

**ASX ANNOUNCEMENT**

**27 June 2018**

## **Revised Dealing in Securities Policy**

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In accordance with ASX Listing Rule 12.10, Silver Lake Resources Limited advises that it has adopted a revised Dealing in Securities Policy.

A copy of the revised policy is attached.

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Company Secretary

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## Dealing in Securities Policy

Silver Lake Resources Limited ABN 38 108 779 782 (Company)

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### 1. Objectives

The objectives of the Dealing in Securities Policy (**Policy**) are to:

- minimise the risk of Designated Persons contravening, or being perceived by the broader market to have contravened, the laws against insider trading;
  - protect the reputation of the Company by ensuring transparency of dealings in the Company's securities by Designated Persons;
  - establish a procedure for dealing in the Company's securities by Designated Persons; and
  - ensure the Company meets its obligations under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules.
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### 2. Persons covered by this Policy

This Policy applies to **Designated Persons** which, for the purpose of the Policy, means any of the following:

- Any person who meets the definition of "Key Management Personnel" as that term is defined in the ASX Listing Rules (**Key Management Personnel**). The definition extends to any person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including directors (both executive and non-executive).
  - Any other employee or contractor who is notified in writing by the Board of Directors from time to time as a person to whom this Policy applies (**Notified Personnel**).
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### 3. Securities covered by this Policy

This Policy applies to dealings in all securities issued by the Company. These securities include but are not limited to:

- shares, options or any other security capable of conversion into shares;
  - debentures (including bonds and notes);
  - 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.
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### 4. Dealing in securities

Dealing in securities includes applying for, buying, selling, borrowing or the lending of securities in the Company, or entering into any transaction in relation to securities in the Company, either directly or

indirectly through entities including but not limited to family trusts, superannuation funds and companies or in any other manner.

Dealing in securities also includes the procuring of another person or entity to do any of these things.

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## 5. Insider trading prohibition

### What is insider trading?

The Corporations Act prohibits anyone in possession of “inside information” in relation to the Company’s securities, whether in their own capacity or as an agent for another, from:

- dealing in the securities; or
- communicating the information to others who might deal in the securities.

“Inside information” means information that:

- is not generally available; and
- if generally available, would be expected by a reasonable person to have a material effect on the price or value of securities in the Company (ie the information is “price-sensitive”).

Annexure A to this Policy provides some further information as to when information might be considered “generally available” and “price-sensitive”.

### When might a person be at risk of insider trading?

Designated Persons will at times be in possession of price-sensitive information that is not generally available, for example, in:

- the period prior to release of annual or half-yearly results to ASX;
- the period during which a major transaction is being negotiated; or
- the period prior to release of significant exploration results.

During such periods, the price-sensitive information may not have been disclosed to the market as part of the Company’s continuous disclosure obligations, because the Company has relied on an exemption in the ASX Listing Rules that permits the withholding of information from continuous disclosure in certain circumstances. For example, the Company does not need to disclose information concerning a potential acquisition which is the subject of negotiation provided it remains incomplete and confidential.

Designated Persons should be aware of the heightened risk of insider trading in situations such as those listed above.

### Contravention of the insider trading laws

Whilst this Policy only applies to Designated Persons, the prohibitions against insider trading under the Corporations Act apply to anyone who is in possession of inside information.

Individuals who contravene the insider trading provisions of the Corporations Act are liable to significant penalties including criminal prosecution and / or to civil penalty action by the Australian Securities and Investments Commission. Designated Persons should refer directly to the Corporations Act for specific penalty details.

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## 6. Closed Periods in which dealings are restricted

### The general restriction

Designated Persons must not deal in the Company's securities whilst in possession of inside information.

In addition, Designated Persons must not deal in the Company's securities during "Blackout Periods" or any "Restricted Period", unless permitted to do so in accordance with this Policy (including only after obtaining written clearance in accordance with section 6).

Blackout Periods and Restricted Periods, which are described below, are together referred to in this Policy as **Closed Periods**.

### Blackout Periods

Each of the following periods is a **Blackout Period**:

- The period between close of business on the last day of the half-year period and the next trading day that is at least one full trading day after the release of the Company's half-year financial accounts.
- The period between close of business on the last day of the end of the full year period and the next trading day that is at least one full trading day after the release of the Company's annual financial accounts.
- The period between close of business on the last day of the March and September quarters and the next trading day that is at least one full trading day after the release of the Company's quarterly reports for those quarters.

