chalice
Chalice Mining Limited

Securities Trading Policy

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.

2. Who does this policy apply to?

This policy applies to **Restricted Persons**. A Restricted Person is a person who is:

a. 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**);

b. an employee of the Group (**Employees**);

c. a contractor of the Group nominated by the Group as a contractor to whom this policy applies (**Contractors**);

d. a Connected Person of a person referred to in paragraph (a), (b) or (c).

A **Connected Person** means a spouse or partner, child or step-child under 18 years, an unlisted body corporate which the Key Management Personnel, Employee or Contractor controls or is director of, a trust (including any self-managed superannuation fund) of which the Key Management Personnel, Employee or Contractor is a trustee (or, in the case of a corporate trustee, a director of the corporate trustee) and of which he or she or any of the persons referred to above is a beneficiary or any other person over whom the Key Management Personnel, Employee, or Contractor has significant influence or control. Where this policy requires a Restricted Person to do an act or thing, the relevant Restricted Person must do that act or thing, or procure that the act or thing is done, in respect of the Connected Person.

Level 3, 46 Colin Street
West Perth, Western Australia
PO Box 428, West Perth WA 6872
T: +61 8 9322 3960
F: +61 8 9322 5800
info@chalicemining.com
www.chalicemining.com
@chalicemining
chalice-mining

3. The "front page" test

It is important that public confidence in the Group is maintained. It would be damaging to the Group's reputation if the market or the general public perceived that Restricted Persons might be taking advantage of their position in the Group to make financial gains by dealing in securities based on inside information. As a guiding principle, any Restricted Person considering dealing in securities should ask themselves:

If the market was aware of all the current circumstances, could the proposed dealing be perceived by the market as taking advantage of my position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? (the "**front page" test**).

If any Restricted Person is unsure, they should consult the Company Secretary. Where any approval under this policy is required for a dealing, approval will not be granted where the dealing would not satisfy the "front page" test.

4. What securities are covered by this policy?

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

a. shares, share acquisition rights, performance 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 (as defined in section 4.1 below) about that company or entity. These other companies and entities may include, without limitation, 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.

To "trade" in securities means, whether as principal or agent, to apply for, acquire or dispose of securities; enter into an agreement to apply for, acquire or dispose of securities. To "trade" includes the exercise of an option, the conversion of a share acquisition right or performance right.

5. Insider trading prohibition

5.1 What is Inside Information?

Inside Information is information that: (a) is not generally available; and (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 rumours, 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 Appendix A.

It is the responsibility of the Restricted Person, prior to dealing in securities, to consider carefully whether they possess Inside Information that may preclude dealing at that time and, if in doubt, should refrain from dealing.

5.2 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.

5.3 Prohibited conduct

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

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

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:

a. possess Inside Information; and
b. 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.

5.4 Consequences of insider trading

Engaging in "insider trading" (as summarised in section 5.3), 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.**

Breaches of this policy or the insider trading laws can also result in reputational damage for the Company or the Group and may result in disciplinary action being taken by the Company or the Group in relation to those involved. This disciplinary action may include, without limitation, forfeiture of securities and/or suspension or termination of employment or other engagements. The requirements of this policy are separate from, and in addition to, the legal prohibitions in the Corporations Act on insider trading.

6. Blackout 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 between:

c. the date that is five trading days immediately preceding and 24 hours immediately following the release of the Company's half-year financial accounts;

d. the date that is five trading days immediately preceding and 24 hours immediately following the release of the Company's annual financial accounts;

e. the period 24 hours immediately following the release of a material announcement; and

f. the date that is five trading days immediately preceding and 24 hours immediately following the release of the Company's quarterly reports,

(**Blackout Periods**), unless the circumstances are exceptional (as set out in section 7) and the procedure for prior written clearance described in section 8 has been met.

In addition to the prohibitions on insider trading set out in the Corporations Act, Restricted Persons must not trade in Company Securities within any period imposed by the Board (or its delegate) from time to time, for example because the Company is considering matters that would require disclosure to the market but for Listing Rule 3.1A (**Additional Period**), unless the circumstances are exceptional (as set out in section 7) and the procedure for prior written clearance described in section 8 has been met. This prohibition is in addition to the Blackout Periods. The Blackout Periods and the Additional Period are together referred to as a **Prohibited Period** in this policy. Restricted Persons must not disclose to anyone that an Additional Period is in effect.

