (ii) reduce the risk of insider trading of securities in the Company; and
  - (iii) impose "black-out" periods at various times, particularly in the periods leading up to an announcement of results, during which trading of securities in the Company by its key management personnel (as that term is defined in Australian Accounting Standard AASB 124 Related Party Disclosures, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director, whether executive or otherwise) is prohibited.
- (c) A basic explanation of insider trading is set out in this Policy, together with the steps taken by the Company to prevent insider trading, including:
  - (i) a description of what conduct may constitute insider trading;
  - (ii) the periods during which Directors, employees and contractors of the Company are permitted to buy or sell securities in the Company; and
  - (iii) the steps to take before buying or selling securities in the Company.

**2. DEFINITION OF INSIDER TRADING**

**2.1 Prohibition**

Insider trading is a criminal offence. Pursuant to the Corporations Act, a person will be guilty of insider trading if:

- (a) that person possesses information in relation to a company which:
  - (i) is not generally available to the market; and
  - (ii) would, or would be likely to, affect the price or value of that company's securities if it was generally available to the market (being information that is "price sensitive"); and

- (b) that person:
  - (i) buys or sells securities in the company;
  - (ii) procures another third party to buy or sell securities in the company; or
  - (iii) directly or indirectly communicates that information, or otherwise causes that information to be communicated, to a third party if that person knows, or ought reasonably to know, that the third party would, or would be likely to, deal in those securities in any way or procure someone else to deal in those securities.

## **2.2 Examples**

- (a) Price sensitive information is information relating to a company that would, or would be likely to:
  - (i) have a material effect on the price or value of securities in the company; or
  - (ii) influence persons who invest in securities in deciding whether or not to buy or sell securities in the company,if that information was publicly known.
- (b) The following are examples of price sensitive information which, if made available to the market, would, or would be likely to, affect the price or value of securities in the Company:
  - (i) that the Company is considering the acquisition of another company;
  - (ii) drilling or exploration results;
  - (iii) details of material contracts that are being negotiated by the Company;
  - (iv) potential litigation that would, or would be likely to, have a substantial effect on the Company;
  - (v) a proposed change in the capital structure of the Company; or
  - (vi) a major change to the Board or senior management of the Company.

## **3. DEALINGS THROUGH THIRD PARTIES**

A person does not need to be a Director, employee or contractor of the Company to be guilty of insider trading in relation to securities in the Company under the Corporations Act. The prohibition extends to dealings by anyone, including the nominees, agents and other associates of Directors, employees and contractors of the Company, such as family members, family trusts and family companies, as well as customers and suppliers, in the securities of the Company.

#### **4. CONTRACTORS AND EXTERNAL ADVISERS**

- (a) Contractors employed by the Company shall be informed of this Policy when they are appointed and must adhere to the Policy so long as they are contracted by the Company. Breach of this Policy may lead to termination of contract arrangements.
- (b) Employees of the Company who are dealing with external advisers must ensure that the advisers are aware of the insider trading rules set out in this Policy and, where such dealings relate to material matters, that the issue of insider trading is covered in confidential documents.

#### **5. MEANING OF SECURITIES**

Securities in the Company, for the purposes of this Policy, include shares, debentures, rights (whether renounceable or non-renounceable) to subscribe for shares or debentures, options, derivatives, interests in a managed investment scheme and other financial products that can be traded on a financial market.

#### **6. RELATED COMPANIES**

Directors, employees and contractors of the Company who possess inside information in respect of another company are prohibited from dealing in securities in that other company if that other company is, or may be or become, associated with the Company.

#### **7. GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES**

##### **7.1 Approval process**

- (a) Directors, employees and contractors of the Company are permitted to deal in securities in the Company in the following circumstances:
  - (i) it is not during a closed period or a prohibited period as contemplated by section 7.3(a) of this Policy, and that Director, employee or contractor has satisfied themselves that they are not in possession of any price sensitive information that is not generally available to the public; or
  - (ii) that Director, employee or contractor has:
    - (A) contacted the chairman of the Company's Audit Committee ("**Chairman**") or, in the Chairman's absence, the managing Director ("**Managing Director**");
    - (B) notified the Chairman or Managing Director (as applicable) of their intention, and the manner in which they intend, to do so;
    - (C) provided the Chairman or Managing Director (as applicable) with all relevant information relating to the notification; and
    - (D) obtained the prior written approval of the proposed dealing by the Chairman or Managing Director (as applicable).
- (b) This notification obligation and approval process:

- (i) operates at all times and applies to dealings in the Company's securities by family members and other associates of Directors, employees and contractors of the Company, as well as to personal dealings by Directors, employees and contractors of the Company; and
- (ii) does not apply to any issue of securities by the Company pursuant to a prospectus or similar disclosure document, or under an employee share or option plan.

