

TERRAMIN AUSTRALIA

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 responsible corporate governance, including insuring that appropriate processes are in place to promote compliance with insider trading laws. Accordingly the Board has approved this Share Trading Policy as part of the Company's policies.
- 1.2 The purpose of this policy is to:
 - (a) outline the responsibility of Directors and 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.

Closed Period means each of the periods described in clause 4.1

Director means a director of Terramin.

Employee means an employee or consultant of Terramin.

Senior Management means any employee or consultant of Terramin eligible for equity based incentives.

Price Sensitive Information is defined in clause 4.2.



3. INSIDER TRADING PROHIBITED FOR DEALINGS IN TERRAMIN SHARES

- 3.1 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 (such as for instance, a family member, friend or Associate) to deal in these shares; or
 - (c) communicate the Price Sensitive Information 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 of an existing ore body;
 - (c) significant drilling results;
 - (d) identification of a major new project;
 - (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 Breach of the insider trading prohibition may attract civil penalties of up to \$200,000 for individual and criminal penalties, including a fine of up to \$200,000 or imprisonment for up to 5 years, or both, for an individual, or a fine of up to \$1,000,000 for a corporation.



4. PROHIBITION OF TRADING IN CLOSED PERIODS

- 4.1 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 to the ASX and ending one (1) business day after the release of such an announcement 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;
- 4.2 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).

5. PROCEDURE TO FOLLOW BEFORE DEALING IN TERRAMIN SHARES

- 5.1 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.



- 5.2 On the day of receipt of the Share Trading Notification, the Company Secretary (or, in their absence, the Chief Financial Officer), in consultation with the Chairman, if necessary:
- (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.
- 5.3 If, for the purpose of 5.1, the Trader is the Chairman, the Chairman must consult with the Company secretary and if necessary the Chairman of the Company's Risk and Compliance Committee.
- 5.4 The Trader must notify the Company Secretary if and when the trade has occurred.
- 5.5 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.

6. PROHIBITION OF CERTAIN TRANSACTIONS

- 6.1 Directors, Senior Management and their Associates must not use Terramin shares as collateral in any financial transactions including margin loan arrangements.
- 6.2 Directors, Senior Management and their Associates must not engage in short term speculative trading in Terramin shares.
- 6.3 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.

7. DEALINGS NOT SUBJECT TO THIS POLICY

- 7.1 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 or family trust arrangement;
 - (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;
 - (e) the cancellation, lapsing or surrender of an option or right under an equity based executive or employee incentive plan;
 - (f) 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.



8. SECURITIES IN OTHER COMPANIES

- 8.1 By virtue of their position, Directors and Employees of Terramin may come into possession of price sensitive information regarding other publicly listed companies, which is not generally available information.
- 8.2 In general, Terramin Directors and Employees are free to deal in the securities of other listed companies. However, if such a person is privy to price sensitive information regarding other companies by virtue of their position within Terramin, they must not deal in the securities of that other company until that information is generally available.

9. BREACHES OF THIS POLICY

- 9.1 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.

Breaches of this Policy will be reported to the Chairman and disciplinary action will be taken by the Chairman and in accordance with the Company Discipline, Performance Management and Termination Policies.



Richard Taylor
Chief Executive Officer

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