



Securities Trading Policy

MZI Resources Limited ABN 52 077 221 722 (Company)

1. PURPOSE

The purpose of this policy is to:

- assist those persons covered by the policy to comply with their obligations under the insider trading provisions of the *Corporations Act 2001* (Cth) (**Corporations Act**);
- aim to ensure that the reputation of the Company and its subsidiaries (**Group**) is not adversely impacted by perceptions of trading in the Company's securities at certain times, and to ensure a proper market for the Company's securities is maintained that supports shareholder and investor confidence;
- establish a procedure for trading in the Company's securities by persons covered by the policy including setting out: the periods when trading is prohibited; the restrictions on trading; the exceptional circumstances when trading may be permitted during a prohibited period with prior written clearance; the procedure to obtain written clearance to trade, including during a prohibited period; and the trading that is excluded from the policy; and
- comply with the ASX Listing Rules.

This policy is for the protection of the Company and each of the persons covered by the policy. If you do not understand any part of this policy, or the summary of the law relating to insider trading, or how it applies to you, you should contact the Company Secretary before trading in any securities covered by this policy. Ultimately it is **your** responsibility to make sure that none of your trading constitutes insider trading.

A copy of this policy will be made available to all Company personnel. Any queries regarding its operation should be directed to the Company Secretary in the first instance.

2. APPLICATION

Company's personnel

This policy applies to and imposes constraints on:

- (a) each of the following:
 - (i) a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company (Key Management Personnel); and
 - (ii) other employees nominated by the Managing Director or Chairman because their duties are considered to have access to Inside Information,
(Restricted Personnel); and
- (b) all other full time, part time and casual employees of the Group (Employees).

Securities Trading Policy

Closely Connected Personnel

This policy also applies to the following closely connected persons of a member of the Restricted Personnel:

- (a) a spouse or child of the member;
- (b) a company or trust controlled by the member or by a spouse or child of that member; and
- (c) any other person or type of person determined by the Company,

(Connected Persons).

Restricted Personnel must ensure that their Connected Persons understand and comply with this policy as if that Connected Person was a member of the Restricted Personnel for the purposes of this policy.

The Company may, in its discretion, determine that a person or entity that falls within the definition of a "Connected Person" is not a connected person for the purposes of this policy.

3. SECURITIES

This policy applies to all securities issued by the Company, and includes the following types of securities:

- (a) shares, share acquisition rights and options;
- (b) debentures (including bonds and notes);
- (c) derivatives of any of the above (including equity swaps, futures, hedges and exchange-traded or over-the-counter options) whether settled by cash or otherwise,

(Company Securities).

The insider trading provisions in the Corporations Act also apply to the securities of other companies and entities if you have Inside Information about that company or entity. These other companies and entities may include suppliers or customers of the Group; joint venture partners; or companies that the Company or another member of the Group has entered (or is planning to enter) into a transaction with, for example a takeover or asset sale.

4. INSIDER TRADING PROHIBITION

Meaning of Inside Information?

Inside Information is information that:

- (a) is not generally available; and

Securities Trading Policy

- (b) if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of securities if (and only if) the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of those securities. In other words, the information must be shown to be material to the investment decision of a reasonable hypothetical investor in the securities.

It does not matter how you come to know the Inside Information. For the purpose of the insider trading provisions of the Corporations Act, "information" is given a wide meaning and includes matters of supposition and other matters that are insufficiently definite to warrant being made known to the public and matters relating to the intentions, or the likely intentions of a person.

Examples of information which, if made available to the market, may depending on the circumstances be likely to have a material effect on the price of Company Securities are set out in the Appendix.

When is information generally available?

Information is generally available if:

- (a) it consists of 'readily observable matter';
- (b) it 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 of a kind whose price or value might be affected by the information and since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information of the kind referred to in (a) or (b) above.

