

Policy for Dealing in Securities

This policy is not legal advice and does not substitute for seeking specific advice for your particular situation. You can seek clarification from Sandfire Resources NL's Company Secretary at any time.

Sandfire Resources NL
ABN 55 105 154 185

1. Introduction

The purpose of this policy is to:

- explain the types of conduct in dealing in securities that are prohibited under the Corporations Act 2001 (Cth) (Corporations Act). Such prohibitions apply to all directors and personnel of Sandfire Resources NL (“SFR” or “Company”); and
- establish a best practice procedure for the dealing in securities that protects the Company, directors and personnel against the misuse of unpublished information which could materially affect the value of securities.

The rules set out in this policy are designed to assist in preventing breaches of the insider trading provisions of the Corporations Act and to enable the Company to satisfy the disclosure requirements of ASX Listing Rules. Ultimately it is the responsibility of the individual to ensure that none of his or her dealings could constitute insider trading.

2. Persons to whom this Policy applies

This policy applies to:

- all directors and officers of the Company (including the Managing Director);
- all direct reports to the Managing Director (senior executives);
- all other personnel of the Company (including employees and contractors) (collectively **Personnel**); and
- closely related parties of all directors and officers of the Company, the Managing Director, all direct reports to the Managing Director and all other Personnel of the Company.

In this policy, the persons listed above are called **Relevant Persons**.

Where this policy requires a Relevant Person to do something (for example, obtaining clearance in accordance with clause 3.3), that person must also do it for their closely related parties.

Closely related parties are defined in the Corporations Act in a complex manner, and it is important to understand or get advice if you are unsure. Broadly, your closely related parties will include your children, your step children, your partner’s children, your wife/husband, your partner’s grown children from a previous marriage, your superannuation fund, another company you are on the board of or in which you have a vested interest, and close members of your family who influence you or are capable of influencing you.

3. Restrictions on dealing in securities

3.1 No trading when in possession of inside information

A Relevant Person must not deal in the Company's securities when:

- they are in possession of price sensitive or "inside" information; or
- the Company is in possession of price sensitive or "inside" information and has notified Relevant Persons that they must not deal in securities (either for a specified period, or until the Company gives further notice).

Broadly defined, "inside" information is information which a person knows (or should know) to be not publicly available and likely or potentially likely to materially affect the Company's share price.

Attachment 1 sets out further guidance as to what constitutes "inside" information or price sensitive information.

Relevant persons should endeavour to ensure that external advisor who may receive inside information are bound by confidentiality agreements.

3.2 Other prohibited dealings

a. Blackout Periods

A Relevant Person must not deal in the Company's securities during any of the following Blackout Periods:

- from the close of trading on the ASX on 30 June each year, or if that date is not a trading day, the last trading day before that day, until the close of trading on the day following the announcement to ASX of the Company's full year results;
- from the close of trading on the ASX on 31 December each year, or if that date is not a trading day, the last trading day before that day, until close of trading on the day following the announcement of the Company's half-yearly results;
- from the close of trading on the ASX on 30 September or 31 March, or if that date is not a trading day, the last trading day before that day, until close of trading on the day following the announcement of the Company's quarterly reports; and
- any other period that the Board specifies from time to time.

b. Exceptional Circumstances

If a Relevant Person needs to deal in securities during a Blackout Period due to exceptional circumstances but such dealing is prohibited by paragraph 3.2(a) of this Policy, the Relevant Person may apply to:

- the Chair of the Board (if the Relevant Person is a director (other than the Chair of the Board), or one of his closely related parties);
- the Chair of the Audit, Risk and Compliance Committee and the Managing Director (if the Relevant Person is the Chair of the Board or one of his closely related parties); or
- the Managing Director (in the case of other Relevant Persons) for a waiver from compliance with paragraph 3.2(a)).

Exceptional circumstances include:

- severe financial hardship where he or she has pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities of the entity; or
- where he or she has compulsion to deal with securities by Court Order; or
- any other circumstances deemed exceptional by the Chairman or by the Chair of the Audit, Risk and Compliance Committee and the Managing Director (if the Relevant Person is the Chair of the Board or one of his closely related parties), or the Managing Director (in the case of other Relevant Persons).

Relevant Persons seeking a waiver under this clause must apply in writing to the relevant Approver setting out the details of the proposed dealing, including an explanation as to the exceptional circumstances and the reason the waiver is requested. A waiver will only be granted if the Relevant Person's application is accompanied by sufficient evidence (in the opinion of the Approver) that the dealing of the relevant securities is the only reasonable course of action available in the circumstances.

If a waiver is granted, the Relevant Person will be notified in writing (including by email) and in each circumstance the duration of the waiver to deal in securities will be 2 business days.

Unless otherwise specified in the approval notice, any dealing permitted under paragraph 3.2(b) must comply with the other sections of this Policy (to the extent applicable).

c. No Short-term Dealing

Relevant Persons must not deal in the Company's securities on a short-term trading basis. Short-term trading includes buying and selling securities with a 3 month period, and entering into other short-term dealings (for example, forward contracts).

