

SANTANA MINERALS LIMITED

ACN 161 946 989

SECURITIES TRADING POLICY

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1 SCOPE OF THIS POLICY

- 1.1 This Securities Trading Policy (**Policy**) is separate from and additional to the legal constraints imposed by the common law, the *Corporations Act 2001* (Cth) (**Act**) and the ASX Listing Rules (**Listing Rules**). Subject to this Policy and to the restrictions below, employees are permitted to deal in Company securities throughout the year.
- 1.2 This Policy applies to all Directors and employees of Santana Minerals Limited (**Company**) and their spouses, children and related private entities, as well as contractors, consultants, advisers and auditors of the Company (**Designated Officers**). It sets out certain rules relating to the dealings by persons in Company securities. Ultimately it is the responsibility of the person to ensure that none of his or her dealings could constitute insider trading.

2 GENERAL PROHIBITION ON INSIDER TRADING

- 2.1 In accordance with the Act, it is prohibited to trade in the Company's securities while in possession of unpublished price sensitive information concerning the Company (**Inside Information**). Under the Act a person with Inside Information must not, and must not procure another person, to deal in the securities of a body corporate or enter into an agreement to deal in the securities of a body corporate.
- 2.2 All Designated Officers are prohibited from trading in the Company's securities while in possession of Inside Information concerning the Company. In addition, while in possession of Inside information, Designated Officers must not advise others to trade in the Company's securities or communicate the information to another person knowing that the person may use the information to trade in, or procure someone else to trade in, the Company's securities.
- 2.3 A person is in possession of Inside Information in relation to the Company in circumstances where:
- (a) the person possesses information that 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 or value of the Company securities; and
 - (b) 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 the Company securities.
- 2.4 Information is "generally available" if it:
- (a) consists of readily observable matter;
 - (b) 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 to be disseminated among those persons has elapsed. That is, information will be "generally available" if it has been released to Australian Securities Exchange (**ASX**) or published in an annual report or prospectus or similar document and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or

- (c) consists of deductions, conclusions or inferences made or drawn from information referred to in paragraph (a) of this Policy or information made known as mentioned in paragraph (b) of this Policy, or both.

The financial impact of the information is important, but strategic and other implications can be equally important in determining what amounts to Inside Information. The definition of "information" is broad enough to include rumors, matters of supposition, intentions of a person (including the Company) and information which is not definite enough to warrant public disclosure.

2.5 A person may obtain Inside Information in relation to another company. For example, in the course of negotiating a transaction with the Company, another company might provide confidential information about itself. The prohibition on insider trading is not restricted to information affecting Company securities. The persons in possession of the Inside Information must not deal in securities of those other companies.

2.6 Unpublished price sensitive information or Inside Information is information which the market is not aware of and that a reasonable person would expect to have a material effect on the price or value of the Company's securities or influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities, and includes but is not limited to:

- (a) drilling results, mining exploration results, production figures and the like;
- (b) prospective financial information;
- (c) unpublished announcements;
- (d) proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
- (e) impending mergers, acquisitions, reconstructions, takeovers, etc;
- (f) significant litigation and disputes;
- (g) significant changes in operations or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
- (h) cashflow information;
- (i) management restructuring or Board changes;
- (j) an entity proposing to buy, or a security holder proposing to sell, a substantial number of Company securities;
- (k) industry issues that may have a material impact on the Company;
- (l) decisions on significant issues affecting the Company by regulatory bodies in Australia or other relevant jurisdictions (such as the Australian Securities and Investments Commission (**ASIC**) or the Australia Competition and Consumer Commission (**ACCC**));
- (m) allegations of any breach of the law or other regulatory requirements by the Company;
- (n) major or material purchases or sales of assets;

- (o) proposed or new significant contracts;
- (p) a proposed dividend or change in dividend Policy;
- (q) an event which could have a material impact (either positively or negatively) on production or profits (for example, disconnection or shut-in of production, a significant safety or environmental incident);
- (r) any information required to be disclosed to ASX under its continuous disclosure rules; and
- (s) any possible claim against the Company or other unexpected liability.

