



Sipa Resources Limited

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## Securities Trading Policy

### Revision history

Rev.	Issued	Description	Prepared	Approved by Board
1.2	28/1/20	Annual Review	Robson	28 January 2020
1.1	31/1/19	Annual Review	Robson	31 January 2019
1.0	21/12/17	Policy creation	Robson	20 December 17

## 1 Introduction

- (a) The *Corporations Act 2001 (Cth)* (**Corporations Act**) prohibits the trading in shares, options, debentures (including convertible notes) and other securities (**securities**) of a company by any person who is in possession of price sensitive information regarding that company that is not generally available. The Corporations Act:
  - (i) imposes substantial penalties on persons who breach those provisions; and
  - (ii) applies to the extent of any inconsistency between it and this policy.
- (b) This policy regulates dealings by directors, officers, and employees, of Sipa Resources Limited (**Sipa** or **Company**) and other designated persons, in securities of the Company, a related body corporate or an outside company about which they acquire Inside Information through their position or dealings with Sipa.
- (c) The purpose of this policy is not only to minimise the risk of insider trading, but also to avoid the appearance of insider trading and the significant reputational damage associated with the perception of insider trading.
- (d) This policy is not designed to prohibit Sipa Persons from investing in Sipa Securities, but does recognise that there may be times when directors, officers, and employees, cannot or should not invest in Sipa Securities.
- (e) A breach of this policy will be regarded as serious misconduct which may lead to disciplinary action, up to and including dismissal.

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## 2 Definitions

For the purposes of this Policy:

- (a) “**Blackout Period**” has the meaning given in section 4.1 of this policy;
- (b) “**Board**” means the board of directors of the Company from time to time;
- (c) “**Chair**” means the chair of the Board from time to time;
- (d) “**Company Secretary**” means the secretary of the Company from time to time;
- (e) “**Directors and Senior Management**” means each director of the Company, the Managing Director, Chief Financial Officer, Company Secretary, Key Management Personnel and persons as the Board decides from time to time;
- (f) “**Inside Information**” has the meaning given in section 3.2 of this policy;
- (g) “**Insider Trading**” has the meaning given in section 3.1 of this policy;
- (h) “**Key Management Personnel**” has the meaning given in the Corporations Act;
- (i) “**Senior Independent Director**” means the independent director of the Company (other than the Chair) who has the most years’ experience and where there is no

such independent director, the director of the Company (other than the Chair) with the most years' experience;

- (j) **"Sipa Person"** means:
- (i) all Directors and Senior Management, full-time, part-time and casual employees, of the Company, and any other person designated as a Sipa Person by the Board in writing; and
  - (ii) also includes any "associate" of a Sipa Person, including:
    - (A) a company or trust controlled by any of the persons referred to in sub-paragraph (i) or (ii)(B); and
    - (B) for the purposes of section 4 only, a spouse (including a de facto spouse), child (including a step-child or adopted child), a close relative, a person financially dependent on or acting in concert with any of the persons referred to in sub-paragraph (i) above.
- Where this policy requires a Sipa Person to do an act or thing (for example, obtaining clearance under section 4.3), the relevant Sipa Person must do that act or thing on behalf of its associate.
- (k) **"Sipa Securities"** means any shares, options, debentures (including convertible notes) and other securities of the Company or a related body corporate of the Company.

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## 3 Insider Trading

### 3.1 General prohibition on Insider Trading

- (a) No Sipa Person may, while in possession of Inside Information concerning the Company or a related body corporate, in breach of the Corporations Act:
- (i) buy or sell any Sipa Securities at any time;
  - (ii) procure another person to deal in Sipa Securities in any way; or
  - (iii) pass on any Inside Information to another person for that person's own personal gain by dealing in Sipa Securities in any way,
- (Insider Trading).**
- (b) All Sipa Persons are prohibited from dealing in the securities of outside companies about which they acquire Inside Information through their position with the Company.
- (c) The requirements imposed by this policy are in addition to any legal prohibitions on Insider Trading. Trading in Sipa Securities is prohibited at any time by a Sipa Person if that person possesses Inside Information, even where the dealing occurs outside a Blackout Period, the dealing falls within an exclusion in this policy or clearance has been given under this policy to deal in Sipa Securities (whether in exceptional circumstances or otherwise).

