



29 September 2021

Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

UPDATED TRADING POLICY

In accordance with Listing Rule 12.10 please find attached an updated Trading Policy.

For and on behalf of the Board

A handwritten signature in blue ink, appearing to read 'Kim Massey', is positioned above the printed name and title.

Kim Massey
Chief Executive Officer

For further information, please contact:

Mr Kim Massey
Chief Executive Officer
E: enquiries@capmet.com.au
T: +61 8 9212 4600

TRADING POLICY

1. PURPOSE

The purpose of this policy is to:

- (a) explain the type of conduct that is prohibited under the Corporations Act in relation to trading in securities of the Company;
- (b) explain how the Company restricts trading in the Company's securities to prevent breaches of insider trading laws; and
- (c) assist in maintaining market confidence in the integrity of dealings in the Company's securities.

Ultimately, the onus is on the individual to ensure that none of his or her dealings contravenes the insider trading laws.

Note: Trading in securities in the Company is prohibited at any time a person possesses inside information, regardless of whether this policy allows trading at that particular time.

2. POLICY

Whenever a person has inside information which may affect the value of securities, they must not:

- (a) deal in those securities; or
- (b) communicate the information to anyone else.

This rule applies regardless of how the inside information was obtained. It applies not only to the Company's securities but also to the securities of other companies.

3. WHO DOES THE POLICY APPLY TO?

This policy applies to all directors and employees of Capricorn Metals and its subsidiaries. This policy also applies to contractors of Capricorn Metals who are Restricted Persons.

Not only does this policy cover the Company's Directors and employees but it applies equally to any dealings by their:

- (a) spouses – marriage or de facto;
- (b) dependents under the age of eighteen (18) years old; and
- (c) related parties (as defined in the Corporations Act 2001) - for example if a Restricted Person is a trustee of a trust and is also a beneficiary of the trust, the Restricted Person must not purchase or procure the purchase of Capricorn securities on behalf of the trust.

This Policy applies to the following securities:

- (a) Capricorn securities;
- (b) any other securities issued by Capricorn, such as Options;
- (c) derivatives and other financial products issued or created over or in respect of Capricorn securities; and
- (d) securities of any other company or entity that may be affected by inside information.

4. WHAT IS INSIDER TRADING?

4.1 The law

In broad terms, a person will be guilty of insider trading if that person possesses 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 the Company's securities (i.e., information that is 'price sensitive') and that person:

- (a) applies for, buys or sells securities in the Company (or enters into an agreement to do those things); or
- (b) procures someone else to apply for, buy or sell securities in the Company, or enter into an agreement to do those things; or
- (c) directly or indirectly communicates that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

This Policy is only a summary of complex legal provisions and should therefore only be used as a guideline, not as legal advice.

4.2 Penalties

The penalties for the breach of the provisions of the Corporations Act may be either criminal, civil or both. Breach of insider trading law or this Policy will also be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

4.3 What is "information"?

Information includes matters of supposition and matters relating to the intentions or likely intentions of a person.

4.4 When is information "inside" information?

When it is not "generally available" and if it were, a reasonable person would expect it to have a material effect on the price or value of the securities.

Information is generally available if it:

- (a) consists of readily observable matter; or
- (b) has been made known in a way that would commonly bring it to the attention of persons who invest in securities (for example, the ASX company announcements platform, the

Company's website) and since the time it was made known, a reasonable period has elapsed for it to be disseminated;

- (c) consists of deductions, conclusions or inferences made or drawn from (a) or (b) above.

4.5 Material effect

The information has a material effect on the price or value of securities, if the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to buy or sell them.

4.6 Examples of inside information

The following are examples of information which, if made available generally, may be likely to materially affect the price of the Company's securities:

- (a) significant discoveries, exploration results or changes in reserve/resource estimates in relation to the Company's mining tenements and projects;
- (b) a material change in the Company's financial forecasts or financial position;
- (c) the granting or loss of a major contract;
- (d) the threat of major litigation against the Company;
- (e) the Company considering a major acquisition or disposal of assets;
- (f) a share issue proposal;
- (g) a change in accounting policy adopted by the Company;
- (h) an agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement;
- (i) a management or business restructuring proposal;
- (j) a proposed dividend; or
- (k) an expansion or contraction of the Company's operations.

This list is not exhaustive and is provided by way of example only.

4.7 Available information

Information relating to the Company that would fall outside the ambit of inside information is that which is available after it has been released to the Australian Securities Exchange (ASX) and the ASX has fully disseminated that information to the market.

4.8 Information however obtained

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute "inside" information.

4.9 Employee share schemes

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes. The prohibition does not apply to the acquisition of shares as a result of the exercise of options or the vesting of performance rights under an employee share

scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option or the vesting of a performance right granted under an employee share scheme.

5. POLICY

5.1 General Rule

All directors and employees of Capricorn Metals and contractors to Capricorn Metals who are designated as Restricted Persons and who are in possession of inside information are prohibited from trading in the Company's securities or procuring another person to trade in the Company's securities at any time.