3.3 Other permitted dealings

Where paragraphs 3.1 and 3.2 do not apply, Relevant Persons may deal in the Company's securities subject to the notification and approval requirements set out below.

This paragraph 3.3 applies to:

- directors;

- the Managing Director;
- the Managing Director’s direct reports and their direct reports; and
- any other participants in the employee incentive scheme (Senior Executive) and includes their closely related parties (as defined in the Corporations Act).

During any period other than a Blackout Period, and before a transaction is undertaken, the Senior Executive seeking to trade (column A, below) must provide notification and seek approval for any proposed dealing in the Company’s securities from the person/s approving the trade (column B, below):

Column A Senior Executive seeking to trade (including any closely related party)	Column B Person/s approving the trade
Directors	Chair of the Board
Chair of the Board	Chair of the Audit and Risk Committee and Managing Director
Managing Director’s direct reports and their direct reports, and any other participants in the employee incentive scheme	Managing Director

Upon receiving approval a Senior Executive (or closely related party) must undertake the proposed dealing within 2 business days.

Upon provision of notification or receipt of approval, the Senior Executive (or the closely related party) may undertake the proposed dealing. The Senior Executive must confirm any such dealings with the person who endorsed the transaction and the Company Secretary within 2 business days of the dealing.

The insider trading restriction in paragraph 3.1 applies to all dealings in the Company’s securities despite any approval given to a Relevant Person under this Policy, and the Relevant Person is responsible for ensuring that the dealing does not breach this restriction.

3.4 Margin lending arrangements

Any dealing in the Company’s securities by Relevant Persons pursuant to a margin lending arrangement must be conducted in accordance with this policy, including:

- entering into a margin lending arrangement in respect of the Company’s securities;
- transferring securities in the Company into an existing margin loan account; and
- selling securities in the Company to satisfy a call pursuant to a margin loan.

Directors and Senior Executives must obtain approval in accordance with the procedure set out in paragraph 3.3 for any proposed dealing in the Company's securities in connection with a margin lending arrangement, irrespective of any trading window. The Company may, at its discretion, make any approval granted in accordance with 3.3(b) conditional upon such terms and conditions as the Company sees fit (for example, with regard to the circumstance in which the Company's securities may be sold to satisfy a margin call).

3.5 Hedging of company securities

Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Company securities.

Hedging of Company securities by a Relevant Person is subject to the following overriding prohibitions:

- the hedge transaction must not be entered into, renewed, altered or closed out when the Relevant Person is in possession of inside information;
- Company securities must never be hedged prior to the vesting of those Company securities. In particular, Relevant Persons are prohibited from entering into any hedge transaction involving unvested equity held pursuant to any employee, executive or director equity plan operated by the Company; and
- Company securities must never be hedged while they are subject to a holding lock or restriction on dealing under the terms of any employee, executive or director equity plan operated by the Company.

Relevant Persons are permitted to hedge their vested and unrestricted Company securities on the following conditions:

- The hedge transaction is treated as a dealing in Company securities for the purposes of this Policy, and the relevant approvals and notifications are made on this basis; and
- The relevant requirements under paragraph 3.3 of this Policy have been satisfied.

Where a Relevant Person enters into a hedging arrangement in respect of Company securities, the Company may, where appropriate, disclose the fact and nature of the hedge (eg in its Annual report or to ASX).

3.6 Exclusions

Paragraphs 3.2 and 3.3 of this Policy do not apply to:

- a. Participation in an employee, executive or director equity plan operated by the Company (eg applying for an allocation of securities under an employee equity plan offer). However, where securities in the Company granted under an employee, executive or director equity plan cease to be held under the terms of that plan, any dealings in those securities must only occur in accordance with this Policy;

- b. The following categories of passive trades:
- acquisition of Company securities through a dividend reinvestment plan;
 - acquisition of Company securities through a share purchase plan available to all retail shareholders;
 - acquisition of Company securities through a rights issue or during the period where a disclosure document (eg prospectus) is in place; and
 - the disposal of Company securities through the acceptance of a takeover offer;
- c. Dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of Company securities already held into a superannuation fund or trust of which the Relevant Person is a beneficiary);
- d. Trading under a pre-approved non-discretionary trading plan, where the Relevant Person did not enter into the plan or amend the plan during a Blackout Period, the plan does not permit the Relevant Person to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a Blackout Period, other than in exceptional circumstances; and
- e. Subject to paragraph 3.4, a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement.

However such dealings are still subject to the “insider” trading restrictions of this Policy where applicable.

4. Securities in other companies

While in general a Relevant Person is free to deal in securities in other listed companies, the prohibited conduct under the Corporations Act includes dealings not only in the Company’s securities but also in those of other listed companies with which the Company may be dealing (including the Company’s customers, contractors or business partners) where a Relevant Person possesses “inside” information in relation to that company.

