

1. General Scope and Authority

This document sets out the Company's policy on the sale and purchase of securities in KGL Resources Limited by its directors, employees, contractors as determined by the Managing Director, and other representatives as determined by the Managing Director (the "Representatives", refer to Appendix 1 for definitions).

All Representatives of the Company are encouraged to be long-term holders of the Company's shares. However, it is important that care is taken in the timing of any purchase or sale of such shares.

The purpose of this policy is to inform and assist Representatives of the Company in order that they may avoid an act of 'Insider Trading' or the appearance of Insider Trading (refer to Appendix 2).

This policy prohibits all Representatives of the Company from:

- trading within specific time periods ("Closed Periods") when it will be assumed that Representatives are or may come into possession of price sensitive information;
- engaging in short term or speculative trading; and
- trading at any time when Representatives are actually in possession of price sensitive information.

In addition to the above prohibitions applicable to all Representatives of the Company, Directors and certain Identified Employees are required to provide advance notice of their intent to trade.

2. Dealing by any Representative of the Company

2.1 Closed periods

A Representative of the Company is prohibited from dealing in any securities of the Company during a Closed Period. A Closed Period is:

- the period commencing one month prior to the announcement of the Company's annual results, and ending on release of the announcement of the company's annual results;
- the period commencing one month prior to the release of the Company's half year report, and ending on release of the Company's half-yearly report; and
- the periods commencing from the end of each quarter not covered under (a) or (b) above and ending on release of the Company's quarterly report as a mining entity.

2.2 In possession of Unpublished Price-sensitive Information

A Representative must not deal in any securities at any time when he/she is in possession of information which he/she knows or ought reasonably to know is unpublished Price-sensitive Information in relation to those securities, or otherwise where clearance to deal is not given under Clause 3.1 of this Policy.

2.3 Communication of Unpublished Price-sensitive Information

A Representative must not, directly, or indirectly, communicate unpublished Price-sensitive Information regarding the Company's securities to another person, if the Representative knows, or ought reasonably to know, that the other person would (or would procure a third person to) subscribe for, sell, purchase, agree to subscribe for, sell or purchase any of those securities.

2.4 Short term or speculative trading

A Representative of the Company must not engage in short-term trading of the Company's securities for speculative gain, except for the exercise of options where the shares will be sold shortly thereafter. However, the shares may not be sold during a Closed Period or if the Representative is in possession of unpublished Price-sensitive Information.

2.5 Exceptions

Representatives of the Company may at any time:

- give an undertaking to take up, elect to take up, or take up entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- allow entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- sell sufficient entitlements under a renounceable rights issue to allow take up of the balance of the entitlements under that rights issue;
- acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- acquire Company securities under a bonus issue made to all holders of securities of the same class;
- acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders of securities of the same class;
- undertake to accept, or accept a takeover offer;
- acquire, or agree to acquire or exercise options under a Company Share Option Plan;
- withdraw ordinary shares in the Company held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan;
- acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme.
- transfer shares arising out of the operation of an employees' share scheme into a personal equity plan investing only in securities within ninety days of:
 - (i) the date of exercise of an option under a savings related share option scheme; or
 - (ii) the date of release of shares from a profit sharing scheme;
- effect the transfer of shares already held by the representative into a personal equity plan by means of a matched sale and purchase;
- effect the cancellation or surrender of an option under an employees' share scheme.

2.6 Caution regarding margin loans to finance securities

Where the purchase of securities or exercise price of options is being provided by a margin loan or other form of lending arrangement then there may be a risk that the Representative may need to sell shares to avoid providing

additional capital or security to the lender in the event of a decrease in the value of the shares. Were this to occur at a time when the person possessed inside information then the sale of Company shares would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale.

In the instance where Company shares are provided to a lender as security by way of mortgage or charge, a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

2.7 Exceptional circumstances

In exceptional circumstances where it is the only reasonable course of action available to a Representative, clearance may be given for the Representative to sell (but not to purchase) securities when he/she would otherwise be prohibited from doing so.

Clearance may only be given by the Chairman, or, in his absence, by a director designated by the chairman. Exceptional Circumstances means severe financial hardship or other circumstances considered to be exceptional, including a court order or court enforceable undertakings in a bona fide family settlement to transfer Securities, some other overriding legal or regulatory requirement to transfer Securities, or a situation determined by the Chairman of the Board or Company Secretary to be an Exceptional Circumstance.

The Representative must provide a written request (email is satisfactory) for the trade detailing:

- The exceptional circumstances that require the securities to be sold.
- The number of securities to be sold.
- The intended date of sale.

The determination of whether circumstances are exceptional for this purpose must be made by the person responsible for the clearance.

2.8 Representative acting as a trustee

Where a Representative is a sole trustee, or a co-trustee of a trust of which he/she is a beneficiary, the provisions for this Policy will apply, as if he/she were dealing on his account, unless he/she is acting as a bare trustee when they will not. Where a Representative is a co-trustee he/she must advise his co-trustees that he/she is a Representative of KGL Resources.

