

TERRAMIN AUSTRALIA LIMITED

SHARE TRADING POLICY

1. PURPOSE AND SCOPE

- 1.1 Terramin Australia Limited (**Terramin**) is a public company, listed on the Australian Securities Exchange (**ASX**). Terramin is committed to upholding high standards of corporate governance, including insuring that appropriate processes are in place to promote compliance with insider trading laws.
- 1.2 The purpose of this policy is to:
 - (a) outline the responsibility of Directors or Employees on dealing in Terramin's shares;
 - (b) Ensure the reputation of Terramin, its Directors and Employees is not adversely impacted by perceptions of dealing in securities at inappropriate times; and
 - (c) Support market confidence in the integrity of dealings in Terramin shares.
- 1.3 This policy applies to all Directors and Employees of Terramin and their Associates and it is their responsibility to ensure that they do not breach this policy or the relevant legislation.
- 1.4 This policy should be read in conjunction with the Continuous Disclosure Policy which details Terramin's obligations to disclose material information to the ASX.

2. DEFINITIONS

Associate means any person or entity (including trust or companies) whose shareholdings are controlled or influenced by a Director or Employee. It does not include parents, spouses, dependents and children who are not under the control or influence of a Director or Employee but act on their own initiative without referring to such Director or Employee.

Employee means any employee, consultant or contractor of Terramin.

3. INSIDER TRADING PROHIBITED FOR DEALINGS IN TERRAMIN SHARES

- 3.1 **Prohibition:** Directors and Employees who are in possession of Price Sensitive Information about Terramin's shares must not:
 - (a) deal in Terramin shares;
 - (b) procure another person to deal in these shares; or
 - (c) communicate the Price Sensitive Information (as defined below) to another person who is likely to deal in Terramin's shares or procure another person to do so.
- 3.2 **Price Sensitive Information** is information that is not generally available to the public and which, if it were generally available, a reasonable person would expect to have a material effect on the price or value of the Terramin's shares. Information will be taken to have such a material effect where it would or would be likely to influence a person who would ordinarily trade in securities like those in question in deciding whether or not to dispose of or acquire those securities. In



respect of Terramin, Price Sensitive Information may include, but is not limited to, information (whether obtained from within or externally to Terramin) about:

- (a) Terramin's financial performance;
- (b) the discovery of a new ore body or the extension or reduction of an existing ore body;
- (c) significant drilling results;
- (d) identification of a major new project or failure to proceed with existing projects;
- (e) the proposed acquisition or disposal of major assets;
- (f) an actual or proposed takeover or merger;
- (g) the threat of significant litigation against the Company;
- (h) a proposed new share issue or other change to capital structure; or
- (i) a significant change in senior management.

3.3 Information is generally available if:

- (a) it consists of readily observable matter; or
- (b) It has been publicly disclosed by an announcement to ASX and a reasonable period for its dissemination among investors has elapsed; or
- (c) it consists of deductions, conclusions or inferences made or drawn from other generally available information.

3.4 Broadly, any Director or Personnel in possession of any inside information about Terramin must not:

- (a) acquire or dispose of Terramin securities (or enter into an agreement to do so);
- (b) advise or procure another person to acquire or dispose of Terramin securities; or
- (c) pass on inside information to someone else, knowing that the other person may use that information to acquire or dispose of, or procure someone else to acquire or dispose of, Terramin securities.

3.5 **Consequence of a breach:** Insider trading is a criminal offence and may attract substantial fines or imprisonment. Civil penalties may also apply, including the payment of compensation to any person who has suffered loss or damage because of insider trading.

PROHIBITION OF TRADING IN CLOSED PERIODS

3.6 In addition to the insider trading prohibition, all Directors and Employees are prohibited from dealing in the Company's securities in the following circumstances:

- (a) in the period between 1 July and the day following the lodgement of the Company's half year profit guidance;
- (b) in the period between 1 January and the day following the lodgement of the Company's full year financial profit guidance;



- (c) in the period commencing five (5) business days prior to the release of the Company Quarterly Report to the ASX and ending one (1) business day after its release to the ASX;
 - (d) in the period commencing five (5) business days prior to a Company announcement being released to the ASX and ending one (1) business day after the release of such an announcement to the ASX;
- 3.7 However, a Director or Employee who is not in possession of Price Sensitive Information in relation to Terramin may be given prior written permission to sell (but not buy) Terramin shares during a Closed Period where such Director or Employee:
 - (a) is in severe financial hardship;
 - (b) has a pressing commitment that cannot be satisfied other than by selling the relevant Terramin shares; or
 - (c) faces a set of circumstance which is deemed exceptional by the Chairman (in consultation with the Company Secretary or, if necessary the Chairman of the Company's Risk and Compliance Committee).

