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# Securities Trading Policy

Sunshine Gold Limited (ABN 12 063 388 821)

Adopted by the Board on 14 September 2020

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# Sunshine Gold Limited – Securities Trading Policy

Sunshine Gold Limited (**Sunshine**) has adopted this Securities Trading Policy in order to comply with ASX Listing Rule 12.9.

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## 1 Purpose and application of this policy

- (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) For the purposes of this policy:
  - (i) “Sunshine Person” means all directors and senior management including each director of Sunshine, the Managing Director, the Chief Financial Officer and Company Secretary of Sunshine, Key Management Personnel (as defined in the Corporations Act), all employees of Sunshine and any other person designated as a Sunshine Person by the board of directors (**Board**) in writing; and
  - (ii) also includes:
    - (A) a company or trust controlled by any of the persons referred to in clause 1(b)(i) above; and
    - (B) for the purposes of clause 3 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 clause 1(b)(i) above.
- (c) This policy regulates dealings by directors and certain officers of Sunshine and other designated persons, in securities in Sunshine or any other entity about which they acquire Inside Information through their position or dealings with Sunshine.
- (d) 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.
- (e) This policy is not designed to prohibit Sunshine Persons from investing in Sunshine securities, but does recognise that there may be times when directors, officers or certain employees cannot or should not invest in Sunshine securities.

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## 2 Insider trading

### 2.1 General prohibition on Insider Trading

- (a) No Sunshine Person may, while in possession of Inside Information (defined in clause 2.2(a)) concerning Sunshine, in breach of the Corporations Act:

- (i) buy, sell or deal in any Sunshine securities at any time;
  - (ii) procure another person to deal in Sunshine's securities in any way; or
  - (iii) pass on any Inside Information to another person for that person's own personal gain by dealing in Sunshine securities in any way (**Insider Trading**).
- (b) All Sunshine Persons are prohibited from dealing in the securities of outside companies about which they acquire Inside Information through their position with Sunshine.
  - (c) The requirements imposed by this policy are in addition to any legal prohibitions on Insider Trading. Trading in Sunshine's securities is prohibited at any time by a director or a Sunshine Person if that person possesses Inside Information, even where the trade occurs outside a Blackout Period; or the trade falls within an exclusion in this policy; or clearance has been given under this policy to trade (whether in exceptional circumstances or otherwise).

## 2.2 Inside Information

- (a) A Sunshine Person is responsible for assessing whether they possess "**Inside Information**". This occurs where:
  - (i) 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 Sunshine securities (or a decision whether or not to trade in them); and
  - (ii) 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 Sunshine securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of 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 "Sunshine securities" should be read as references to the securities of the outside company.

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## 3 Restrictions on trading in Blackout Periods

### 3.1 Blackout Periods

Sunshine Persons, subject to clauses 3.3 and 5, may not buy or sell Sunshine securities during a Blackout Period (defined below).

- (a) **Blackout Periods** are times when Sunshine Persons must not deal in Sunshine's securities.

The following are mandated Blackout Periods:

- (i) from the close of the ASX trading day on 15 December each year, until 10:00am (Sydney time) on the ASX trading day following the day on which Sunshine's half-yearly results are released to the ASX;

- (ii) from the close of the ASX trading day on 15 June each year, until 10:00am (Sydney time) of the ASX trading day following the day on which Sunshine's full year results are released to the ASX;
- (iii) from the close of the ASX trading day two weeks prior to the date of Sunshine's Annual General Meeting (**AGM**) until 10:00am (Sydney time) on the ASX trading day following the date of Sunshine's AGM;
- (iv) from the close of trading on ASX at the end of each calendar quarter (being the end of March, June, September and December), until close of trading on the day following the announcement of Sunshine's quarterly reports to ASX; and
- (v) any other period that the Board specifies from time to time.

If 15 June, 15 December and the last day of March, June, September and December are not ASX trading days, then the Blackout Period begins on the preceding ASX trading day.

During Blackout Periods Sunshine Persons must not deal in any of Sunshine's financial products or securities, or in any securities related to them.

### 3.2 Ad-hoc restrictions

Sunshine may impose, without notice and in its sole and absolute discretion, additional restrictions on trading in Sunshine's securities by any or all Sunshine Persons, and also by any other staff member(s) (who are not otherwise designated as "Sunshine Persons") as Sunshine considers appropriate. For the avoidance of doubt, Sunshine may impose ad-hoc restrictions under this clause 3.2 even where the proposed trade would otherwise take place outside a Blackout Period provided for in this policy. Any restriction communicated by Sunshine to any or all Sunshine Persons (or other staff members) under this clause 3.2 must be kept strictly confidential.