### 3.2 Inside Information

A Sipa Person is responsible for assessing whether they possess “**Inside Information**”. This occurs where:

- (a) the person possesses information that is not generally available to the public and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of a company’s securities (or a decision whether or not to trade in them); and
- (b) the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a company’s securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of a company’s securities if the information would, or would be likely to, influence a person who commonly invests in securities to either deal or not deal in securities in any way. Inside Information in relation to the securities of outside companies has the same meaning for the purposes of this policy, except that references to “Sipa Securities” should be read as references to the securities of the outside company.

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## 4 Restrictions on trading

### 4.1 Blackout Periods

- (a) Sipa Persons, subject to sections 4.4 and 6, may not buy or sell or otherwise deal in Sipa Securities during a Blackout Period.
- (b) “**Blackout Periods**” are times when Sipa Persons must not deal in Sipa Securities.

The following are mandated Blackout Periods:

- (i) the period commencing five trading days immediately preceding, and 24 hours immediately following, the release of the Company’s quarterly exploration activity report;
- (ii) the period commencing five trading days immediately preceding, and 24 hours immediately following, the release of the Company’s Appendix 5B consolidated cash flow statement;
- (iii) the period commencing five trading days immediately preceding, and 24 hours immediately following, the release of the Company’s half-year financial accounts;
- (iv) the period commencing five trading days immediately preceding, and 24 hours immediately following, the release of the Company’s annual financial accounts; and
- (v) any other period that the Board specifies from time to time.

### 4.2 Ad-hoc restrictions

Sipa may impose, without hesitation and in its sole and absolute discretion, additional restrictions on dealing in Sipa Securities by any or all Sipa Persons, and also by any other staff member(s) (who are not otherwise designated as “Sipa Persons”) as the Board considers appropriate. For the avoidance of doubt, the Board may impose ad-hoc

restrictions under this section 4.2 even where the proposed dealing would otherwise take place outside a Blackout Period provided for in this policy. Any restriction communicated by Sipa to any or all Sipa Persons (or other staff members) under this section 4.2 must be kept strictly confidential.

#### 4.3 Notifications

- (a) All Sipa Persons must:
- (i) prior to dealing in Sipa Securities outside a Blackout Period or where section 4.4, 5.3, 5.4 or 6 requires the person to obtain a consent, notify the relevant person in section 4.3(b) (the **Authorising Officer**) of their proposed dealing and obtain consent from the Authorising Officer;
  - (ii) confirm that they are not in possession of any Inside Information; and
  - (iii) after dealing with the Sipa Securities, provide the Authorising Officer with a transaction confirmation and notify the Authorising Officer if they begin to have, or cease to have, a “substantial holding” (as defined in section 9 of the Corporations Act) in the Company, or if they have a substantial holding in the Company and there is a movement of at least 1% in their holding.
- (b) Authorising Officer

Sipa Person seeking authorisation	Authorising Officer
<i>Sipa Person, other than the Chair</i>	The Chair
<i>The Chair</i>	The Senior Independent Director

#### 4.4 Exceptional circumstances

- (a) In exceptional circumstances the Authorising Officer has discretion to approve dealings in Sipa Securities during a Blackout Period, or other dealings that would otherwise be prohibited by this policy.
- (b) Any approval given under section 4.4(a), must be provided by electronic delivery via email. The notification requirements in section 4.3 still apply.
- (c) What constitutes “exceptional circumstances” will be assessed on a case-by-case basis within the absolute discretion of the Authorising Officer, and may include, without limitation, severe financial hardship or a requirement to comply with a court order or court enforceable undertaking.
- (d) Any decision to grant or refuse to grant clearance to a Sipa Person to deal in Sipa Securities by the Authorising Officer under this section 4.4:
- (i) may be made in the Authorising Officer’s absolute discretion, without giving any reasons;
  - (ii) can be withdrawn (if clearance has been given) if new information comes to light or there is a change in circumstances; and
  - (iii) is final and binding on the Sipa Person seeking clearance.

- (e) In deciding whether to grant clearance to deal in Sipa Securities, the Authorising Officer will consider the need to minimise the risk of Insider Trading, and also to avoid the appearance of Insider Trading and the significant reputational damage that may cause.
- (f) Any clearance to deal by the Authorising Officer under this section 4.4 is not an endorsement to deal. The Sipa Person dealing is individually responsible for their investment decisions and their compliance with insider trading laws. The Sipa Person must carefully consider whether they are in possession of any Inside Information that might preclude them from dealing at that time. If the Sipa Person is in any doubt, they should not deal.
- (g) If a Sipa Person comes into possession of Inside Information after receiving a clearance to deal, they must not deal despite having received the clearance.

