

1. INTRODUCTION

1.1 Purpose

The purpose of this policy is to:

- (a) provide a brief summary of the law on insider trading, and other relevant laws;
- (b) set out the restrictions on dealing in securities by people who work for or are associated with Bannerman Resources Limited and its subsidiary companies (**Bannerman or the Company**); and
- (c) assist in maintaining market confidence in the integrity of dealings in Bannerman securities.

If you do not understand any part of this policy or how it applies to you, you should discuss the matter with the Company Secretary before dealing in any Bannerman securities.

1.2 Statement of policy

Whenever you have inside information which may affect the value of securities, you must not:

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

This prohibition applies regardless of how you learned the information. It applies not only to Bannerman securities, but also to securities of other companies as defined in section 2.2 below.

The concepts of "*inside information*", "*securities*", "*dealings*" and "*communicating information*" are explained below.

2. APPLICATION

2.1 Who is covered by this policy?

This policy applies to all:

- (a) executive and non-executive directors;
- (b) full-time, part-time and casual employees; and
- (c) contractors and consultants,

of Bannerman and Bannerman group companies ("**Bannerman Personnel**").

To avoid any doubts, any reference in this policy to a director includes an alternate director.

2.2 What securities are covered by this policy?

This policy applies to the following securities:

- (a) Bannerman shares;
- (b) any other securities which may be issued by Bannerman such as options, performance rights and convertible notes;

- (c) derivatives (such as exchange-traded options and warrants) and other financial products issued by third parties in relation to Bannerman shares and options; and
- (d) securities of any other company or entity that may be affected by inside information (such as a Bannerman joint venture partner, another party involved in a corporate transaction with Bannerman or a Bannerman contractor or shareholder).

2.3 **What is dealing?**

For the purposes of this policy, dealing in securities includes:

- (a) trading in securities (i.e. subscribing for, buying, selling or entering into an agreement to do any of those things); and
- (b) advising, procuring or encouraging another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust) to trade in securities.

2.4 **What is communicating information?**

Communicating information includes passing it on to another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust).

3. **PROHIBITED CONDUCT**

3.1 **What is insider trading?**

In broad terms, you will commit insider trading if you:

- (a) deal in Bannerman securities or securities of another entity while you have inside information; or
- (b) communicate inside information to another person knowing (or where you should have reasonably known) that the other person would, or would be likely to use that information to deal in, or procure someone else to deal in, securities. This is commonly known as "tipping".

Individuals who contravene the insider trading provisions of the Corporations Act are liable to prosecution or to civil penalty action by the Australian Securities and Investments Commission. In both cases, the offender may be ordered to pay compensation to anyone who suffered loss as a result of the insider trading.

Separately, someone who engages in insider trading may be sued by another party or by Bannerman in a civil action, for any loss suffered as a result of the insider trading.

3.2 **What is inside information?**

Inside information is information that:

- (a) is not generally available to people who commonly invest in securities; and
- (b) if it was generally available, it would (or would be likely to) influence experienced investors in deciding whether or not to subscribe for, purchase or sell Bannerman securities or securities of another entity.

It does not matter how you obtain the inside information - for example, whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in the lift or at a dinner party.

The financial impact of the information is important, but strategic and other implications can be equally important in determining what amounts to inside information. The definition of "information" is broad

enough to include rumours, matters of supposition, intentions of a person (including Bannerman) and information which is not definite enough to warrant public disclosure.

3.3 Examples of inside information

The following list is illustrative only. Inside information about Bannerman could include:

- (a) information relating to Bannerman's drilling and exploration results or resource or reserve statements;
- (b) information on the outcome of any economic studies, such as Pre-Feasibility Studies and Definitive Feasibility Studies;
- (c) information on changes in production or production forecasts;
- (d) information relating to Bannerman's financial results or forecast results;
- (e) a possible sale or acquisition of assets by Bannerman;
- (f) a possible change in Bannerman's capital structure (for example, a new issue of capital/equity to raise monies or a buy-back of shares);
- (g) a proposed dividend or change in dividend policy;
- (h) board or senior management changes;
- (i) an event which could have a material impact (either positively or negatively) on production or profits (for example, disconnection or shut-in of production, or a significant safety or environmental incident);
- (j) a proposed change in the nature of Bannerman's business;
- (k) a proposed takeover or merger involving Bannerman;
- (l) a notification to ASX of a substantial shareholding in Bannerman;
- (m) any information required to be disclosed to ASX under its continuous disclosure rules; and
- (n) any possible claim against Bannerman or other unexpected liability.

3.4 Securities of other companies

The prohibition on insider trading is not restricted to information affecting Bannerman securities. If you possess inside information in relation to securities of another company or entity, you must not deal in those securities. In the course of your duties as an employee, director, adviser, consultant or contractor of Bannerman, you may obtain inside information in relation to another company. For example:

- (a) in the course of negotiating a transaction with Bannerman, another company might provide confidential information about itself;
- (b) in the course of negotiating a transaction with Bannerman, another company might provide confidential information about a third party; or
- (c) information concerning a proposed transaction or other action by Bannerman might have a material effect on a third party.