5.2 Restricted Persons

Restricted Persons means:

- (a) all directors and their spouses and related parties (as defined in the Corporations Act 2001);
- (b) contractors notified by the Chief Executive Officer or Company Secretary in writing as being Restricted Persons; and
- (c) any person designated by the Chief Executive Officer as Key Management Personnel from time to time in accordance with this Policy.

5.3 Key Management Personnel

Key Management Personnel means any person designated by the Chief Executive Officer as key management personnel from time to time and notified in writing by the Company Secretary. Such persons may cease to be Key Management Personnel as the circumstances dictate, and they will also be notified when they cease to be Key Management Personnel by the Company Secretary.

[For example: Key Management Personnel are likely to include those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly, and those persons who are involved in key financial, corporate, technical or other activities of the Company as they occur from time to time].

5.4 Closed periods

All Restricted Persons are prohibited from buying or selling Company securities whilst in possession of inside information.

In addition, Restricted Persons must not deal in the Company's securities during "Closed Periods" unless permitted to so in accordance with this Policy including:

- (a) from four weeks prior to the release of the Company's full year and half year financial results until the second business day after the financial results are released;
- (b) from the end of each quarter until the commencement of trading on the second business day after the Company's Quarterly Report is released;
- (c) in the 30 day period prior to the release of a disclosure document offering securities in the Company.



During these Closed Periods no trading in Capricorn securities may occur without the permission of the Chairman or Company Secretary.

Key Management Personnel identified by the Chief Executive Officer will be notified in writing by the Company Secretary as being affected by the Closed Period.

Key Management Personnel and Directors of the Company must seek approval from the Chairman or Company Secretary prior to any purchase or sale of securities in the Company.

5.5 Other prohibited trading periods

The Company may at its discretion notify all Directors and employees that a restricted trading period is in effect and they must refrain from trading in the Company's securities during this period.

5.6 No short-term trading in the Company securities

Directors and employees should never engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold shortly thereafter.

5.7 Securities in other companies

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information about that other company which is not generally available to the market and is 'price sensitive'.

5.8 Exceptions from Trading Policy

Directors and employees may:

- (a) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- (b) acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (c) acquire or agree to acquire or exercise options under an employee share plan;
- (d) acquire or agree to acquire or exercise performance rights under an employee share plan
- (e) undertake to accept, or accept, a takeover offer;
- (f) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary.

5.9 Trading allowed in exceptional circumstances

In specific circumstances such as severe financial hardship or other exceptional circumstances, the Chairman may waive the trading restrictions in paragraphs 5.4 – 5.5 on the condition that the Restricted Person can demonstrate that they are not in possession of any price sensitive information that is generally not available to the public. Other examples of "exceptional circumstances" include a transfer of shares required by family court order or other legal requirement.

The Restricted Person must satisfy the Chairman that the circumstances are exceptional and that the proposed sale or disposal of the securities is the only reasonable course of action available to them and must submit a Trading Exemption Request form seeking authorisation of the trade to the Company Secretary. Any such clearance will be provided in writing (including by email).

However, if a director or employee of the Company is in possession of price sensitive information which is not generally available to the market, then he or she must not trade in the Company's securities at any time.

5.10 Other obligations

Restricted Persons also owe a duty of confidentiality to the Company. Restricted Persons must not reveal any confidential information concerning the Company; use that information in any way that may cause loss to the Company or use that information to gain an advantage for themselves.

Strict compliance with the Trading Policy is mandatory for all Restricted Persons covered by the Policy. Breaches of the Policy may damage the reputation of the Company in the investment community and undermine confidence in the market for Capricorn securities.

Breaches of the policy will be taken very seriously and will be subject to disciplinary action, including possible termination of employment. Reports of any breaches of the Policy will be forwarded to the Audit and Risk Management Committee.

A breach of the prohibitions contained in the Corporations Act is a criminal offence.

5.11 Trading Forms

All directors and Key Management Personnel must complete a Trading Notification form and provide it to the Company Secretary within 2 days after that person buys or sells securities in the Company.

The Trading Notification form must be completed in full, including details of the number of securities traded, the date the trading took place and whether the trading occurred inside a closed period.

5.12 ASX notifications for Directors

The ASX Listing Rules require the Company to notify ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the director promptly discloses to the Company Secretary all the information required by ASX. The notification must also specify whether the trading took place during a closed period, where prior written clearance was required, and if so, when that was provided.

5.13 Funding arrangements

All Directors and Key Management Personnel are prohibited from entering into funding arrangements relating to their interests in the Company's shares or options where the funding security would affect the equivalent of 3% or more of the Company's listed shares.

6. COMPLIANCE WITH THIS POLICY

Strict compliance with the policy is a condition of employment. Breaches of this policy will be subject to disciplinary action which may include termination of employment.

7. QUERIES

For any queries relating to this policy, please contact the Company Secretary.