#### **4.5 Company Secretary to maintain records**

The Company Secretary will maintain a copy of:

- (a) all requests for an approval to deal in Sipa Securities submitted by a Sipa Person; and
- (b) details of all dealings in Sipa Securities made by a Sipa Person which are notified to the Company Secretary.

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## **5 Other restrictions**

### **5.1 No speculative trading**

Under no circumstances should Sipa Persons engage in short-term or speculative trading in Sipa Securities. This prohibition includes short term direct dealing in Sipa Securities, as well as transactions in the derivative markets, involving exchange traded options, share warrants, contracts for difference, and other similar instruments, which are short term or speculative.

### **5.2 No short-selling**

Under no circumstances should Sipa Persons engage in short-selling in Sipa Securities. This prohibition includes direct dealing in Sipa Securities as well as transactions in the derivative markets, involving exchange traded options, share warrants, contracts for difference, and other similar instruments.

### **5.3 No protection arrangements**

The entering into of all types of “protection arrangements” for any Sipa Securities (or Sipa products in the derivatives markets):

- (a) is prohibited at any time in respect of any Sipa Securities which are unvested or subject to a holding lock; and
- (b) otherwise, requires consent under section 4.3.

For the avoidance of doubt and without limiting the generality of this policy, entering into protection arrangements includes entering into transactions which:

- (c) amount to “short selling” of securities beyond the Sipa Person’s holding of securities;
- (d) operate to limit the economic risk of any Sipa Person’s security holding (e.g. hedging arrangements) including Sipa Securities held beneficially (for example, in trust or under an incentive plan) on that Sipa Person’s behalf; or
- (e) otherwise enable a Sipa Person to profit from a decrease in the market price of securities.

**5.4 No granting of security over Sipa Securities or entering into margin lending arrangements**

- (a) Sipa Persons may not at any time, directly or indirectly, grant any form of security (whether by way of charge, mortgage, pledge or otherwise) over any Sipa Securities which are unvested or subject to a holding lock, to secure any obligation of that Sipa Person or any third party or enter into any margin lending arrangement involving Sipa Securities.
- (b) Unless subsection (a) applies, Sipa Persons may, directly or indirectly, grant any form of security (whether by way of charge, mortgage, pledge or otherwise) over any of Sipa Securities, to secure any obligation of that Sipa Person or any third party or enter into any margin lending arrangement involving Sipa Securities, with consent under section 4.3.

**5.5 Dealing in outside companies**

Sipa Persons must not deal in the securities or financial products of outside companies where they are in possession of Inside Information of that outside company.

**6 Exemptions**

- (a) Sipa Persons may at any time:
  - (i) trade in Sipa Securities where the dealing does not result in a change of beneficial interest in the securities;
  - (ii) acquire securities under any director or employee security plan or through the exercise of options or performance rights under an option or performance rights plan or acquire, or agree to acquire, options or performance rights under an option or performance rights plan. However, any dealing in those securities remains subject to this policy and the provisions of the Corporations Act;
  - (iii) transfer Sipa Securities already held into a self-managed superannuation fund or other saving scheme in which the restricted person is a beneficiary;
  - (iv) acquire Sipa ordinary shares by conversion of securities giving a right of conversion to Sipa ordinary shares;
  - (v) acquire Sipa Securities under a bonus issue made to all holders of securities of the same class;
  - (vi) undertake to accept, or accept, a takeover offer;

- (vii) invest in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of Sipa) where the assets of the fund or other scheme are invested at the discretion of a third party;
  - (viii) effect a disposal of Sipa Securities that is the result of a secured lender exercising their rights under a loan or security agreement;
  - (ix) where a restricted person is a trustee, trade in the securities managed by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
  - (x) trade under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes deciding 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.
- (b) If a Sipa Person undertakes any of the actions described in subsection (a), that Sipa Person must advise the relevant Authorising Officer (as set out in section 4.3(b)).

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## 7 ASX Notifications

- (a) Sipa must notify ASX within 5 business days after any change to a director's relevant interest in Sipa Securities, including whether the change occurred inside a Blackout Period and, if so, whether prior written clearance was provided.
- (b) To enable Sipa to comply with the obligation set out in subsection (a), a director must immediately (and no later than 3 business days after any relevant event) notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to the Australian Securities and Investments Commission and ASX as required under the Corporations Act and ASX Listing Rules.
- (c) If Sipa makes a material change to this trading policy, the amended trading policy will be provided to the ASX for release to the market within 5 business days of the material changes taking effect.

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## 8 General

- (a) This policy will be made available on the Company's website.
- (b) If you require any further information or assistance, or are uncertain about the application of the law or this trading policy in any situation, please contact the Company Secretary.