

## SECURITIES TRADING POLICY

### PREAMBLE

This policy outlines the circumstances in which Designated Persons may trade in MDL Securities.

### SCOPE

This policy applies to all directors, executives and employees of Mineral Deposits Limited and its subsidiaries (**MDL or the Company**) and, so far as the Company is able to extend it, to contractors, consultants and advisers (together, **Designated Persons**) of the Company. Designated persons also have a responsibility to ensure that associated parties (such as a spouse, partner, dependant, minor children, family company or trust) comply with this policy to the maximum extent possible.

In this policy, '**MDL Securities**' includes:

- (a) any shares in the Company;
- (b) any other securities issued by the Company such as debentures and options; and
- (c) derivatives and other financial products issued by third parties in relation to the Company's shares, debentures and options.

In this policy, to 'trade' in MDL Securities includes:

- (a) subscribing for, purchasing or selling MDL Securities or entering into an agreement to do any of those things;
- (b) advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in MDL Securities; and
- (c) entering into agreements or transactions which operate to limit the economic risk of a person's holdings in the MDL Securities.

In this policy, 'key management personnel' (**KMP**) means any director, executive or senior staff member of the Company, as determined by the chairman and company secretary.

### PURPOSE

This policy sets out the circumstances in which Designated Persons may trade in MDL Securities with the objective that no Designated Person will contravene the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The purpose of this policy is to:

- (a) set out the restrictions on trading MDL Securities by people who work for or are associated with the Company;
- (b) provide guidance to Designated Persons in determining when they may trade MDL Securities; and
- (c) assist in preserving market confidence in the integrity of dealings in MDL Securities.

This policy is not designed to prohibit Designated Persons from investing in MDL Securities but does recognise that there may be times when Designated Persons cannot or should not trade in MDL Securities.

### INSIDE INFORMATION

A person is in possession of 'inside information' in relation to MDL in circumstances where:

- (a) the person possesses information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of MDL Securities; and
- (b) the person knows, or reasonably ought 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 the MDL Securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of MDL Securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to trade in MDL Securities in any way. It does not matter how the Designated Person came to have the inside information.

If a Designated Person possesses 'inside information' in relation to the Company, the person must not:

- (a) trade in MDL Securities in any way; nor
- (b) directly or indirectly communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, trade in MDL Securities in any way or procure a third person to trade in MDL Securities in any way.

A Designated Person may obtain inside information in relation to another company. For example, in the course of negotiating a transaction with MDL, another company might provide confidential information about itself. The prohibition on insider trading is not restricted to information affecting MDL Securities. The Designated Persons in possession of the inside information must not trade in securities of those other companies nor procure his or her associates to do so (refer point (b) under 'Designated Person' above).

A Designated Person who trades in MDL Securities while in possession of 'inside information' may be liable to both civil and criminal penalties.

#### EXAMPLES OF 'INSIDE INFORMATION'

Examples of information which may be considered to be 'inside information' include the details relating to the items listed below (which is not an exhaustive list):

- (a) production, reserves and/or financial results;
- (b) prospective financial information;
- (c) proposed transactions including entry into a major borrowing;
- (d) unpublished announcements;
- (e) proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
- (f) impending mergers, acquisitions, reconstructions, takeovers, etc.;
- (g) significant litigation and disputes;
- (h) significant changes in operations or proposed changes in the general character or nature of the business of the Company;
- (i) cash flow information;
- (j) major or material purchases or disposals of assets; and
- (k) proposed or new significant contracts or termination of same.

#### TRADING IN MDL SECURITIES

##### NO SHORT-TERM TRADING, SHORT SELLING OR MARGIN LENDING ARRANGEMENTS

Speculating in short-term fluctuations in MDL Securities does not promote shareholder or market confidence in the integrity of MDL. It is MDL's policy that Designated Persons must not engage, directly or indirectly, in short-term or speculative trading (including short selling) in MDL Securities. The sale of shares immediately after they have been acquired through the conversion of a security (e.g. exercise of an option) will not be regarded as short-term trading. KMP are also restricted from using MDL Securities as collateral in any financial transaction (including margin lending arrangements).