4. OTHER PROHIBITED CONDUCT

4.1 Short term dealing

You must not engage in short term or speculative dealing in Bannerman securities.

4.2 Hedging

If you are a director or employee of Bannerman who participates in a Bannerman equity-based incentive plan (for example, a share or option plan), you must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in Bannerman securities. An unvested entitlement is a Bannerman share or option which is still subject to time and/or performance hurdles.

4.3 Margin loans

You are not permitted to enter into a margin loan or other financing arrangement where there is a risk that Bannerman securities will be traded pursuant to the terms of the margin loan or financing arrangement (together a **Margin Loan**), unless you have obtained prior written consent of the Chairman to enter into the Margin Loan and disclose to the Chairman the following information regarding the Margin Loan (**Loan Information**):

- (a) key terms;
- (b) number of Bannerman securities involved;
- (c) the trigger points;
- (d) the right of the lender to sell the securities unilaterally; and
- (e) any other material details.

If you are the Chairman of Bannerman and you intend to enter into a Margin Loan, you must obtain the prior written consent of the Chairman of the Audit Committee to enter into the Margin Loan and disclose to the Chairman of the Audit Committee the Loan Information.

4.4 Blackout periods

Unless otherwise approved by the Board in exceptional circumstances (for example, exceptional circumstances, refer 4.5 below), you are not permitted to deal in Bannerman securities during the following blackout periods:

- (a) the period 1 January until the conclusion of two business days following the release of the half year financial statements;
- (b) the period 1 April until the conclusion of two business days following the release of the later of the March quarter activities report and the March quarter financial statements;
- (c) the period 1 July until two business days following the release of the full year financial statements;
- (d) the period 1 October until two business days following the release of the later of the September quarter activities report and the September quarter financial statements; and
- (e) such other periods advised by the Board and/or Chief Executive Officer (such as prior to the announcement to ASX of a significant matter or event).

Bannerman Personnel wishing to trade during a blackout period may seek written approval from the Chairman. The Chairman, in his or her ultimate discretion, will decide whether exceptional circumstances exist and his or her decision will be final.

All requests to trade during a blackout period must be accompanied by a Securities Trading Request Notice and must contain adequate details of the exceptional circumstances for consideration by the Chairman. Requests to trade during a blackout period may be directed to the Chairman via the Company Secretary. Any trading approved by the Chairman during a blackout period is valid for five (5) clear business days from the date of written clearance. Written clearance in the form of email is acceptable.

4.5 **Exceptional circumstances**

In exceptional circumstances, where it is the only reasonable course available to a director, officer, employee, consultant or contractor, clearance may be given to sell (but not to purchase) Bannerman securities when such Bannerman Personnel would otherwise be prohibited from doing so but not while there exists any matter which constitutes inside information in relation to Bannerman securities. Such clearance may be obtained by following the steps set out in section 5 below.

Examples of the type of circumstances which may be considered exceptional for these purposes are:

- (a) severe financial hardship;
- (b) in order to comply with an undertaking given to, or an order by, a court; or
- (c) such other exceptional circumstances as may from time to time be determined by the Chairman or, in his absence, the Chairman of the Audit Committee or the Chief Executive Officer.

5. **PERMITTED CONDUCT**

5.1 **When is dealing permitted if you are an Employee, Contractor or Consultant?**

If you are an employee, contractor or consultant of Bannerman, the following rules apply:

- (a) subject to the rules of any applicable Bannerman equity-based plan (for example, a share or option plan) you can deal in Bannerman securities at any time provided:
 - (i) you obtain the prior written consent of the Chief Executive Officer (Refer to Annexure 1 – “Securities Trading Request Notice”);
 - (ii) you confirm to the Chief Executive Officer that you do not have inside information;
 - (iii) the dealing does not occur during a blackout period (refer to 4.4 above);
 - (iv) you are not involved in short term or speculative dealing;
 - (v) you are not hedging the risk of any fluctuation in value of any unvested entitlement in Bannerman securities; and
 - (vi) if applicable, one of the exceptions to the policy in 5.3 below applies;
- (b) if you subsequently deal in those securities – you must confirm the dealing in writing to the Chief Executive Officer and Company Secretary within two business days after the dealing. The confirmation must include:
 - (i) your name;
 - (ii) the name of any person who dealt on your behalf;
 - (iii) details of your interest (direct or indirect) in the Bannerman securities the subject of the dealing;
 - (iv) the date of the dealing;
 - (v) the number of Bannerman securities subscribed for, bought or sold;
 - (vi) the amount paid or received for those securities; and
 - (vii) the number of Bannerman securities held by you (directly or indirectly) before and after the dealing.