Please note that even if it is outside a Prohibited Period, Restricted Persons remain subject to the prohibitions under the Corporations Act regarding insider trading if they are in possession of Inside Information.

7. Exceptional circumstances when trading may be permitted subject to prior written clearance

A Restricted Person, who is not in possession of Inside Information, may request written clearance to trade in Company Securities during a Prohibited Period in accordance with the procedure described in section 8, 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 (as defined in section 8) in accordance with the procedure for obtaining clearance prior to trading set out in section 8. 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.

8. Procedure for obtaining written clearance prior to trading

Restricted Persons must not trade in Company Securities at any time, including in the exceptional circumstances referred to in section 7, unless the Restricted Person first obtains prior written clearance from:

a. in the case of employees and contractors, the Managing Director (or equivalent) or in his/her absence, the Company Secretary;
b. in the case of a director or officer, the Chair or in his/her absence, the Chair of the Audit Committee;
c. in case of the Managing Director (or equivalent), the Chair or, in his/her absence, the Chair of the Audit Committee; or
d. in the case of the Chair, the Chair of the Audit Committee,

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

A request for prior written clearance under this policy 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 Company Secretary to obtain clearance from an Approving Officer. The request may be submitted in person, by mail, or by email.

The Approving Officer may, in their reasonable discretion, require further details from the requester, and may take the time they consider necessary to consider the request, including time to seek legal advice. Any request for written clearance can be given or refused by the Approving Officer in their absolute discretion.

Any written clearance granted under this policy will be valid for the period of 3 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 by hand, mail, or by email. Written clearance can be withdrawn by the Approving Officer at any time prior to the order for dealing being lodged or otherwise authorised, if new information comes to light or there is a change in circumstances.

Where a written clearance is given pursuant to this section, the Restricted Person must notify the Company Secretary of the details of that written clearance for record keeping purposes.

Unless otherwise specified in the approval notice, any dealing permitted under this section must comply with the other sections of this policy (to the extent applicable). If before carrying out the trade, the Restricted Person comes into possession of Inside Information or a Prohibited Period commences, that person must not carry out the trade, notwithstanding that it has been approved.

Where written clearance is refused by an Approving Officer, that determination is final and binding on the Restricted Person and the Restricted Person must keep all information relating to the refusal confidential.

It should be noted that written clearance granted under this policy is never an endorsement of the proposed trade or a confirmation regarding the absence of Inside Information. Individuals remain responsible for their own investment decisions and their compliance with the law (including the insider trading prohibitions) and this policy.

9. What trading is not subject to this policy?

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

a. 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;

b. undertakings to accept, or the acceptance of, a takeover offer;

c. a disposal of Company Securities arising from a scheme of arrangement;

d. 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;

e. a disposal of Company Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement. Note section 12 of this policy requires that 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 8;

f. 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;

g. the application for, and acquisition under that application of, Company Securities by employees of the Company or the Group under a scheme established solely or primarily for the benefit of the employees;

h. the application for, and acquisition under that application of, Company Securities by a trustee for employees of the Company or the Group under a scheme established solely or primarily for the benefit of the employees; and

i. the acquisition of shares by automatic conversion of Company Securities giving a right to conversion to shares (but not the sale of Company Securities following exercise or conversion).

10. Long term trading

The Company wishes to encourage Restricted Persons to adopt a long-term attitude to investment in Company Securities. Therefore, Restricted Persons must not engage in short term or speculative trading of Company Securities. Restricted persons are not permitted to engage in short selling of Company Securities.[1]

11. Escrow

Any Restricted Person who holds Company Securities subject to binding restrictions on transfer (either as ASX restricted securities or through voluntary escrow arrangements) must comply with the terms of any applicable escrow arrangements.

Once the escrow arrangements have ended, a Restricted Person is able to deal in those securities in accordance with the remaining provisions of this policy, subject to any continuing contractual restrictions which may apply to the relevant Company Securities.

1 "Short selling" involves a person selling financial products they do not own with a view to repurchasing them later at a lower price. See ASIC Regulatory Guide 196 for further information.