## **7.2 Dealings by Chairman**

If the Chairman wishes to deal with securities in the Company outside of a closed or prohibited period as contemplated by section 7.3(a), the Chairman must obtain the written approval of the Board prior to doing so.

## **7.3 Closed periods and prohibited trading**

- (a) The Chairman will generally not allow Directors, employees and contractors of the Company to deal in securities in the Company as a matter of course in the following closed periods:
  - (i) the period of 14 days prior to, and 24 hours after, the release of the Company's quarterly results;
  - (ii) the period of 14 days prior to, and 24 hours after, the release of the Company's half-year results;
  - (iii) the period of 14 days prior to, and 24 hours after, the release of the Company's full-year results;
  - (iv) within the period of 14 days prior to the annual general meeting of the Company; and
  - (v) any other period determined by the Board from time to time (such as periods during which the Company is considering matters which may require disclosure under the Listing Rules).
- (b) Other than during a period set out in section 7.3(a), Directors, employees and contractors of the Company must not deal in securities in the Company if they possess price sensitive information that has not been disclosed to the market (including price sensitive information that has not been disclosed because of an exception set out in the Listing Rules).
- (c) Directors, employees and contractors of the Company should wait at least 2 days after the release of price sensitive information to the market before dealing in securities in the Company to ensure that the market is given sufficient time to absorb that information.
- (d) Directors, employees and contractors must not, at any time, engage in short-term trading in securities in the Company, being:
  - (i) the acquisition of securities in the Company with a view to resell such securities within a 12 month period; or

- (ii) the sale of securities in the Company with a view to repurchase such securities within a 12 month period.
- (e) Directors, employees and contractors of the Company must not:
  - (i) communicate price sensitive information to any person who may deal in securities of the Company; or
  - (ii) recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) the purchase or sale of securities in the Company.
- (f) This Policy does not apply to trading which does not result in a change in the beneficial control of securities in the Company. Accordingly, this Policy does not prohibit, for example, transferring a personal holding of shares in the Company to a pension fund or superannuation fund.

## **8. HEDGING UNVESTED ENTITLEMENTS**

- (a) Entitlements under the Company's equity-based incentive plan(s) (if any) are, or will be, subject to the satisfaction of various time and/or performance hurdles to ensure alignment of employee rewards with the Company's objectives and performance. Transactions which "hedge" the value of entitlements could distort the proper functioning of these hurdles and reduce the intended alignment with shareholder interests.
- (b) Directors and executives of the Company who participate in an equity-based executive incentive plan are prohibited from entering into any transaction which would have the effect of hedging, or otherwise transferring to any other person, the risk of any fluctuation in the value of any unvested entitlement in the Company's securities.
- (c) Notwithstanding the restriction imposed by section 8(b) above, Directors may enter into hedging transactions in respect of their securities in the Company outside of any equity-based performance plan or once such securities have vested.
- (d) However, Directors should ensure that entry into any hedging transaction occurs outside of the Company's black-out periods and otherwise complies with this Policy.

## **9. DEALINGS IN EXCEPTIONAL CIRCUMSTANCES**

- (a) In specific circumstances, such as financial hardship, the Chairman may waive the prohibition on dealings in securities in the Company by a Director, employee or contractor of the Company during the black-out periods set out in section 7.3(a) on the condition that the Director, employee or contractor can demonstrate to the Chairman that they are not in possession of any price sensitive information that is not generally available to the public.
- (b) In such circumstances, the Director, employee or contractor must:
  - (i) provide a written statement to the Chairman setting out the relevant exceptional circumstances and confirming that they are not in possession of any information which is price sensitive; and

- (ii) obtain the consent of the Chairman to the proposed dealing in writing, before dealing in such securities.
- (c) The procedure set out in this section 9 is in addition to the requirements and procedures set out in section 7.

#### **10. CONSEQUENCES OF BREACH OF THE SECURITY TRADING POLICY**

- (a) A person who trades in securities in the Company while they possess price sensitive information that is not generally available to the market or otherwise in contravention of this Policy may be the subject of significant criminal and civil liability.
- (b) The Company will regard a breach of insider trading law or this Policy as serious misconduct and may take disciplinary action against any employee who engages in such conduct.