Prohibited conduct

In summary, the Corporations Act prohibits three types of conduct relating to Inside Information:

- the direct or indirect acquisition or disposal of securities using Inside Information;
- the procurement of another person to acquire or dispose of securities using Inside Information; and
- communication of Inside Information to another person for the purpose of the other person acquiring or disposing of securities.

Importantly, the prohibition on insider trading and communicating inside information is not restricted to Company Securities. If you possess Inside Information in relation to the securities of another company or entity, these prohibitions also apply in respect of dealings with those securities.



Securities Trading Policy

You must not, whether in your own capacity or as an agent for another, apply for, acquire or dispose of, or enter into an agreement to apply for, acquire or dispose of, any securities, or procure another person to do so if you:

- (b) possess Inside Information; and
- (c) know or ought reasonably to know, that:
 - (i) the information is not generally available; and
 - (ii) if it were generally available, it might have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities.

Further, you must not either directly or indirectly pass on this kind of information to another person if they know, or ought reasonably to know, that this other person is likely to apply for, acquire or dispose of the securities or procure another person to do so.

Consequences of insider trading

Engaging in "insider trading" (as summarised above in Prohibited Conduct), can subject you to criminal liability, including substantial monetary fines and/or imprisonment. You may also be subject to civil liability, which may include being sued by another party or the Company, for any loss suffered as a result of insider trading. **Insider trading is prohibited at all times.**

5. PROHIBITED PERIODS

In addition to the prohibitions on insider trading set out in the Corporations Act, Restricted Persons must not trade in Company Securities in the periods:

- (a) between 1 July and 24 hours immediately following the release of the Company's annual financial reports;
- (b) between 1 January and 24 hours immediately following the release of the Company's half yearly financial reports;
- (c) between the end of each quarter and 24 hours immediately following the release of the Company's quarterly cash flow report; or
- (d) advised to them by the Board or the Managing Director (such as prior to, and in the 24 hour period immediately after, the announcement to ASX of a significant matter or event),

(Prohibited Period) unless the circumstances are exceptional and the procedure for prior written clearance described in section 7 has been met.

Please note that even if it is outside a Prohibited Period, Restricted Persons must not trade in the Company's Securities if they are in possession of Inside Information.

Securities Trading Policy

6. EXCEPTIONAL CIRCUMSTANCES WHEN TRADING MAY BE PERMITTED SUBJECT TO PRIOR WRITTEN CLEARANCE

A Restricted Person, who is not in possession of Inside Information, may be given prior written clearance to trade in Company Securities during a Prohibited Period in accordance with the procedure described in section 7, in the following exceptional circumstances:

- (a) where the person is in severe financial hardship; or
- (b) where there are other circumstances deemed to be exceptional by the person granting the prior written clearance.

The determination of whether a person is in severe financial hardship or whether there are other exceptional circumstances can only be made by the relevant Approving Officer in accordance with the procedure for obtaining clearance prior to trading set out in section 7. A person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company Securities. A tax liability would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability. A circumstance may be considered exceptional if the person in question is required by a court order or a court enforceable undertaking to transfer or sell, or accept a transfer of, the Company Securities or there is some other overriding legal or regulatory requirement for him or her to do so.

7. PROCEDURE FOR OBTAINING WRITTEN CLEARANCE PRIOR TO TRADING

Restricted Personnel should consider carefully whether they are in possession of any Inside Information that might preclude them from dealing in Company Securities at that time and, if they have any doubt, they should not deal in Company Securities.

Restricted Persons must not trade in Company Securities at any time during a Prohibited Period, including in the exceptional circumstances referred to in section 6, unless the Restricted Person first obtains prior written clearance (**Trading Approval**) from:

- (a) in the case of employees, the Managing Director or in his absence, the Company Secretary;
- (b) in the case of a director or officer (including the Managing Director), the Chair;
- (c) in the case of the Chair, the Managing Director,

(each, an **Approving Officer**).