##### CLOSED PERIODS

KMP are prohibited from trading in MDL Securities during the following times:

- (a) from 31 December up until one day after the release by the Company of its annual results; or
- (b) from 30 June up until one day after the release by the Company of its half-yearly results,

**provided** that the person is **not** at the time of trading in possession of any inside information relating to the Company or its securities. Exceptions to this rule may apply (see 'Exceptional Circumstances' below). The board may declare additional Closed Periods from time to time.

**PRIOR APPROVAL FOR ALL TRADING BY KEY MANAGEMENT PERSONNEL**

KMP must not trade in MDL Securities at any time (including outside Closed Periods as defined above) without the prior approval of the chairman or company secretary. KMP must also notify the company secretary of their intention to trade and must confirm in writing that they are not in possession of inside information. Approvals will endure for no longer than five business days, following which a new approval must be sought. Consent to trade in MDL Securities may be refused or retracted, where deemed appropriate.

**CHAIRMAN AND COMPANY SECRETARY**

The chairman must not trade in MDL Securities without the prior approval of the most senior non-executive director. The company secretary must not trade in MDL Securities without the prior approval of the chairman or the next most senior director.

**EXCEPTIONAL CIRCUMSTANCES**

Trading in MDL Securities by KMP during a Closed Period may be permitted with the prior written approval of both the chairman and company secretary, if the following exceptional circumstances apply:

- (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 and company secretary.

**DESIGNATED PERSONS OTHER THAN KEY MANAGEMENT PERSONNEL**

Designated Persons who are not KMP may trade in MDL Securities at any time provided the Designated Person receives the prior approval of the company secretary before commencing the transaction. Designated Persons who are not KMP are strongly advised to limit trading in MDL Securities during a Closed Period. In any event, Designated Persons who are not KMP must not trade in MDL Securities at any time if in possession of any inside information relating to those securities or if they are engaging in short-term trading.

**EXCEPTIONS**

Designated Persons 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 MDL Securities under a bonus issue made to all holders of securities of the same class;
- (c) acquire MDL 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, shares or options under a Company share or share option plan;
- (e) exercise options or rights acquired under a Company incentive plan;
- (f) transfer the MDL Securities already held into a superannuation fund or other saving scheme in which the Designated Person is a beneficiary, subject to ensuring the transfer does not contravene the laws prohibiting insider trading;
- (g) transfer the MDL Securities already held where the beneficial interest of those securities does not change;
- (h) invest in, or trade unit of, a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party; and
- (i) accept a takeover offer.

**PROHIBITION ON UNVESTED HEDGING**

KMP participating in an equity-based incentive plan of the Company are prohibited from entering 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 the MDL's Securities.

#### LIMITATION ON VESTED HEDGING

Vested entitlements to securities held by Designated Persons may only be hedged once the relevant securities have been exercised into shares, subject to any hedging proposal being approved in writing beforehand by the board chairman.

#### TRADING IN THE SECURITIES OF OTHER ENTITIES

Trading in the securities of other entities, including joint venture entities, is not specifically restricted by this policy. However, KMP should be mindful of the laws prohibiting insider trading as well as the intent of this policy when considering such trading.

#### NOTIFICATION TO MARKET

In accordance with the *Corporations Act* and *ASX Listing Rules*, a director must notify the ASX within five business days after any change in the director's relevant interest in securities of the Company or a related body corporate of the Company.

A director must notify the company secretary in writing of the requisite information for the company secretary to make the necessary notifications to ASIC and ASX as required by the *Corporations Act* and the *ASX Listing Rules*.

#### CONSEQUENCES OF BREACH

Strict compliance with this policy is mandatory for all persons covered under this policy. Breaches of this policy may damage the Company's reputation in the investment community and undermine confidence in the market for MDL Securities. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

#### TRAINING & COMMUNICATION

Training on this policy forms part of the induction process for all new Designated Persons, following which regular and relevant reminders are issued regarding policy adherence and compliance.

#### REVIEW

This policy will be periodically reviewed to ensure that it is effective and continues to meet the needs of the Company.

#### QUESTIONS / FURTHER INFORMATION

A copy of this policy is available on the Company's website.

If you have any questions or need further information on how to comply with this policy, please contact the company secretary.