3 GENERAL PRINCIPLES

3.1 Designated Officers should note the following general principles:

- (a) Designated Officers must comply with the insider trading provisions of the Act at all times;
- (b) Designated Officers who possess Inside Information must not deal or procure dealing in Company securities;
- (c) Designated Officers must avoid, and be seen to avoid, actual or potential conflict between their personal interest and the interests of the Company and other security holders in a manner which is in breach of the Act, Listing Rules or other legal obligations; and
- (d) Designated Officers must not derive personal advantage from information which is not generally available and which has been obtained by reason of their connection with the Company in a manner which is in breach of the Act, Listing Rules or other legal obligations.

4 RECOMMENDED TIMES FOR TRADING

4.1 Subject to the Prohibited Periods referred to in section 7 of this Policy, the recommended times (in terms of avoiding suggestions of insider trading) for any Designated Officers to deal in Company securities are in the period after the:

- (a) holding of the Company's Annual General Meeting or any other meeting of shareholders;
- (b) release by the Company of its half yearly results announcement to ASX;
- (c) release by the Company of its full year results announcement to ASX;
- (d) release of a prospectus or other disclosure document offering securities in the Company;
- (e) release by the Company of any quarterly report to ASX; or
- (f) release by the Company of any information that 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 the Company securities.

5 RESTRICTIONS ON SHORT-TERM TRADING

- 5.1** The Company encourages Directors and employees to adopt a long-term attitude to their investment in the Company's securities. Consequently, Directors and employees should not engage in short-term or speculative trading of the Company's securities.

6 RESTRICTED EMPLOYEES

- 6.1** Additional restrictions are placed on trading by Directors, Executive Management, and other key management personnel as determined by the Chairman and Company Secretary from time to time (**Restricted Employees**).

7 PROHIBITED PERIODS

- 7.1** In addition to the overriding prohibition against dealing in the Company's securities when a person is in possession of Inside Information, Restricted Employees and their associates are at all times prohibited from dealing in the Company's securities during the prescribed prohibited periods (**Prohibited Periods**). All Restricted Employees have a personal responsibility to ensure that his or her associates comply with the same respective restrictions as apply to them.
- 7.2** A Prohibited Period exists from the end of the financial quarter up to the day after the release date of the quarterly report with ASX; and any other Prohibited Period that the board declares from time to time. The Board may at its discretion declare a Prohibited Period for a specified period, such as where the Company is considering matters which are subject to continuous disclosure exceptions, or prior to the announcement to ASX of a significant matter or event.
- 7.3** Current Prohibited Periods may be varied and ad-hoc blackouts periods may be declared by the Board of Directors and circulated, with appropriate notice, to all Restricted Employees.

8 WRITTEN ACKNOWLEDGEMENT

- 8.1** Additionally, all Restricted Employees must apply for written acknowledgement (see application form at Annexure A which also states those authorised to give written acknowledgement), to gain authority to, whether in their own capacity or as an agent for another, subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any securities (i.e. shares or options) in the Company, its subsidiaries or related companies.
- 8.2** The insider trading and Prohibited Period provisions will not usually apply to the exercise of employee options. Dependent on the circumstances at the time, any potential application of the provisions will be advised in response to a notice to exercise options. The Policy does apply, however, to any sale of Company Securities acquired on the exercise of options, including sales as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

9 PROHIBITION ON HEDGING

- 9.1** Directors and employees must not engage in hedging arrangements (including, for example, the use of put and call options or other derivative instruments) over unvested securities issued pursuant to any employee option plan. In addition, any hedging over vested securities must comply with this Policy.

10 NOTIFICATION BY DIRECTORS

- 10.1** A Director is required to notify the Company Secretary if there is any change in the Director's relevant interest in securities of the Company or a related body corporate of the Company so that the Company Secretary can comply with the Listing Rule 3.19A requirement to notify the ASX of any change in a notifiable interest held by a Director within 5 business days of the trade.
- 10.2** The Director must notify the Company Secretary in writing of the required information for the Company Secretary to make the necessary notifications to ASIC and ASX of the change as required by the Act and the Listing Rules. The Director must provide the Company Secretary with the written notification as soon as possible after the change occurs and, in any event, to allow the Company Secretary to make the necessary notifications within 5 business days after the change occurs.
- 10.3** Prior to trading in (either buying or selling) the Company's securities, Directors must notify the Chairman (or in the case of the Chairman he must notify the Managing Director) of their intention to trade and confirm that they are not in possession of any unpublished price sensitive information.

