

Macarthur Minerals Limited

# SHARE TRADING POLICY

October 2019



## Contents

1. General .....	3
2. Purpose Of This Policy .....	3
3. Who This Policy Applies To.....	3
4. Supporting Policies .....	3
5. Prohibition On Insider Trading .....	4
6. Dealing By Restricted Persons.....	4
7. What Is Inside Information? .....	4
8. When Is Information Generally Available?.....	4
9. What Is Material Information? .....	5
10. What Is Dealing In Securities? .....	6
11. Clearance To Deal.....	6
12. Open Orders & Prohibited Periods.....	7
13. Dealing In Exceptional Circumstances.....	7
14. Disclosure Of Dealings By Directors And Officers .....	7
15. Dealing By Person Associated With Restricted Persons.....	8
16. Dealings In Securities Of Other Companies.....	8
17. Policy On Margin Loan Arrangements.....	8
18. Penalties .....	8
19. Policy Review & Conflicts .....	9
20. Definitions .....	9
CLEARANCE TO DEAL FLOWCHART .....	12

**MACARTHUR MINERALS LIMITED****AND ITS SUBSIDIARIES****(THE “COMPANY” OR “MACARTHUR”)****SHARE TRADING POLICY****Amended as at 8 October 2019****1. GENERAL**

Macarthur requires Directors, Officers and Employees to observe high standards of business and personal ethics in conduct of their duties and responsibilities. As Employees and representatives of the Company, they must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. Macarthur is also committed to transparent, accurate and robust, corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other matters relating to fraud against shareholders and it relies on its internal stakeholders to uphold such practices.

**2. PURPOSE OF THIS POLICY**

- 2.1 The Macarthur share trading policy (**Policy**) is intended to ensure that persons who are discharging managerial responsibilities including but not limited to Directors, Officers and Employees do not abuse, and do not place themselves under suspicion of abusing, Inside Information that they may have or be thought to have, especially in periods leading up to an important announcement of the Company.
- 2.2 The Policy sets out the procedure for trading in Securities of the Company and aims to provide Directors and Employees and any other persons who may be associated with the Company, with guidance on how and when trades in the Company’s Securities may take place and when trading the Company’s Securities is strictly prohibited.
- 2.3 For avoidance of doubt, nothing in this Policy sanctions a breach of the market misconduct or insider trading provision of the *Corporations Act 2001 (Commonwealth)* (**Act**) and equivalent Canadian securities legislation.
- 2.4 Capitalised words and defined terms are set out in Section 20 of this Policy.

**3. WHO THIS POLICY APPLIES TO**

- 3.1 This Policy applies to Restricted Persons.

**4. SUPPORTING POLICIES**

- 4.1 This policy should be read in conjunction with the following policies:
  - a) Code of Conduct;
  - b) Communications Policy;
  - c) Continuous Disclosure Policy; and
  - d) Whistleblower Policy.

## 5. PROHIBITION ON INSIDER TRADING

- 5.1 No Restricted Person may Deal in Company Securities at any time (including Prohibited Period or Trading Window), if that person is or could reasonably be expected to be in possession of Inside Information.

## 6. DEALING BY RESTRICTED PERSONS

- 6.1 Unless the Dealing is an Excluded Dealing a Restricted Person may only Deal in any Securities of the Company if:
- they do not have Inside Information;
  - they have obtained clearance to Deal in accordance with Section 11; and
  - it is not a Prohibited Period or it is a Prohibited Period but there are exceptional circumstances (as set out in section 13).
- 6.2 For the avoidance of doubt (but subject to Section 6.1), Restricted Persons may Deal in Company Securities during designated Trading Windows.
- 6.3 Restricted Persons may exercise options at any time however the Securities resulting from the exercise may not be Dealt.
- 6.4 Restricted Persons may Deal in Excluded Dealings at any time.
- 6.5 A **Prohibited Period** means any Blackout Period or any period where any matter(s) exists which could constitute Inside Information in relation to the Company. A Prohibited Period is lifted after a reasonable time has passed for the Information to be disseminated or as determined by the Directors in their absolute discretion. A **Blackout Period** is the period two weeks before release of quarterly financial report, six monthly report or full year financial results and lifted after a reasonable time has passed for the Information to be disseminated or as determined by the Directors in their absolute discretion.

## 7. WHAT IS INSIDE INFORMATION?

- 7.1 **Inside Information** is Information that is not Generally Available and, if it were Generally Available, a reasonable person would expect it to have a material effect on either the price or the value of the Company Securities.

## 8. WHEN IS INFORMATION GENERALLY AVAILABLE?

- 8.1 Information is Generally Available if:
- it consists of easily observable matters;
  - where the Information has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in Securities;
  - a reasonable period for the Information to be disseminated among such persons has elapsed. For example, it has been released to the TSX or published in an annual report or prospectus; or
  - it may be deduced, inferred or concluded from the information referred to above.