If a Relevant Person is aware of information that is not generally available but which, if it were generally available, a reasonable person would expect to have a material effect on the price or value of a security, the Relevant Person should not deal in the securities of the companies that it affects.

The Company may also publish from time to time a list of securities in other companies which Relevant Persons are prohibited from dealing in due to the Company being in possession of inside information in respect of those companies (**Restricted Securities List**). Relevant Persons must not at any time deal in securities on the Restricted Securities List.

5. Breach

Breaches of the insider trading laws have serious consequences for both the Relevant Person concerned and the Company.

Breaches of this Policy are regarded as serious and will be subject to appropriate sanctions. Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach. Any person who is proven to have breached this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).

6. More Information

Any person who has queries about this Policy should contact the Company Secretary.

7. Revision Information

This document must be reviewed every 12 months, as a minimum, by the Commercial Department.

A controlled electronic copy of this policy and procedure will be available to all employees via Radix Controlled Documents and the intranet.

Attachment 1 – Insider Trading Provisions

1.1 Summary of prohibited conduct

The Corporations Act prohibits “insider” trading.

Under the Corporations Act, a person is prohibited from dealing in securities where:

- the person possesses information which 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 of securities of the relevant entity; and
- 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 of securities.

In addition, a person with inside information must not procure another person to deal in the Company’s securities or communicate the information (directly or indirectly) to another person whom the person believes may deal (or procure someone else to deal) in the Company’s securities.

1.2 Definitions

a. Securities

The definition of securities in the Corporations Act is very broad. Securities include ordinary shares, preference shares, options or performance rights, debentures and convertible notes.

For the purposes of this Policy, the term “securities” also extends to financial products issued or created over or in respect of securities issued by the Company (for example, warrants and other derivative products), whether or not the financial products are created by the Company or by third parties.

b. Dealing in securities

Dealing in securities is a broad concept and covers more than simply buying or selling securities. It extends to exercising options over securities and entering into arrangements to buy or sell securities.

Under this Policy and the law, the prohibition on dealing means the Relevant Persons are not permitted to:

- buy or sell; or
- enter into an agreement to subscribe for, buy or sell securities

where they possess information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of those securities.

If a Relevant Person possesses price sensitive information that is not generally available, the Relevant Person is also prohibited from:

- procuring any other person to deal in those securities; or
- directly or indirectly communicating the information to another person whom the Relevant Person believes is likely to deal in, or procure another person to deal in, those securities.

Procuring means enticing, encouraging, persuading, causing or securing another person to do or not to do something. Procuring also includes inciting, inducing or encouraging to act or omission.

c. Price sensitive or “inside” information

Information is “inside” or price sensitive if it is not generally available, but which if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a security.

d. Information is “generally available” if it:

- (i) consists of readily observable matter;
- (ii) 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 any of the classes of securities issued by the Company and since it was made known, a reasonable period for it be disseminated among those persons has elapsed. That is, information will be “generally available” if it has been released to ASX or published in an annual report or prospectus or similar disclosure document and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or
- (iii) consists of deductions, conclusions or inferences made or drawn from information referred to in paragraph 1.2(d)(i) of this Attachment 1.

e. Material effect on the price of securities

Under the Corporations Act, information is likely to have a material effect on the price or value of securities of a company 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.

The following types of information would likely to be considered to have a material effect on the price of the Company’s securities (this is not an exhaustive list):

- drilling results, mining exploration results, production figures and the like;
- prospective financial information;
- unpublished announcements;
- proposed changes in capital structure, including share issues, rights issues and the redemption of securities; impending mergers, acquisitions, reconstructions, takeovers, etc;
- significant litigation and disputes;
- significant changes in operations or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
- cash flow information;
- management restructuring or Board changes;

- an entity proposing to buy, or a security holder proposing to sell, a substantial number of Company securities;
- industry issues that may have a material impact on the Company;
- decisions or significant issues affecting the Company by regulatory bodies in Australia or other relevant jurisdictions (such as ASIC or the ACCC);
- allegations of any breach of the law or other regulatory requirements by the Company;
- major or material purchases or sales of assets;
- proposed or new significant contracts;
- a proposed dividend or change in dividend policy;
- an event which would have a material impact on production or profits;
- any information required to be disclosed to the ASX under its continuous disclosure rules; and
- any possible claim against the Company or other unexpected liability.

1.3 Consequences of breach

Breaches of the insider trading laws have serious consequences for both the Relevant Persons concerned and the Company. A person who commits a breach of the insider trading provisions could be subject to criminal liability (substantial fines and/or imprisonment may be imposed) or civil liability (substantial fines may be imposed) under Australian Law. A person who contravenes or is involved in a contravention of these provisions may also be liable to compensate any person who suffers loss or damage resulting from the conduct. In addition, an actual or suspected breach of the insider trading laws may also give rise to adverse public scrutiny and media comment.

A person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

A person who is proven to have breached this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).