4. PROCEDURE TO FOLLOW BEFORE DEALING IN TERRAMIN SHARES

- 4.1 Any Director or Employee proposing to deal in the Company's securities whether directly or through an Associate (**Trader**) must, before entering into such a transaction:
 - (a) notify of their intention to trade in the Company's shares;
 - (b) confirm that they are not in possession of any Price Sensitive Information; and
 - (c) if paragraph 4.2 of this policy applies to the Trader, inform of any exceptional hardship that would affect the Trader if the transaction did not proceed.

by completing and delivering the Share Trading Notification to the Company Secretary (or, in their absence, the Chief Financial Officer) who will inform and liaise with the Chairman in relation to the approval or rejection of the trade.
- 4.2 On the day of receipt of the Share Trading Notification, the Company Secretary (or, in their absence, the Chief Executive Officer), in consultation with the Chairman:
 - (a) will advise the Trader that the deal can proceed if the proposed deal complies with this policy; or
 - (b) if there is any reason why the deal cannot proceed, assist the Trader to identify the next most appropriate trading date or period.
- 4.3 If, for the purpose of 5.1, the Trader is the Chairman, the Chairman must consult with the Company Secretary and the Chairman of the Company's Audit and Risk Committee.
- 4.4 The Trader must notify the Company Secretary if and when the trade has occurred.
- 4.5 Notwithstanding compliance with the above notification procedure, it remains the individual responsibility of each Director or Employee to ensure that they do not breach this policy or any relevant legislation by dealing in Terramin shares.



5. OTHER REGULATED CONDUCTS

- 5.1 Directors, Senior Management and their Associates must not use Terramin shares as collateral in any financial transactions including margin loan arrangements.
- 5.2 Directors, Senior Management and their Associates must not engage in short term speculative trading in Terramin shares.
- 5.3 Directors, Senior Management and their Associates must not enter into hedging transactions or transactions that would have the effect of limiting the economic risk of participating in unvested entitlements such as unvested options or performance rights.

6. DEALINGS NOT SUBJECT TO THIS POLICY

- 6.1 The following dealings are not subject to this policy:
 - (a) an undertaking to accept, or the acceptance of a takeover offer;
 - (b) dealings under an offer or invitation made to all or most of the shareholders of Terramin, such as a rights issue or a security purchase plan, a dividend reinvestment plan or share buyback, approved by the Board;
 - (c) a dealing where the beneficial interest in the security does not change;
 - (d) an investment in, or a trading in units for a fund or arrangement, where the assets of the fund are invested at the discretion of a third party such as a managed securities portfolio;
 - (e) dealings under an offer or invitation made to all or most of the security holders (such as a rights issue, share purchase plan, dividend or distribution reinvestment plan or equal access buyback) where the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro-rata issue;
 - (f) the cancellation, lapsing or surrender of an option or right under an equity based executive or employee incentive plan;
 - (g) the exercise (but not the sale on exercise) of an option or a performance right that has vested under an equity executive or employee incentive plan. Once vested, the shares issued under such plan must only be traded in accordance with this policy;
 - (h) the purchase or disposal of securities or communication of information required by law, for example:
 - by a court order, or
 - court enforceable undertaking or some other overriding legal or regulatory requirement;
- 6.2 Options in the Company may be exercised at any time in accordance with their terms of issue (including during a Closed Period) subject to the insider trading prohibition. Any subsequent sale of such securities will be subject to the terms of this policy.



7. BREACHES OF THIS POLICY

- 7.1 In addition to any potential civil or criminal liability deriving from a breach of the legislative and other obligations outlined above, Terramin considers a contravention of this policy to constitute serious misconduct.
- 7.2 Breaches of this Policy will be reported to the Chairman and disciplinary action will be taken in accordance with the Company Discipline, Performance Management and Termination Policies.