A request for Trading Approval should be made in writing using the form attached to this policy entitled 'Request for Prior Written Clearance to Trade in Company Securities' and given to the Approving Officer. The request may be submitted in person, by mail, by email or by facsimile.

A 'Request for Prior Written Clearance to Trade in Company Securities' can be obtained from the Company Secretary on request.

Securities Trading Policy

Any Trading Approval will be valid for the period of 5 business days from the time which it is given or such other period as may be determined by the Approving Officer. The expiry time of the clearance will be stated in the clearance granted. Written clearance under this policy may be given in person, by mail, by email or by facsimile.

If a Connected Person of a member of Restricted Personnel requires Trading Approval, the member must request and obtain Trading Approval on behalf of that Connected Person.

Restricted Personnel or Employees seeking Trading Approval under this section acknowledge that:

- (a) Trading Approval can be given or reduced by the Company in its discretion, without giving any reasons;
- (b) Trading Approval can be withdrawn if new information comes to light or if there is a change in circumstances;
- (c) the Company's decision to refuse Trading Approval is final and binding on them;
- (d) if Trading Approval is refused, they must keep that information confidential and not disclose it to anyone;
- (e) if they come into possession of Inside Information after receiving Trading Approval, they must not deal despite having received Trading Approval; and
- (f) Trading Approval under this policy is not an endorsement of the proposed dealing and that they are individually responsible for their investment decisions and their compliance with the insider trading prohibitions under the Corporations Act.

8. WHAT TRADING IS NOT SUBJECT TO THIS POLICY?

The following trading by Restricted Persons is excluded from the restrictions outlined in section 5, but may still be subject to the insider trading provisions of the Corporations Act summarised in section 4 of this policy:

- (a) transfers of Company Securities between a Restricted Person and their spouse, civil partner, child, step-child, family company, family trust or other close family member or of Company Securities already held into a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a Restricted Person is a trustee, trading in the Company Securities by that trust provided that 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;
- (d) undertakings to accept, or the acceptance of, a takeover offer;

Securities Trading Policy

- (e) a disposal of Company Securities arising from a scheme of arrangement;
- (f) trading 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 and 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 decisions relating to 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;
- (g) an involuntary disposal of Company Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement. Restricted Persons must not enter into margin loan agreements or other secured lending arrangements in relation to Company Securities without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7;
- (h) the exercise (but not the sale of Company Securities following exercise) of an option or right under an employee incentive scheme, or the conversion of a convertible security, where:
 - (i) the final date for the exercise of the option or right, or the conversion of the Company Security, falls during a Prohibited Period and the Company has been in an exceptionally long Prohibited Period or the Company has had a number of consecutive Prohibited Periods and the Restricted Person could not reasonably have been expected to exercise it at a time when free to do so; and
 - (ii) the Restricted Person obtains prior written clearance to exercise the option or right, or convert the Company Security, in accordance with the procedure set out in section 7 of this policy;
- (i) the acquisition, or agreement to acquire, Company Securities under any employee incentive scheme;
- (j) the exercise or automatic conversion of Company Securities issued under an employee incentive scheme (but not the sale of Company Securities following conversion);
- (k) the acquisition of shares by conversion of Company Securities giving a right to conversion to shares (but not the sale of Company Securities following conversion);
- (l) the obtaining by a director of a share qualification;
- (m) where the Company has an employee incentive scheme with a Key Management Personnel as trustee of the scheme, an acquisition of Company Securities by that Key Management Personnel in their capacity as trustee of the scheme; and
- (n) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where: (a) the Restricted Person did not enter into the plan or amend the plan during a Prohibited Period; and (b) the trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade.



Securities Trading Policy

9. HEDGING TRANSACTIONS

Restricted Persons must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7.

Restricted Persons are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

10. SHORT TERM DEALING

Restricted Persons must not engage in short term or speculative dealings in Company Securities (which will be determined by the Board in its discretion). Short term or speculative dealings includes buying and selling Company Securities within a two month period and entering into other short-term dealings.

