

## 1 Introduction

- 1.1 This Policy imposes general trading restrictions on Key Management Personnel (**KMP**) and employees, contractors and consultants (collectively **Personnel**) of Antilles Gold Limited and its subsidiaries (**Antilles Gold**, the **Company**). KMP and Personnel also have a responsibility to ensure that associated parties (such as a spouse, partner, dependent, minor children, family company or trust) comply with this Policy to the maximum extent possible.

## 2 Objectives

- 2.1 The objectives of this Policy are to:
- (a) minimise the risk of KMP and Personnel of the Company contravening the laws against insider trading;
  - (b) ensure the Company is able to meet its reporting obligations under the Australian Securities Exchange Limited (**ASX**) Listing Rules; and
  - (c) increase transparency with respect to trading in securities of the Company by KMP and Personnel.
- 2.2 To achieve these objectives KMP and Personnel should consider this Policy to be binding on them in the absence of specific exemption by the Board.

## 3 Explanation of Terms

- 3.1 For the purposes of this Policy:
- (a) **Dealing in Securities** means buy or sell shares, options or other securities in the Company, or enter into transactions in relation to shares, options or other securities in the Company. It includes procuring another person to do any of these things;
  - (b) **Price Sensitive Information** has the meaning given in paragraph 4;
  - (c) **Key Management Personnel** means those who have the opportunity to materially influence the integrity, strategy and operations of the Company and its financial performance. KMP include all Directors and Officers of the Company and senior management.
- 3.2 For the purposes of paragraph 4, Directors "dealing" includes associates of Directors dealing in securities, and it is incumbent on each Director to ensure that an associate does not deal in circumstances where the dealing could be attributed to the Director concerned.

## 4 Insider Trading

- 4.1 Sections 1042B to 10430 of the *Corporations Act 2001 (Cth)* prohibit persons who are in possession of price sensitive information in relation to particular securities that is not generally available to the public from:
- (a) dealing in the securities; or
  - (b) communicating the information to others who might deal in the securities.
- 4.2 The central test of what constitutes price sensitive information is found in section 1042A. It provides that the insider trading and continuous disclosure rules apply to information concerning a company that a reasonable person would expect to have a material effect on the price or value of securities in the Company (**price sensitive information**).
- 4.3 KMP of the Company will from time to time be in a situation where they are in possession of price sensitive information that is not generally available to the public. Examples are the period prior to release of annual or half-yearly results to ASX and the period during which a major transaction is being negotiated.
- 4.4 The risk of contravention of insider trading laws in relation to information concerning public companies was substantially reduced in 1994 with the introduction of the continuous disclosure regime. Under that regime, public companies are required to disclose all price sensitive information immediately to ASX, except in limited circumstances. The tests of what constitute price sensitive information under the insider trading laws and under the continuous disclosure requirements are effectively identical. As a consequence, at least in theory, there is no risk of KMP contravening insider trading laws as all relevant information will already have been disclosed.
- 4.5 There are a number of limitations and qualifications to the above. They include:
- (a) the ASX Listing Rules and the *Corporations Act 2001 (Cth)* permit companies to not disclose certain information, for example in the situation where an acquisition is being negotiated and remains confidential;
  - (b) in the case of a Director, information may be known to a particular Director but not yet by the Company as a whole (i.e. the Board);
  - (c) the Company may not have yet complied with its continuous disclosure obligations in relation to a particular event or circumstance – there will always be some element of delay in doing so; and
  - (d) KMP will generally have a better feel for the performance of the Company than the public.
- 4.6 In these situations there is still potential for contravention. There is also the potential for an appearance of contravention even if there has not been actual contravention. This could reflect badly on the Company as well as on the KMP concerned.

- 4.7 Another circumstance that must be guarded against is where one or more KMP are not yet aware. In such a circumstance it is important that no KMP deals in securities because:
- (a) there is a risk that they will be found to have been guilty of insider trading even if they had no intention of committing a contravention; and
  - (b) of the potential for such circumstances to reflect badly on the Company.
- 4.8 For these reasons, the advice of the Company Secretary should be sought prior to any dealings taking place.