## 9. WHAT IS MATERIAL INFORMATION?

- 9.1 Material Information, is any information relating to the business and affairs of Macarthur that has a significant effect, or would reasonably be expected to have a significant effect on the market price or value of Macarthur’s Securities.
- 9.2 Material Information must immediately be disclosed if **a reasonable person would expect that information to have a material effect on the price or value of the securities of Macarthur**. A reasonable person is taken to expect information to have such an effect if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.
- 9.3 If a monetary test can be adopted an item, or aggregate of items (e.g. resource results), is considered to be not material if a change in circumstance is less than, or equal to, 5% of the base amount and material if it is greater than, or equal to, 5% of the base amount.
- 9.4 Other concepts of materiality are:
- whether a matter will significantly damage Macarthur’s image or reputation;
  - whether a matter will significantly affect Macarthur’s ability to carry on business in the ordinary course; or
  - whether the matter involves a serious breach of any law or regulation
- 9.5 Examples of potential types of Material Information, that may have a material effect on the price or value of Securities when it becomes Generally Available, include:

Finance	Operations	Legal	Ownership
a) operating expenditure and revenue;	h) changes in distribution arrangements;	r) significant litigation or major labour disputes or disputes with major contractors or supplies;	t) changes in capital structure or share ownership that may affect control of Macarthur;
b) cash forecasts;	i) inventory levels;	s) investigations by regulators;	u) changes in corporate structure, such as reorganisations, amalgamations, etc.;
c) borrowing of a significant amount of funds;	j) significant changes in management;		v) takeover bids or issuer bids, major corporate acquisitions or dispositions;
d) liquidity and cash flow information;	k) scientific and technical results;		w) public or private sale of additional securities;
e) firm evidence of significant increases or decreases in near term earnings prospects;	l) entering into or loss of significant contracts;		
f) events of default under financing or other agreements;	m) environmental or safety incidents;		
g) changes in capital investment plans or corporate objectives and major capital expenditure or asset purchases or sales;	n) environmental and native heritage regulatory approvals;		
	o) timing of project deliverables;		
	p) port & infrastructure access;		
	q) timing of pending results;		

*NOTE: this is a non-exhaustive list. If you have any further concerns please contact the legal department.*

- 9.6 Any other developments relating to the business and affairs of Macarthur that would reasonably be expected to significantly affect the market price or value of any of Macarthur’s securities or that would reasonably be expected to have a significant influence on a reasonable investor’s investment decision may also be Material Information.
- 9.7 Generally, drilling results for a particular hole are not inherently indicative or meaningful in isolation but must be considered in the context of prior drilling results in order for a proper assessment of materiality to be made. Accordingly, as a matter of practice, Macarthur will not disclose drilling results on a hole-by-hole basis so as to permit adequate compilation and meaningful interpretation of data, unless the circumstances warrant otherwise.

## 10. WHAT IS DEALING IN SECURITIES?

- 10.1 To Deal or Dealing in Securities means:
- a) apply for, acquire or dispose of Securities; or
  - b) enter into an agreement to apply for, acquire or dispose of Securities; or
  - c) procure another person to:
    - 1) apply for, acquire or dispose of Securities; or
    - 2) enter into an agreement to apply for, acquire or dispose of Securities.

## 11. CLEARANCE TO DEAL

- 11.1 No Restricted Persons may Deal in any Securities of the Company without first requesting clearance in writing from the Clearance Officer as set out in the following table.

Restricted Persons	Clearance Officer	Alternative Clearance Officer
Non-Executive Director & Secretary Other than the Chairperson or Chief Executive Officer(CEO)	Chairman	Director designated by the Chairman
Chairman	Chairman of the Audit and Risk Committee	Lead independent Director
Chief Executive Officer	Chairman of the Audit and Risk Committee	Lead independent Director
Other Restricted Persons	Company Secretary	Chief Executive Officer

- 11.2 A response to a request for clearance to Deal must be given to the relevant Restricted Person by the Clearance Officer within 2 Business Days of the request being made.
- 11.3 The Company Secretary must maintain a record of any Dealing request made by a Restricted Person and of any response or clearance given. A copy of the response and clearance (if any) must be given to the Restricted Person concerned.
- 11.4 A Restricted Person who is given clearance to Deal in accordance with this Section 11 must deal as soon as possible in any event within 2 Business Days of clearance being received by the

Restricted Person. The Restricted Person must report the completion of Dealing to the Company Secretary.

- 11.5 A Restricted Person must also obtain a new clearance for any subsequent Dealing.