12. Margin Loans and Share 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 8.

In addition, stock lending or any other arrangements involving Chalice securities where the lender or other third party is granted a right to sell, or compel the sale of all or part of any Chalice's securities is prohibited.

13. 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 8.

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.

14. 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 8. 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.

15. 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, and in any event no later than 3 business days following the change to the director's relevant interest in Company Securities to enable the Company to comply with its obligations under the ASX Listing Rules.

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.

16. Register of clearances

The Company Secretary must maintain a register of clearances given pursuant to section 8 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.

17. Dealing in other companies' securities

For the avoidance of doubt, you are also prohibited from dealing in the securities of outside companies about which you acquire material Inside Information through your position with the Company or other member of the Group. These other companies and entities may include, without limitation, 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. You may come into possession of Inside Information where they are directly involved in client relationship management or negotiating contracts. If you are in doubt, you should: (a) not trade; (b) not pass the Inside Information to another person; and (c) immediately seek advice from the Company Secretary.

The Corporations Act prohibition applies to acts outside Australia, as well as in Australia and to securities of other companies and entities.

18. 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 insider trading restrictions and the very serious legal ramifications. Restricted Persons who wish to obtain further advice on this matter, are encouraged to contact the Company Secretary.

19. ASX Listing Rule requirements

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 within five business days of amendments taking effect, when it makes a change to:

a. the periods within which Restricted Persons are prohibited from trading in Company Securities;
b. the trading that is excluded from the operation of the policy; or
c. the exceptional circumstances in which Restricted Persons may be permitted to trade during a Prohibited Period,

The Company will also give this policy to ASX immediately on request by ASX.

Appendix A

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. drilling results;
b. exploration results;
c. a material update to mineral resource or ore reserve estimates or exploration targets;
d. results of material technical studies;
e. a material change or update to the Company's development activities
f. a transaction that will lead to a significant change in the nature or scale of the Company's activities;
g. a material mineral discovery;
h. a material acquisition or disposal;
i. the granting or withdrawal of a material licence;
j. becoming a plaintiff or defendant in a material law suit or other unexpected potential material liability;
k. the fact that the Company's earnings will be materially different from market expectations;
l. the appointment of a liquidator, administrator or receiver;
m. the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
n. under subscriptions or over subscriptions to an issue of securities;
o. giving or receiving a notice of intention to make a takeover or other form of merger or material corporate transaction;
p. any rating applied by a rating agency to the Company or its securities and any change to such a rating;
q. any actual or proposed change to the Company's capital structure for example, a share issue;
r. a significant change to or event affecting the availability of the Company's debt facilities.

Request for prior written clearance to trade in company securities

Chalice Mining Limited ACN 116 648 956 **(Company)**

I, , a director/an officer/ an employee/ a consultant/ a contractor (delete as appropriate) of the Company, request prior written clearance to trade in securities of the Company in accordance with the terms of the Company's Securities Trading Policy and provide the following information:

1. Details of securities

Nature of dealing: _____

Number of securities: _____

Class of securities: _____

Number of options, performance rights or other convertible securities to be exercised: _____

Name of registered holder: _____

If section 12, 13 or 14 of the Company's Securities Trading Policy apply please provide details.

(Hedging transactions, margin loans and other secured lending or nondiscretionary trading plans.) _____

2. Reason for request

Standard request to trade ☐

OR

Request to trade in exceptional circumstances ☐

Please provide complete details of the circumstances which you wish to be considered as exceptional

I confirm that I have read and understood the Company's Securities Trading Policy and that the proposed dealing does not breach that policy or any legal obligations referred to in it, and in particular, that I am not in possession of any inside information in relation to the Company.

I acknowledge that in accordance with the Company's *Securities Trading Policy*, I cannot trade in the Company's securities until clearance is given and I understand that any clearance given will be valid only for the period stated in the clearance, unless withdrawn by subsequent notice.

Signed: .....

Name: ..... Date: .....

OFFICE USE – Clearance to be completed by Approving Officer

Clearance given by:

.....	.....	.....
Name of Approving Officer	Signature of Approving Officer	Date

Clearance valid for:

☐ 3 business days from the date of clearance (default period)

☐ _____ business days from the date of clearance,

(subject to withdrawal in accordance with the Securities Trading Policy)

S