11 NOTIFICATION BY EMPLOYEES

- 11.1** Prior to trading in (either buying or selling) the Company's securities, employees must notify the Chairman, the Managing Director or the Company Secretary of their intention to trade and confirm that they are not in possession of any unpublished price sensitive information.
- 11.2** Breaches of this Policy will be subject to disciplinary action, which may include termination of employment.
- 11.3** The requirement to provide notice of an intention to trade in the Company's securities does not apply to securities acquired through the exercise of options previously issued by the Company. However the requirement does apply to the trading of the securities once they have been acquired.

12 EXCEPTIONAL CIRCUMSTANCES

- 12.1** In exceptional circumstances, where it is the only reasonable course available to the Director, officer or employee, clearance may be given for them to sell (but not to purchase) Company securities when they would otherwise be prohibited from doing so but not while there exists any matter which constitutes Inside Information in relation to the Company securities. Such clearance may be obtained by filling out the Application for Written Acknowledgment form attached at Annexure A, where it also states the levels of authority needed for clearance. Where clearance is given the Designated Officer must trade within 7 days of receiving clearance.

12.2 An example of the type of circumstance which may be considered exceptional for these purposes would be:

- (a) severe financial hardship;
- (b) in order to comply an undertaking given to, or an order by, a court; or
- (c) such other exceptional circumstances as may from time to time be determined by the Chairman, or in his absence, the Board or the Managing Director.

13 EXCEPTIONS TO THE POLICY

13.1 Subject to the insider trading provisions of the Act, Designated Officers may at any time:

- (a) subscribe for securities offered under a disclosure document (e.g. a prospectus);
- (b) acquire the Company's ordinary shares by conversion of securities giving a right of conversion to ordinary shares - but may not deal with any of the shares received upon conversion other than in accordance with this Policy and the insider trading provisions;
- (c) acquire the Company securities under a bonus issue, rights issue or other offer made to all holders of securities of the same class;
- (d) acquire the Company securities under a dividend reinvestment, or top-up plan, that is available to all holders of securities of the same class;
- (e) acquire the Company securities under a Company sponsored share plan where such securities are purchased by an independent trustee and on an agreed period purchase basis;
- (f) acquire, or agree to acquire, options under a Company share option plan;
- (g) acquire, or agree to acquire, rights under a Company performance share plan;
- (h) exercise options acquired under a Company share option plan (but may not sell all or part of the shares received upon exercise of the options other than in accordance with this Policy and the insider trading provisions);
- (i) deal where the beneficial interest in the relevant security does not change; and
- (j) accept a takeover offer.

14 QUESTIONS / FURTHER INFORMATION

14.1 If you have any questions or need further information on how to comply with this Policy, please contact the Company Secretary.

ANNEXURE A: APPLICATION FOR WRITTEN ACKNOWLEDGEMENT PRIOR TO DEALING IN THE SECURITIES OF SANTANA MINIERALS LIMITED, ITS SUBSIDIARIES AND RELATED COMPANIES

Name: (BLOCK CAPITALS PLEASE)

Securities as indicated below:

Company Name: Santana Minerals Limited

Class Of Securities
(Eg: Ordinary Shares)

Registered in the Name of:
(See Note 1)

Nature of Interest:
(See Note 2)

Nature of Transaction:
(See Note 3)

As far as I am aware, I am not in possession of any unpublished price-sensitive information in relation to Santana Minerals Limited, its subsidiaries and related companies. If this should change before the deal is transacted I undertake not to proceed.

Please provide acknowledgement by counter-signing and returning a duplicate of this form.

Signed: Date:

Permission given on the basis that the transaction is completed by no later than close of business on:

.....

Signed: Date:

(Please see overleaf for signing authorities)

Notes:

1. **Registered in the Name of:** Give full name and if not yourself state the connection to yourself
2. **Nature of Interest:** Specify precisely, i.e: personally, joint holding or as trustee
3. **Nature of Transaction:** Specify precisely, e.g: sale of shares

Authorisation levels:

- in the case of an employee or his or her associate, the Company Secretary, Managing Director or Chairman
- in the case of an officer or his or her associate, the Company Secretary, Managing Director or Chairman
- in the case of a Director or his or her associate, the Chairman
- in the case of the Chairman or his or her associate, the Managing Director

Contact details for the persons currently holding these positions are set out below. Should any of these details change, refer to the authorisation levels above and contact the person holding the relevant position at that time.

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