



SECURITIES TRADING POLICY

1. INTRODUCTION

1.1 Purpose

The purpose of this Policy is to provide Strandline Resources Limited (the **Company** or **Strandline**) personnel with guidelines for the trading of securities in the Company including:

- (a) a brief summary of the law on insider trading, and other relevant laws;
- (b) a summary of the restrictions on dealing in securities by people who work for or are associated with Strandline Resources Limited and its subsidiary companies; and
- (c) assistance in maintaining market confidence in the integrity of dealings in Strandline securities.

If you do not understand any part of this Policy or how it applies to you, you should discuss the matter with the Company Secretary before dealing in Strandline securities.

1.2 Statement of Policy

Whenever you have inside information which may materially affect the value of securities, you must not:

- (a) deal in the securities; or
- (b) communicate the information to anyone else outside the Company.

This prohibition applies regardless of how you learned the information. It applies not only to Strandline securities. Securities are defined in section 2.2 below.

The concepts of "**inside information**", "**securities**", "**dealings**" and "**communicating information**" are explained below.

A copy of Strandline's Securities Trading Policy will be provided to all Strandline personnel.

2. APPLICATION

2.1 Who is covered by the Company's Securities Trading Policy

The Company's Securities Trading Policy will apply to all:

- (a) directors; and
- (b) full-time, part-time and casual employees,

of Strandline (**Strandline Personnel**).



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2.2 What securities are covered?

The Company's Securities Trading Policy will apply to the following securities:

- (a) Strandline shares;
- (b) any other securities which may be issued by Strandline such as options and performance rights;
- (c) derivatives (such as exchange-traded options and warrants) and other financial products issued by third parties in relation to Strandline shares; and
- (d) securities of any other company or entity that may be affected by inside information (such as a Strandline joint venture partner, another party involved in a corporate transaction with Strandline or a Strandline contractor or shareholder).

2.3 What is dealing?

For the purposes of the Company's Securities Trading Policy, dealing in securities includes:

- (a) trading in securities (i.e. subscribing for, buying, selling or entering into an agreement to do any of those things); and
- (b) advising, procuring or encouraging another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust) to trade in securities.

2.4 What is communicating information?

Communicating information includes passing it on to another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust).

3. CONCEPTS AND PROHIBITED CONDUCT

3.1 What is insider trading?

In broad terms, you will commit insider trading if you:

- (a) deal in Strandline securities or securities of another entity while you have inside information; or
- (b) communicate inside information to another person knowing (or where you should have reasonably known) that the other person would, or would be likely to use that information to deal in, or procure someone else to deal in, securities.



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Insider trading is a criminal offence under Australian laws. It may also result in civil liability.

3.2 What is inside information?

Inside information is information that:

- (a) is not generally available to the market; and
- (b) if it were generally available to the market, would be likely to have a material effect on the price or value of Strandline's securities or securities of another entity.

Information is taken to have a "material effect" on the price or value of a security if it would be likely to influence persons in deciding whether or not to subscribe for, buy or sell securities. Thus, to constitute inside information the information must be both price sensitive and not generally available.

It does not matter how you come to have the inside information - for example, whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in the lift or at a social event.

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 rumours, matters of supposition, intentions of a person (including Strandline) and information which is not definite enough to warrant public disclosure.

3.3 What are some examples of inside information?

The following list is illustrative only. Inside information about Strandline could include:

- (a) information relating to significant projects, contractors or tenders;
- (b) information relating to Strandline's financial results or forecast results;
- (c) a possible sale or acquisition of material assets by Strandline;
- (d) a possible change in Strandline's capital structure (for example, a new issue of capital/equity to raise monies or a buy-back of shares);
- (e) a proposed dividend or change in dividend policy;
- (f) board or senior management changes;
- (g) an event which could have a material impact (either positively or negatively) on projects, production or profits (for example, significant change to a contract or customer, a significant safety or environmental incident);
- (h) a proposed change in the nature of Strandline's business;
- (i) a proposed takeover or merger involving Strandline;



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- (j) a notification to ASX of a substantial shareholding in Strandline;
- (k) any information required to be disclosed to ASX under its continuous disclosure rules; and
- (l) any possible claim against Strandline or other unexpected liability.