## 5 Policy – Dealing in Securities

### General Policy and Prohibited Periods

- 5.1 KMP and Personnel must not communicate price sensitive information to a person who may deal in securities of the Company. In addition, a KMP or any Personnel should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or Directors of a family company) the buying or selling of securities in the Company.
- 5.2 KMP and Personnel can deal in securities of the Company in the following circumstances:
- (a) they have first satisfied themselves that they are not in possession of any price sensitive information that is not generally available to the public, and have confirmed in writing to the Company Secretary that they are not in possession of such information;
  - (b) they have contacted the Chairman or in his absence, the Company Secretary and notified them of their intention to deal in Company securities and the Chairman or Company Secretary indicates that there is no impediment to them doing so; and
  - (c) where the Chairman wishes to deal in Company securities, he has contacted a Non-Executive Director and the Company Secretary and notified them of his intention and the Non-Executive Director and Company Secretary indicates that there is no impediment to him doing so.
- 5.3 KMP or Personnel are generally not allowed to deal in Company securities in the following prohibited periods (**Prohibited Periods**):
- (a) within the period of 1 month prior to the release of annual or half yearly results;
  - (b) within the period of 1 month prior to the issue of a prospectus; and
  - (c) there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.
- 5.4 KMP and Personnel should wait at least 3 days after the relevant release before dealing in securities so that the market has had time to absorb the information.

## **Exemption from Prohibited Period due to Financial Hardship or Exceptional Circumstances**

- 5.5 In specific circumstances, such as financial hardship or other circumstances considered to be exceptional by the Chairman, including a court order or court enforceable undertakings in a bone fide family settlement to transfer Company securities or some other overriding legal or regulatory requirement to transfer Company securities, the Chairman may waive the requirement of a KMP or Personnel to deal in securities during the above Prohibited Periods on the condition that the KMP or Personnel can demonstrate to him that they are not in possession of any price sensitive information that is not generally available to the public. The waiver will be in writing and must specify the duration of such clearance.

## **6 Permitted Dealings**

- 6.1 The following dealings in securities are excluded from this Policy:
- (a) transfers of Company securities held in a superannuation fund or other saving scheme in which the KMP or Personnel 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 the KMP or Personnel is a trustee, trading in Company securities by that trust, provided the KMP or Personnel 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 KMP or Personnel;
  - (d) undertakings to accept, or the acceptance of, a takeover offer;
  - (e) trading under an offer or invitation made to all or most of the Company's shareholders, such as, a rights issue, a security purchase plan, dividend or distribution reinvestment plan or a rights issue where the plan that determines the timing and structure of the offer has been approved by the Board; and
  - (f) the exercise (but not the sale of securities following exercise) of an option or a right under the Antilles Gold Performance Rights Plan, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and the KMP or Personnel could not reasonably have been expected to exercise it at a time when free to do so.

## **7 Prohibition on Hedging and Derivative Trading**

- 7.1 KMP and Personnel must not at any time engage, directly or indirectly, in short-term or speculative trading (including short selling) in Company securities. The sale of shares immediately after they have been acquired through the conversion of a security (e.g. exercise of an option) will not be regarded as short term trading. KMP are also restricted from using Company securities as collateral in any financial transaction (including margin

lending arrangements).

- 7.2 KMP and Personnel who participate in any Company share, option, performance rights or other plan are prohibited from dealing in derivatives, hedging or other similar arrangements in relation to Company securities that:
- (a) have not vested;
  - (b) have not been released to the participant; or
  - (c) have vested but are subject to trading restrictions.

## **8 Trading in Securities of Other Entities**

Trading in the securities of other entities, including joint venture entities, is not specifically restricted by this Policy. However, KMP should be mindful of the laws prohibiting insider trading as well as the intent of this Policy when considering such trading.

## **9 Notification of Directors' dealings in securities**

- 9.1 As required by the *Corporations Act 2001 (Cth)* and ASX Listing Rules, Directors must notify the ASX within 5 business days after any change in the Director's relevant interest in securities in the Company or a related body corporate of the Company.
- 9.2 A Director must notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to ASIC and ASX as required by the *Corporations Act 2001 (Cth)* and ASX Listing Rules.

## **10 Consequences of Breach**

Strict compliance with this Policy is mandatory for all persons covered under this Policy. Breaches of this Policy may damage the Company's reputation and undermine confidence in the market for Company securities. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

## **11 Implementation and Review**

- 11.1 The Chairman and Company Secretary have overall responsibility for implementing and periodically reviewing this Policy to ensure that it is effective and continues to meet the needs of the Company.

This Policy was approved by the Board of the Company on 22 January 2016.