Where the Representative is a co-trustee, a dealing in KGL Resources's securities undertaken by that trust will not be regarded as a dealing by the Representative for the purposes of this Policy, where the decision to deal is taken by the other trustees acting independently of the Representative or by investment managers on behalf of the trustees. His other trustees or the investment managers will be assumed to have acted independently of the Representative for this purpose where they:

- have taken the decision to deal without consultation with, or other involvement of, the Representative concerned; or
- if they have delegated the decision making to a committee of which the Representative is not a member.

2.9 Dealings by associated persons and investment managers

A Representative must seek to prohibit (by taking the steps set out in Clause 2.10 of this Policy) any dealing in securities of the Company during a Closed Period or at a time when the Representative is in possession of Unpublished Price-sensitive Information:

- by or on behalf of any person associated with him (including the Representative's family, nominee companies, companies and family trusts); or
- by an investment manager on his behalf or on behalf of any person connected with him where either he/she or any person connected with him has funds under management with that investment manager, whether or not discretionary (save as provided in Clauses 2.12 and 2.13 of this Policy).

2.10 Advising associated persons and investment managers

For the purposes of Clause 2.9 of this Policy, a Representative must advise all such associated persons and investment managers:

- of the name of the Company;
- of the closed periods during which they should not deal in the Company's securities;
- of any other periods when the director knows he/she is not free to deal in securities of the Company under the provisions of this Policy unless his duty of confidentiality to the company prohibits him from disclosing such periods, and
- that they should advise him immediately after they have dealt in securities of the company (save as provided in Clauses 2.12 and 2.13 of this Policy).

2.11 Special Circumstances

2.11.1 Grant of Options:

The grant of options by the board of directors under an employee share scheme to individuals who are not Directors or Identified Employees may be permitted during a prohibited period if such grant could not reasonably be made at another time and failure to make the grant would indicate that the company was in a prohibited dealing period.

2.11.2 Exercise of Options

The Chairman or other designated director may allow the exercise of an option or right under an employees' share scheme, or the conversion of a convertible security, where the final date for the exercise of such option or right, or conversion of such security, falls during any prohibited period and the Representative could not reasonably have been expected to exercise it at an earlier time when he/she was free to deal.

An exercise or conversion permitted pursuant to this clause 2.11.2 (b) does not by itself permit the sale of any securities the subject of the exercise or conversion. Such a sale can only occur if allowed under other clauses of this policy.

2.12 Personal equity plans and authorized unit trusts

A Representative may enter into a discretionary personal equity plan or deal in units of an authorised unit trust without regard to the provisions of this Policy. In the case of a personal equity plan investing only in securities, the provisions of Clause 2.15 of this Policy apply.

A Representative may enter into a personal equity plan which involves regular payments by standing order or direct debit of sums which are to be invested only in securities if the following provisions are complied with:

- the Representative does not enter into the plan or carry out the first purchase of the securities within the plan during a prohibited period;
- the Representative does not cancel or vary the terms of his participation, or carry out sales of the securities within the plan during a prohibited period; and
- before entering into the plan or cancelling the plan or varying the terms of his participation or carrying out sales of the securities within the plan, he/she obtains clearance under Clause 3 of this Policy.

2.13 Savings schemes, etc.

A Representative may enter into a savings scheme under which securities:

- are purchased pursuant to a regular standing order or direct debit arrangement; or
- are acquired by way of standing election to reinvest dividends or other distributions received if the provisions set out in 2.15 of this Policy in relation to personal equity plans investing only in the securities are complied with.

2.14 Prohibition on Hedging

Directors and Employees may not enter into a transaction that is designed to limit the economic risk of a holding in unvested KGL Resources Limited Securities.

2.15 Guidance on other dealings

For the avoidance of doubt, the following constitute dealings for the purposes of this Policy and are consequently subject to the provisions of this Policy:

- dealings between Representatives of the company;
- off-market dealings; and
- transfers for no consideration by a Representative other than transfers where the Representative retains a beneficial interest in the securities

3. Advance Notice by Directors and Identified Employees

Directors and senior executives are, and are seen to be, in close relationship to the Company in that they have access to information before it becomes generally available. This may lead to a perception of advantage over other shareholders and the general public in deciding when to buy or sell shares.

Consequently, the Company requires Directors and certain Identified Employees to:

- provide a minimum of two business days advance notice of their intent to trade; and
- consult with appropriate directors and officers of the Company.

All notices shall be in writing (e-mail is satisfactory) and specify the:

- maximum number of shares to be purchased or sold;
- number of shares held before the trade;
- number of shares to be held after the trade;
- date on which trading will commence.

Directors are to provide notice to the Chairman with a copy to the Company Secretary.

Identified Employees are to provide notice to the Managing Director with a copy to the Company Secretary.

3.1 Response to Notice

Only the Chairman, or, in his absence, an alternate director designated by the Chairman, may respond to notices received from another Director. In the event that the Chairman is providing notice, then the matter shall be referred to the Chairman of the Audit Committee.