Designated Persons may only deal in securities in a Blackout Period if the circumstances are (1) exceptional AND (2) the procedure for prior written clearance described section 6 has been followed and clearance obtained.

### Restricted Periods

The Board may from time to time, by written notice, impose a period of time during which a Designated Person may not deal in the Company's securities (**Restricted Period**), unless the circumstances are (1) exceptional AND (2) the procedure for prior written clearance in section 6 has been followed and clearance obtained.

Restricted Periods are in addition to Blackout Periods.

Designated Persons who are given notice of a Restricted Period by the Board must keep the existence of the notice confidential and not disclose it to anyone else, including to another Designated Person, unless authorised to do so by the Board.

### Exceptional circumstances

A Designated Person may be given prior written clearance to deal in the Company's securities during a Closed Period in accordance with the procedure in section 6, where it has been determined that one of the following exceptional circumstances apply:

- Where the person is in severe financial hardship, such that dealing in the securities is the only reasonable course of action available – for example, selling securities is the only reasonable means of satisfying a pressing financial commitment.
- Where other exceptional circumstances exist, such that dealing in securities is the only reasonable course of action - for example, a court order or bona fide enforceable undertaking to a court or other legal regulatory requirement.

In each case, it is a pre-condition of obtaining clearance during a Closed Period that the Designated Person is not in possession of inside information.

Only the Chairman (or, where applicable, the Chair of the Audit Committee) can determine that a person is in severe financial hardship or that other exceptional circumstances exist and their determination must be made concurrently with any written clearance provided in accordance with the procedure set out in section 6.

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## 7. Procedure for obtaining clearance and subsequent notification of dealings

### Obtaining prior written clearance

Designated Persons must not deal in the Company's securities unless they have sought and obtained prior written clearance to deal in accordance with this section 6. This is the case even where dealing is to take place outside a Closed Period.

To obtain prior written clearance, Designated Persons must request clearance from:

- the Chairman; or
- where the Designated Person is the Chairman, from the Chair of the Audit Committee.

The request must be in writing and specify:

- The name of the person or entity in which the Company's securities are held or proposed to be held.
- The proposed date or dates of the dealings.
- The number of the Company's securities to be subscribed for, bought or sold.
- The number of the Company's securities to be held (directly or indirectly) after the dealings.

The Chairman (or where relevant, the Chair of the Audit Committee) may discuss the request for written clearance and consult with the Managing Director, the Company Secretary and/or other members of the Board as they consider necessary.

Prior written clearance may be given or refused by the Chairman (or where relevant, the Chair of the Audit Committee), acting reasonably and consistent with the terms of this Policy. Where clearance is refused, the person seeking clearance must keep that information confidential and not disclose it to anyone. Clearance can be withdrawn if new information comes to light or there is a change in circumstances.

Where prior written clearance has been given, the dealing must take place within 5 trading days of the written clearance being given or during such other period as specified in the written clearance. If the dealing does not take place within that timeframe, a new written clearance must be applied for and obtained prior to the dealing taking place.

### **Subsequent notification of dealings to be given to Company Secretary**

Subsequent to any dealings in the Company's securities, Designated Persons must as soon as reasonably practicable (and in any event not more than 2 days after each dealing) give the Company Secretary a written notice specifying:

- The name of the person or entity in which the Company's securities are or were held.
- The date or dates of the dealings.
- The number of the Company's securities subscribed for, bought or sold.
- The amount paid or received for those securities of the Company.
- The number of the Company's securities held (directly or indirectly) after the dealings.

### **Additional notification obligations of Directors**

Designated Persons who are directors have entered into agreements with the Company under which they have agreed to notify the Company of any interests in, or any changes to interests in, securities held directly or indirectly by the director, within a specified period. This is to enable the Company to comply with its obligations under the ASX Listing Rules to report changes in a director's holding within five (5) business days of a change occurring.

Where the Company has failed to report the changes to ASX, then the director must do so within 14 days after any change in a director's interest in accordance with section 205G of the Corporations Act.