3.4 Securities of other companies

The prohibition on insider trading is not restricted to information affecting Strandline securities. If you possess inside information in relation to securities of another company or entity, you must not deal in those securities. In the course of your duties as an employee, director, adviser, consultant or contractor of Strandline, you may obtain inside information in relation to another company. For example:

- (a) in the course of negotiating a transaction with Strandline, another company might provide confidential information about itself;
- (b) in the course of negotiating a transaction with Strandline, another company might provide confidential information about a third party; or
- (c) information concerning a proposed transaction or other action by Strandline might have a material effect on a third party.

4. WHAT OTHER CONDUCT IS PROHIBITED?

4.1 Short term dealing

Speculating in short-term fluctuations in the Company's securities does not promote shareholder or market confidence in the integrity of the Company.

Directors and employees must not partake in short-term trading of the Company's securities which is defined as less than a 12 month period.

4.2 Hedging

If you are a director or employee of Strandline who participates in a Strandline equity-based incentive plan (for example, a share or option plan), you must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in Strandline securities.

An unvested entitlement is a Strandline share or option which is still subject to time and/or performance hurdles.



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4.3 Margin loans

Strandline Personnel can put themselves at risk under insider trading laws if they enter into loan arrangements that may result in securities being sold when they possess inside information.

Before any Strandline Personnel enters into a margin loan or other financing arrangement where there is a risk that Strandline securities will be traded pursuant to the terms of the margin loan or financing arrangement (together a **Margin Loan**), they must obtain prior written approval as follows:

- Employees must seek approval from the Managing Director;
- Directors must seek approval from the Chairman; and
- In the case of the Chairman, he must seek approval from the Board;

and disclose to the Company Secretary the following information regarding the Margin Loan (**Loan Information**):

- (a) key terms;
- (b) number of Strandline securities involved;
- (c) the trigger points;
- (d) the right of the lender to sell the securities unilaterally; and
- (e) any other material details.

4.4 Blackout periods

Strandline Personnel are not permitted to deal in Strandline securities during the following blackout periods:

- (a) 2 weeks prior to the release of the quarterly results announcement to the ASX;
- (b) 2 weeks prior to the release of the annual and half yearly financial results to the ASX;
- (c) 2 business days after the release of any ASX announcement; and
- (d) any other periods as directed by the Board.

Trading during blackout periods may only be permitted with prior approval as follows:

- Employees must seek approval from the Managing Director;
- Directors must seek approval from the Chairman; and
- In the case of the Chairman, he must seek approval from the Board;

where there are exceptional circumstances (such as severe financial hardship) and the person is not aware of inside information. Where such approval is obtained, trading must occur within 7 days.



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4.5 Exceptional Circumstances

Strandline Personnel when not in possession of inside information, may be given prior written approval to sell or otherwise dispose of Strandline securities, but not to purchase, during a prohibited period where such person is in severe hardship or there are other exceptional circumstances.

A person may be in severe hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities of Strandline. For example, a tax liability of such a person would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability. A tax liability relating to securities received under an employee incentive scheme would also not normally constitute severe financial hardship or otherwise be considered an exceptional circumstance for the purpose of obtaining prior written approval to sell or otherwise dispose of securities during a prohibited period.

Other examples include if the person is required by a court order, or there are court enforceable undertakings, for example, in a bona fide family settlement, to transfer or sell the securities of Strandline or there is some other overriding legal or regulatory requirement for him or her to do so.

In recognition of the case that exceptional circumstance, by their nature, cannot always be specified in advance, it is envisaged that there may be other circumstances, which have not been identified in this Policy, that may be deemed exceptional by the Managing Director, Chairman or Board (as the case may be).

The person seeking clearance to trade in exceptional circumstances must seek prior written approval to do so and satisfy the Managing Director, Chairman or Board (as the case may be), that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of Strandline securities is the only reasonable course of action available.

Any sale or disposal of securities must occur within 7 days of receiving approval.