### 3.3 Notifications

- (a) Sunshine Persons must:
  - (i) prior to dealing in Sunshine securities outside a Blackout Period or where clause 4 requires the person to obtain a consent under clause 3.3, notify the relevant person in clause 3.3(c) (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;
  - (iii) after dealing with the Sunshine securities, provide the Authorising Officer with a transaction confirmation; and
  - (iv) 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 Sunshine, or if they have a substantial holding in Sunshine and there is a movement of at least 1% in their holding.

- (b) For the avoidance of doubt, the Sunshine Person seeking authorisation cannot be their own Authorising Officer.
- (c) Authorising Officer

Sunshine Person seeking authorisation	Authorising Officer
<i>Chair of the Board</i>	The chair of Audit and Risk Committee or the Managing Director /an Independent Director.
<i>Other directors, Company Secretary and any other Key Management Personnel</i>	The chair of the Board or, in his/her absence the chair of the Audit and Risk Committee.
<i>Any other Sunshine Person</i>	Company Secretary or, in his/her absence, the Managing Director.

### 3.4 Exceptional circumstances

- (a) In exceptional circumstances the Authorising Officer has discretion to approve dealings in Sunshine securities during a Blackout Period, or other dealings that would otherwise be prohibited by this policy.
- (b) Any approval given under this clause 3.4, must be provided by electronic delivery via email. The notification requirements 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 Sunshine Person to trade in Sunshine’s securities by the Authorising Officer under this clause 3.4:
  - (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;
  - (iii) is final and binding on the Sunshine Person seeking clearance; and
  - (iv) must be kept strictly confidential by the Sunshine Person and not disclosed to any other person.
- (e) In deciding whether to grant clearance to trade in Sunshine’s 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 trade by the Authorising Officer under this clause 3.4 is not an endorsement to trade. The Sunshine Person doing the trading is individually responsible for their investment decisions and their compliance with insider trading laws. The Sunshine Person must carefully consider whether they are in possession of any Inside Information that might preclude them from trading at that time. If the Sunshine Person is in any doubt, they should not trade.

- (g) If a Sunshine Person comes into possession of Inside Information after receiving a clearance to trade, they must not trade despite having received the clearance.

### **3.5 Company secretary to maintain records**

Company Secretary will maintain a copy of:

- (a) all requests for an approval to deal in Sunshine' securities submitted by a Sunshine Person; and
- (b) details of all dealings in Sunshine' securities made by a Sunshine Person.

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## **4 Other restrictions**

### **4.1 No speculative trading**

Under no circumstances should Sunshine Persons engage in short-term or speculative trading in Sunshine securities. This prohibition includes short term direct dealing in Sunshine 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.

### **4.2 No protection arrangements**

The entering into of all types of "protection arrangements" for any Sunshine securities (or Sunshine products in the derivatives markets):

- (a) is prohibited at any time in respect of any Sunshine securities which are unvested or subject to a holding lock; and
- (b) otherwise, requires consent under clause 3.3.

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

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

### **4.3 No granting of security over Sunshine's securities or entering into margin lending arrangements**

- (a) Sunshine 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 Sunshine securities which are unvested or subject to a holding lock, to secure any obligation of that Sunshine Person or any third party or enter into any margin lending arrangements involving Sunshine securities.
- (b) Unless clause 4.3(a) applies, Sunshine Persons may, directly or indirectly, grant any form of security (whether by charge, mortgage, pledge or otherwise) over any of Sunshine's securities, to secure any obligation of that Sunshine Person or any

third party or enter into any margin lending arrangements involving Sunshine securities, with consent under clause 3.3.

#### 4.4 Trading in outside companies

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

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## 5 Exemptions

- (a) Sunshine Persons may at any time:
- (i) trade in Sunshine's securities where the trading 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 Sunshine securities already held into a self-managed superannuation fund or other saving scheme in which the restricted person is a beneficiary;
  - (iv) acquire Sunshine's ordinary shares by conversion of securities giving a right of conversion to Sunshine's ordinary shares;
  - (v) acquire Sunshine's 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 Sunshine) where the assets of the fund or other scheme are invested at the discretion of a third party;
  - (viii) a disposal of Sunshine 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 Sunshine Person undertakes any of the actions described in paragraph (a), that Sunshine Person must advise the relevant Authorising Officer (as set out in clause 3.3(c)).
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## **6 ASX Notifications**

- (a) Sunshine must notify ASX within 5 business days after any change to a director's relevant interest in Sunshine's securities or a related body corporate of Sunshine, including whether the change occurred inside a Blackout Period and, if so, whether prior written clearance was provided.
  - (b) To enable Sunshine to comply with the obligation set out in clause 6(a), a director must immediately (and no later than 3 business days after any relevant event) notify Company Secretary in writing of the requisite information for 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 Sunshine 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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## **7 General**

- (a) A breach of this policy will be regarded as serious misconduct which may lead to disciplinary action, up to and including dismissal.
- (b) This policy will be made available on Sunshine's website ([www.shngold.com.au](http://www.shngold.com.au)).
- (c) 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 Company Secretary.