5.2 When is dealing permitted if you are a Director?

If you are a director of Bannerman, the following rules apply:

- (a) you can only deal in Bannerman securities (or financial products issued by third parties in relation to Bannerman securities which operate to limit the economic risk of a vested holding in Bannerman securities) provided:
 - (i) you obtain the prior written consent of the Chairman (or the Chairman of the Audit Committee if you are the Chairman) (Refer to Annexure 1 – “Securities Trading Request Notice”);
 - (ii) you confirm that you are not in possession of any inside information;
 - (iii) the dealing does not occur during an blackout period (refer to 4.4 above);
 - (iv) you are not involved in short term or speculative dealing; and
 - (v) you are not hedging the risk of any fluctuation in value of any unvested entitlement in Bannerman securities; and
 - (vi) if applicable, one of the exceptions to the policy in 5.3 below applies;
- (b) if you subsequently deal in those securities – you must confirm the dealing in writing to the person to whom your prior notice was given and the Company Secretary within two business days after the dealing. The confirmation must include:
 - (i) your name;
 - (ii) the name of any person who dealt on your behalf;
 - (iii) details of your relevant interest (direct or indirect) in the Bannerman securities the subject of the dealing;
 - (iv) the date of the dealing;
 - (v) the number of Bannerman securities subscribed for, bought or sold;
 - (vi) the amount paid or received for those securities;
 - (vii) the number of Bannerman securities held by you (directly or indirectly) before and after the dealing, including where the securities are held indirectly, the names of the holder of securities on the Company’s share register and the name of any underlying beneficiary; and
 - (viii) sufficient information to enable Bannerman to comply with the requirements to notify a change of interests to ASX.

5.3 Exceptions to the policy

Bannerman Personnel may at any time:

- (a) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares (but may not sell all or any of the shares received upon exercise of the options other than in accordance with this policy);
- (b) acquire Bannerman securities under a bonus issue made to all holders of securities of the same class;
- (c) acquire Bannerman securities under a dividend reinvestment plan, a rights issue or a share purchase plan that is available to all holders of securities of the same class;

- (d) acquire, or agree to acquire, options under a Company share option plan;
- (e) exercise options acquired under a Company share option plan (but may not sell all or any of the shares received upon exercise of the options other than in accordance with this policy);
- (f) transfer the Bannerman securities already held into a superannuation fund or other saving scheme in which the relevant Bannerman person is a beneficiary, subject to ensuring the transfer does not contravene the laws prohibiting insider trading;
- (g) invest in, or trade units of, a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party; or
- (h) provide undertakings to accept, or accept, a takeover offer.

5.4 **Do I have any other obligations to Bannerman?**

In addition to the insider trading and other restrictions in this policy, you also owe a duty of confidentiality to Bannerman. You must not reveal any confidential information concerning Bannerman, use that information in any way which may injure or cause loss to Bannerman, or use that information to gain an advantage for yourself.

Under the Corporations Act, breach of these duties may result in:

- (a) liability for a civil penalty;
- (b) criminal liability, if recklessness or dishonesty is involved; and/or
- (c) liability to compensate Bannerman for any damage it suffers as a result of the disclosure.

6. **CONSEQUENCES OF BREACH**

6.1 **What if I breach this policy?**

Strict compliance with this policy is mandatory for all Bannerman Personnel covered by this policy.

Contravention of the Corporations Act is a serious matter which may result in criminal or civil liability.

In addition, breaches of this policy may damage Bannerman's reputation in the investment community and undermine confidence in the market for Bannerman securities. Accordingly, breaches will be taken very seriously by Bannerman and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

7. **PUBLICATION**

7.1 **Where can I find this policy?**

A copy of this policy will be made available on the Bannerman website.

7.2 **Will I receive any training on this policy?**

If you do not understand this policy or wish to receive training on how to comply with this policy, please contact the Company Secretary.

8. **REVIEW**

This policy will be reviewed periodically to ensure that it continues to comply with applicable laws and good corporate governance practices.

9. EXPLANATION OF TERMS

For the purposes of this policy:

“**ASX**” means Australian Securities Exchange.

“**deal in securities**” means buy or sell shares, options or other securities, or enter into transactions in relation to shares, options or other securities, either directly or through a family trust, superannuation fund, company or in any other manner.

“**director**” means a director of Bannerman and includes any related party of the director.

“**Insider Trading**” includes:

- dealing in securities whilst in possession of inside information; or
- communicating inside information to another person knowing that the other person would, or would be likely to, use that information to deal in or procure someone else to deal in securities (known as “tipping”).



Annexure 1
Securities Trading Request Notice

Date: _____

The Board of Directors

BUYING/SELLING OF SHARES IN BANNERMAN RESOURCES LIMITED

This notice seeks approval for the named Bannerman personnel/director below to trade in the securities of Bannerman Resources Limited in accordance with the Company's Securities Trading Policy.

I confirm that:

- I am not in possession of, or aware of, any information that may be considered "inside information";
- I am not involved in any short term or speculative trading in Bannerman securities;
- I am not hedging the risk of any fluctuation in value of any unvested entitlement in Bannerman securities; and
- I will not deal in the securities during any blackout period.

I acknowledge that this approval to trade is valid for only five (5) clear business days from the date indicated below, unless otherwise revoked earlier by notice in writing.

Estimated number *shares/options to be *purchased/sold
*Delete as appropriate.

Name and signature of Employee/ Director

Approved:

Chief Executive Officer / Chairman

Date: _____