## **12. OPEN ORDERS & PROHIBITED PERIODS**

- 12.1 No open orders (i.e. an unexecuted order that is still valid) should be placed in pre-determined Blackout Periods (2 weeks before and 48 hours after financials are disclosed).
- 12.2 If an open order is placed and a Prohibited Period is subsequently imposed (other than during pre-determined Blackout Period) the order must continue as is (otherwise the Restricted Person could be accused of acting according to the news that is the cause of the Prohibited Period).

*Note:* If an open order is not filled and the Restricted Person cancels the order, permission would need to be sought again before the Restricted Person can replace the order.

## **13. DEALING IN EXCEPTIONAL CIRCUMSTANCES**

- 13.1 A Restricted Person, who is not in possession of Inside Information in relation to the Company, may be given clearance to Deal during a Prohibited Period if they are in severe financial difficulty or there are other exceptional circumstances. Clearance may be given for such a person to sell (but not purchase) Securities of the Company when they would otherwise be prohibited by this Policy from doing so. The determination of whether the person in question is in severe financial difficulty or whether there are other exceptional circumstances can only be made by the Clearance Officer designated by the Board for this purpose pursuant to Section 11.
- 13.2 A person may be in severe financial difficulty if they have a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Securities of the Company. A liability of such a person to pay or take would not normally constitute severe financial difficulty unless the person has no other means of satisfying the liability. A circumstance will be considered exceptional if the person in question is required by a court order to transfer or sell the Securities of the Company or there is some other overriding legal requirement to do so.
- 13.3 If required by Listing Rules, the Company should consult with the exchange(s) on which it is listed at an early stage regarding any application by a Restricted Person to deal in exceptional circumstances.

## **14. DISCLOSURE OF DEALINGS BY DIRECTORS AND OFFICERS**

- 14.1 Directors and Officers must notify SEDI of any Dealings (whether in a Prohibited Period, Trading Window or otherwise) in the Company's Securities within 5 Business Days of such Dealing.
- 14.2 Directors must also notify any other applicable exchange(s) on which it is listed of any Dealings (whether in a Prohibited Period, Trading Window or otherwise) in the Company's Securities within the prescribed period.
- 14.3 To the extent required to do so under the Listing Rules, the Company shall disclose to the market when a Restricted Person has been given a Clearance to Deal during a Prohibited Period.

## 15. DEALING BY PERSON ASSOCIATED WITH RESTRICTED PERSONS

- 15.1 A Restricted Person must take reasonable steps to advise any Associate of theirs that:
- they are a Restricted Person of the Company; and
  - the Prohibited Periods during which the Restricted Person and their Associates cannot Deal in the Company's Securities.
- 15.2 A Restricted Person must take all reasonable steps to prevent an Associate of a Restricted Person from Dealing in the Company's Securities during a Prohibited Period.
- 15.3 An Associate through their Restricted Person is required to obtain Clearance to Deal, in accordance to section 11 of this Policy.
- 15.4 A Restricted Person must immediately notify a Clearance Officer if they become aware, or suspect an Associate of Dealing in the Company's Securities during a Prohibited Period.

## 16. DEALINGS IN SECURITIES OF OTHER COMPANIES

- 16.1 A Restricted Person who has Inside Information about another company as a result of their position in the Company is prohibited from Dealing in another company's Securities or communicating the Inside Information. Set out below are some examples (without being exhaustive) of how Inside Information about another company may be obtained:
- during the course of a proposed transaction;
  - during the course of due diligence investigations;
  - Board deliberations;
  - negotiations; or
  - information provided by others during the ordinary course of business.

## 17. POLICY ON MARGIN LOAN ARRANGEMENTS

- 17.1 Subject to the requirements of Chapter 2E of the Act and the Listing Rules, a Restricted Person may enter into a margin loan or similar funding arrangement in respect of any Company securities (**Funding Arrangements**) but must disclose the existence of the Funding Arrangements to a Clearance Officer who shall notify the Board.
- 17.2 Where a Restricted Person's Funding Arrangement involves 5% or more of the Company's Securities, the Board and Company Secretary shall make appropriate disclosure to the market of any key terms of the Funding Arrangements in accordance with applicable National Instruments and the Company's Communication and Continuous Disclosure Policy.
- 17.3 For the avoidance of doubt, section 17.2 does not limit the obligations of the Company and its Board to disclose any Funding Arrangements which would require disclosure under applicable National Instruments and the Company's Communication and Continuous Disclosure Policy.
- 17.4 Where a sale of the Company's shares is required as a result of a margin call pursuant to Funding Arrangements the sale process must be undertaken in accordance with this Policy.