Only the Managing Director, or, in his absence, the Chairman or the Chairman's designated alternate, may respond to notices received from an Identified Employee.

Upon receipt of a notice, the Chairman, or his designated alternate, or the Managing Director, as the case may be, shall;

- consult with the Company Secretary, and others if required, to ascertain/confirm whether the Company is in a prescribed Closed Period or whether there exists any Unpublished Price-sensitive Information; and
- advise all other directors of the Notice and intent to trade by the Director or the Identified Employee.

Any response shall be provided to the Director or Identified Employee as soon as possible but at least within two business days of receipt of the notice indicating whether the Company is in a prescribed Closed Period or whether, to the best of their knowledge, there exists any Unpublished Price-sensitive Information, and if so, the nature of the Price-sensitive Information.

Any response given under this section does not absolve a Director or Identified Employee from liability for insider trading if, when the response is given, or when the trade occurs, they are in fact in possession of inside information. The fact that a response has been given cannot be used as a defence to a charge of insider trading.

Notice must be given for each intention to trade. Unless otherwise stated, any notice given under this section will automatically expire after five (5) business days. If a longer trading period is required, the Director or Identified Employee must request a longer period, and state reasons why a longer period is required.

If no response is given within two business days, the person giving the notice does not have to wait until a response is given before trading.

ASX notification for Directors

The Listing Rules require the Company to notify the ASX within five (5) business days after any dealing in Company Securities (either personally or through a third party) that results in a change in the relevant interests of a director in the Company.

Directors shall notify the Company Secretary within two (2) business days of any purchase or sale of Company Securities, and in sufficient detail to allow notification to the ASX in the prescribed format.

Publication of Policy

This policy shall be made available to the public and all Company employees, published on the Company's website, and released to the ASX.

Appendix 1

Definitions

In this Policy the following definitions apply unless the context otherwise requires:

- **'Closed Period'** means the periods specified in Clause 2.1 of this Policy;
- **'Company'** means KGL Resources Limited and its subsidiaries and affiliates;
- **'Dealing'** includes any sale or purchase of, or agreement to sell or purchase, any securities and the grant, acceptance, acquisition, disposal of any option (whether for the call, or put, or both) or other right or obligations, present or future, conditional or unconditional, to acquire or dispose of securities, or any interest in securities, and 'deal' shall be construed accordingly;
- **'Director'** means any director of the Company or a subsidiary undertaking or parent undertaking of the Company.
- **'Generally Available'** in respect of 'price sensitive information' and 'unpublished price sensitive information', means:
 - information which consists of matter readily observable by the public; or
 - information which has been released to the public in a manner likely to attract the attention of investors, and after the information is released, a reasonable period of time has elapsed to allow dissemination of the information;
- **'Identified Employee'** means the following persons:
 - the Chief Financial Officer;
 - the Company Secretary;
 - all first line reports to the Managing Director;
 - any other employees or contractors nominated from time to time by the Managing Director.
- **'Price-sensitive Information'** means information which, if it were generally available, would be likely to have an effect on the price or value of any securities (that is, 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).
- **'Prohibited Period'** means Closed Period;
- **'Representative'** means any Director, full-time employee, part-time employee, contractor, or other individual engaged by, for or on behalf of the Company to provide personal services to the Company;
- **'Securities'** means any listed or unlisted securities of the Company;
- **'Trading'** means Dealing in the Securities of the Company;
- **'Unpublished Price-sensitive Information'** means 'Price-sensitive Information' which has not been made 'Generally Available'.

Appendix 2

Insider Trading

Insider trading is a criminal offence. It may also result in civil liability. Representatives of the Company are under a legal obligation not to use information they are aware of about KGL Resources that is not generally known and that is price sensitive. In particular, they are not allowed to buy or sell Securities of the Company when in possession of such information.

In broad terms, a person will be guilty of insider trading if:

- that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of a company's securities (ie, information that is Price Sensitive Information); and
- that person:
 - buys or sells securities in the company;
 - procures someone else to buy or sell securities in the company; or
 - passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the company.

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's securities:

- the Company considering a major acquisition or disposal of assets;
- the threat of major litigation against the Company;
- the Company's sales and profit results materially exceeding (or falling short of) the market's expectations;
- a material change in debt, liquidity or cash flow
- a significant new development proposal ie. new product or technology;
- the winning (or loss) of a major contract;
- management or business restructuring proposal
- a share issue or reduction proposal, such as a buy back;
- payment of a dividend.

The prohibition extends to Representatives of the Company dealing through nominees, agents or other associates, such as family members, family trusts and family companies.

It does not matter how or where the Representative obtains the information.

It does not have to be obtained from the Company to constitute inside information.

The prohibition does not apply to the **purchase** of shares or options by employees made under employee share or option schemes, nor does it apply to the purchase of shares as a result of the exercise of options under an employee option scheme.

However, the prohibition does apply to the **sale** of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.



Simon Finnis
Managing Director

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INTEGRITY

We do what we say



ACCOUNTABLE

We own our actions



RESPECTFUL

We act with dignity



SUSTAINABLE

We achieve robust outcomes

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