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## **8. Other restrictions on dealings**

### **No short term dealings**

Designated Persons must not deal in the Company's securities on a short term basis, unless there are exceptional circumstances and prior written clearance has been received in accordance with the procedure set out in section 6. Short term dealings means the buying and selling of the same securities within a 3 month period.

### **Non-discretionary trading plans**

Designated Persons must not put in place a non-discretionary trading plan in respect of securities in the Company without first obtaining prior written clearance in accordance with the procedure set out in section 6. It is pre-condition to clearance being granted that (A) the plan is not put into place during a Closed Period and (B) the terms of the trading plan must not permit:

- the Designated Person to exercise any influence or discretion over how, when or whether to trade; and
- the plan to be cancelled during a Closed Period except where prior written clearance is obtained in accordance with the procedure set out in section 6, or amended during a Closed Period.

### **Margin loans and other secured lending**

Designated Persons must not enter into margin loan agreements or other secured lending arrangements in relation to securities in the Company without first obtaining prior written clearance in accordance with the procedure set out in section 6.

### **Funding arrangements**

Designated Persons must not enter into funding arrangements relating to their interests in securities in the Company where the funding security would affect the equivalent of 3% or more of the Company's ordinary shares.

### **Hedging transactions**

Designated Persons must not enter into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

Designated 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 in accordance with the procedure set out in section 6.

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## **9. Dealings which are not subject to this Policy**

Subject always to the insider trading provisions under the Corporations Act, the restrictions on dealings in the Company's securities in this Policy do not apply to the following dealings:

- Dealings that result in no effective change to the beneficial interest in the securities, for example transfers of securities already held by a Designated Person into a superannuation fund or trust of which the Designated Person is sole beneficiary.
- Investing in, or trading in units of, a fund or other scheme (other than a scheme investing only in the Company's securities) where the assets of the fund or other scheme are invested at the discretion of a third party.
- Where the Designated Person is a trustee, trading in the Company's securities by that trust provided the Designated Person is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Designated Person.
- Accepting (or undertaking to accept) an offer under a takeover bid, disposing of the Company's securities under a scheme of arrangement or agreeing to cancel options over unissued securities in conjunction with a change of control transaction.
- Trading under an offer or invitation made to all or most of the Company's security holders, such as a rights issue, a security purchase plan a dividend reinvestment plan or an equal access buyback, in each case where the Board has approved the structure and timing of the offer or invitation.
- Disposing of the Company's securities as a result of a secured lender exercising their rights to realise a security, if prior written clearance for the giving of the security has been obtained in accordance with the procedure set out in section 6.
- The acquisition of securities in the Company under an equity based remuneration scheme.

- Exercising (but not selling following exercise) an option or right under an equity based remuneration scheme, or converting a convertible security.
  - Trading under a non-discretionary trading plan which complies with section 7, including for which prior written clearance has been obtained in accordance with the procedure set out in section 6.
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## **10. Breaches of this Policy**

Breaches of this policy will also be regarded by the Company as serious misconduct which may lead to disciplinary action and / or termination of employment.

In addition, contravention of the Corporations Act may result in criminal or civil liability for the Designated Person involved.

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## **11. Further information**

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 dealing in any securities covered by this Policy.

It is ultimately your responsibility to make sure that none of your dealings constitutes insider trading.

**Adopted by the Board**

**26 June 2018**

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## Annexure A – “Information”, “generally available” and “price-sensitive”

### **What is information and when is it considered “generally available”**

For the purpose of the insider trading provisions of the Corporations Act, “information” is given a wide meaning and includes 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.

Information is “generally available” if:

- it consists of readily observable matter;
- 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
- it consists of deductions, conclusions or inferences made or drawn from information of the kind referred to above.

### **What information is price sensitive**

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 invest in 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.

Examples of information which if made available to the market may, depending on the circumstances, have a material effect on the price or value of securities include:

- a transaction that will lead to a significant change in the nature or scale of the Company’s activities;
- a material mineral discovery;
- a material acquisition or disposal;
- the fact that the Company’s earnings will be materially different from market expectations;
- the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- giving or receiving a notice of intention to make a takeover;
- any actual or proposed change to the Company’s capital structure for example, a share issue; or
- material drilling or exploration results.