## 18. PENALTIES

- 18.1 There are penalties in Australia under the Act for a breach of Insider Trading provisions under the Act. Currently, the maximum penalties under the Act are:

- a) in the case of a natural person 10 years imprisonment or a fine the greater of the following:
    - (i) \$765,000;
    - (ii) If determinable, three times the total value of the benefits obtained;
    - (iii) or both,
  - b) in case of a company a fine the greater of the following:
    - (i) \$7,650,000;
    - (ii) if determinable, three times the value of the benefit;
    - (iii) if not determinable, 10% of the Company's annual turnover during the 12-month period ending at the end of the month in which the offence was committed and
  - c) unlimited civil penalties.
- 18.2 There are penalties in Canada for a breach of Insider Trading provisions which could be up to 5 years imprisonment or three times the profit made or loss avoided.

## 19. POLICY REVIEW & CONFLICTS

- 19.1 The Board has approved the adoption of this Policy.
- 19.2 This Policy shall be reviewed and updated as necessary by the Company Secretary. Each new employee will be provided with a copy of this Policy and taken through it by their manager. The Policy will be brought to the attention of each other employee on at least an annual basis and more frequently if changes are made in the interim.

## 20. DEFINITIONS

**Act** means *Corporations Act 2001 (Commonwealth)* as amended from time to time.

**Associate** means an immediate family member including, but not limited to, a person's spouse, child, child's spouse, stepchild, stepchild's spouse, grandchild, grandchild's spouse, parent, stepparent, parent-in-law, or sibling.

**ASX** means the Australian Securities Exchange.

**Blackout Period** means a period prior to the release of quarterly financial report or full year financial results as determined by the Directors in their absolute discretion and lifted after a reasonable time has passed for the Information to be disseminated or as determined by the Directors in their absolute discretion.

**Board** means board of Directors of the Company.

**Business Day** means a day, other than a Saturday or Sunday, on which banks are open for general business in Brisbane.

**Clearance Officer** means the person in the position assigned within the table of section 11.1.

**Company** means Macarthur Minerals Limited ACN 103 011 436 and its subsidiary companies.

**Constitution** means the constitution of the Company as amended from time to time.

**Deal(ing)/Dealt** has the meaning set out in Section 10 of this Policy.

**Director** means a director of the Company.

**Employee** means an individual who works for the Company under a contract of employment and also includes directors, management and contractors.

**Excluded Dealings** means:

- a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of the Company's Securities in lieu of a cash dividend);
- b) allowing entitlements to lapse under a rights issue or other offer (including an offer of the Company's Securities in lieu of a cash dividend);
- c) the sale of sufficient entitlements nil-paid to take up the balance of the entitlements under a rights issue;
- d) dealing where the beneficial interest in the relevant Company Security does not change;
- e) the cancellation or surrender of an option under the Stock Option Plan (note the exercise of an option is not an Excluded Dealing);
- f) transfers of the Company's Securities by an independent trustee of an option under the Stock Option Plan to a beneficiary who is not a Restricted Person;
- g) bona fide gifts to a Restricted Person by a third party.

**Generally Available** has the meaning set out in Section 8 of this Policy.

**Inside Information** has the meaning set out in Section 7 of this Policy.

**Insider Trading** means using Inside Information or communicating Inside Information to others who will, or are likely to, trade on the Inside Information.

**Listing Rules** means the Listing Rules of the TSX and any other exchange on which the Company is listed.

**Material Information** has the meaning set out in Section 9 of this Policy.

**National Instruments** means nationally adopted instruments and guidelines that govern securities markets in Canada.

**Officers** means executive employees or those required to be listed on SEDI as an insider.

**Procure** means to incite, induce or encourage an act or omission by another person.

**Prohibited Period** means:

- a) any Blackout Period; or
- b) any period where any matter(s) exists which could constitute Inside Information in relation to the Company; and
- c) lifted after a reasonable time has passed for the Information to be disseminated or as determined by the Directors in their absolute discretion.

**Restricted Person** means any person discharging responsibilities for the Company including but not limited to:

- a) Directors;
- b) Officers;
- c) Senior management;
- d) Management;
- e) Employees;
- f) Contractors;
- g) Consultants;
- h) other persons specified from time to time by the Chief Executive Officer; and
- i) any Associate of a person referred in paragraph's a), b), c) or d) above;

of the Company.

**Securities** means:

- a) share;
- b) debenture; and
- c) legal or equitable or interest in a security covered by paragraph a) or b) above, of the Company.

**SEDI** means System for Electronic Disclosure by Insiders an online service for filing and viewing of insider reports as required under security rules and regulations.

**Trading Window** means:

- a) during the period when Company Securities can be acquired under a disclosure document issued by the Company; and
- b) any other period determined by the Directors in their absolute discretion.

**TSX** means Toronto Stock Exchange or the Toronto Venture Stock Exchange.

***Date of implementation 4 April 2012***

***Date amended 24 April 2013, July 2014, May 2015, October 2016, February 2017 and October 2019.***

## CLEARANCE TO DEAL FLOWCHART