This section does not restrict the sale of Company Securities received on the vesting or exercise of Company Securities under an equity-based incentive scheme operated by the Company.

11. SHORT SELLING

Restricted Persons must not engage in the short-selling of Company Securities. Short selling is the sale of securities that you do not own but have borrowed in the hope that you will be able to later buy the securities back at a lower price to make a profit.

12. MARGIN LOANS AND OTHER SECURED LENDING

Restricted Persons must not enter into margin loan agreements or other secured lending arrangements in relation to Company Securities without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7.

13. NON-DISCRETIONARY TRADING PLANS

Restricted Persons must not put in place a non-discretionary trading plan in respect of Company Securities without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7. Restricted Persons must not cancel any such trading plan during a Prohibited Period, unless the circumstances are exceptional and the procedure for prior written clearance set out in section 7 has been met.

14. DIRECTOR NOTIFICATION REQUIREMENTS

Directors have agreed with the Company to provide details of changes in Company Securities they hold (directly or indirectly) to the Company Secretary as soon as reasonably possible to enable the Company to comply with its obligations under the ASX Listing Rules.



Securities Trading Policy

Directors are referred to the Company's *Director's Disclosure Obligations* document and *Director's Declaration of Interest Form*. Directors are reminded that it is their obligation under section 205G of the Corporations Act to notify the market operator within 14 days after any change in a director's interest if the Company has failed to do so.

15. REGISTER OF CLEARANCES

The Company Secretary must maintain a register of clearances given in relation to trading in Company Securities.

The Company Secretary must report all notifications of trading in, and clearances given, in relation to trading in Company Securities to the next Board meeting of the Company.

16. CONSEQUENCES OF BREACH

Breach of the insider trading prohibition could expose you to criminal and civil liability. Breach of this policy (irrespective of whether the insider trading prohibition or any other law is breached) will also be regarded by the Group as serious misconduct which may lead to disciplinary action and/or dismissal.

This policy does not contain an exhaustive analysis of the restrictions imposed on, and the very serious legal ramifications of, insider trading. Restricted Persons who wish to obtain further advice in this matter, are encouraged to contact the Company Secretary.

17. ASX LISTING RULE REQUIREMENTS

It is a requirement for admission to the official list of ASX, and an on-going requirement for listing, that the Company has a securities trading policy.

The Company will give a copy of this policy to ASX for release to the market. The Company will also give any amended version of this policy to ASX when it makes a change to: the periods within which Restricted Persons are prohibited from trading in Company Securities; the trading that is excluded from the operation of the policy; or the exceptional circumstances in which Restricted Persons may be permitted to trade during a Prohibited Period, within five business days of the amendments taking effect. The Company will also give this policy to ASX immediately on request by ASX.



Securities Trading Policy

18. APPENDIX

Examples of information which, if made available to the market, may depending on the circumstances be likely to have a material effect on the price or value of Company Securities include, but are not limited to:

- (a) a transaction that will lead to a significant change in the nature or scale of the Company's activities;
- (b) a material mineral discovery or a material change in ore reserves or mineral resources;
- (c) a material acquisition or disposal;
- (d) the granting or withdrawal of a material licence;
- (e) becoming a plaintiff or defendant in a material law suit;
- (f) the fact that the Company's earnings will be materially different from market expectations;
- (g) the appointment of a liquidator, administrator or receiver;
- (h) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- (i) under subscriptions or over subscriptions to an issue of securities;
- (j) giving or receiving a notice of intention to make a takeover;
- (k) any rating applied by a rating agency to the Company or its securities and any change to such a rating;
- (l) any actual or proposed change to the Company's capital structure for example, a share issue; and
- (m) exploration results.

Policy history

Established:	April 2009
Last review:	July 2018
Next Review	July 2019
Review frequency:	Annually
Reference:	77043