4.6 Securities Trading Policy Exclusions

The following trading does not fall under this Policy:

- (a) trading in a managed securities portfolio (other than a portfolio that only invests in the securities of the Company) and where the person is not in a position to influence choices in that portfolio;
- (b) where the trade results from a dividend reinvestment plan where the person has given ongoing instructions to reinvest dividends;



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- (c) where the trade is as a result of subscription for securities the subject of a current prospectus or other form of disclosure document the Company has on issue;
- (d) where the trade is a transfer of securities of the Company that are already held into a superannuation fund or other saving scheme in which the director or employee is a beneficiary;
- (e) undertakings to accept, or the acceptance of, a takeover offer;
- (f) 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 buyback 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;
- (g) the exercise (but not the sale of securities following exercise) of an option or right under an employee incentive scheme, 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 Company has been in an exceptionally long prohibited period or the Company has had a number of consecutive prohibited periods and the director or employee could not reasonably have been expected to exercise it at a time when free to do so;
- (h) allowing entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (i) bona fide gifts to a Director by a third party;
- (j) the cancellation or surrender of an option under an employee share scheme;
- (k) the purchase of securities or the communication of information pursuant to a requirement imposed by law; and
- (l) transfers of securities by an independent trustee of an employee share scheme to a beneficiary who is not a Person.

Options in the Company may be exercised at any time in accordance with their terms of issue (including during the trading window) subject to the prohibitions on insider trading set out in the Corporations Act. Any subsequent sale of such securities will be subject to the terms of this Policy.

The Company advises directors and employees to defer trades if an announcement of a major event or the release of price-sensitive information is likely to occur shortly after a proposed trade, even if it is inside the trading window to avoid the potential for breaches of insider trading legislation.



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5. PERMITTED CONDUCT

5.1 When is dealing permitted if you are an Employee?

If you are an employee of Strandline, the following rules apply:

Subject to the rules of any applicable Strandline equity-based plan (for example, a share incentive plan or option incentive plan) you can deal in Strandline securities at any time provided:

- (a) you obtain the prior written consent of the Managing Director;
- (b) you confirm to the Managing Director that you do not have inside information;
- (c) the dealing does not occur during a blackout period (refer to 4.4, 4.5 & 4.6 above);
- (d) you are not involved in short term or speculative dealing; and
- (e) you are not hedging the risk of any fluctuation in value of any unvested entitlement in Strandline securities.

Any trading must occur within 7 days of receiving approval.

If you are considered to be key management personnel then the following section (5.1 (f) to (l)) will also apply to the dealing.

For the purposes of this Policy, key management personnel are those personnel in the Company that directly report to the Managing Director.

If you subsequently deal in those securities – you must confirm the dealing in writing to the Managing Director and Company Secretary within two business days after the dealing. The confirmation must include:

- (f) your name;
- (g) the name of any person who dealt on your behalf;
- (h) details of your interest (direct or indirect) in Strandline securities the subject of the dealing;
- (i) the date of the dealing;
- (j) the number of Strandline securities subscribed for, bought or sold, and a copy of the contract;
- (k) the amount paid or received for those securities; and
- (l) the number of Strandline securities held by you (directly or indirectly) before and after the dealing.



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5.2 When is dealing permitted if you are a Director?

If you are a director of Strandline, the following rules apply:

You can only deal in Strandline securities provided:

- (a) you obtain the prior written consent of the Chairman (or the Board if you are the Chairman);
- (b) you confirm that you are not in possession of any inside information;
- (c) the dealing does not occur during a blackout period (refer to 4.4, 4.5 & 4.6 above);
- (d) you are not involved in short term or speculative dealing; and
- (e) you are not hedging the risk of any fluctuation in value of any unvested entitlement in Strandline securities;

Any trading must occur within 7 days of receiving approval.

If you subsequently deal in those securities, you must confirm the dealing in writing to the person to whom your prior notice was given and the Company Secretary within two business days after the dealing. The confirmation must include:

- (f) your name;
- (g) the name of any person who dealt on your behalf;
- (h) details of your relevant interest (direct or indirect) in Strandline securities the subject of the dealing;
- (i) the date of the dealing;
- (j) the number of Strandline securities subscribed for, bought or sold;
- (k) the amount paid or received for those securities;
- (l) the number of Strandline securities held by you (directly or indirectly) before and after the dealing, including where the securities are held indirectly, the names of the holder of securities on the Company's share register and the name of any underlying beneficiary; and
- (m) sufficient information to enable Strandline to comply with the requirements to notify a change of interests to ASX.

5.3 Do I have any other obligations to Strandline?

In addition to the insider trading and other restrictions in this Securities Trading Policy, you also owe a duty of confidentiality to Strandline. You must not reveal any confidential



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information concerning Strandline, use that information in any way which may injure or cause loss to Strandline, or use that information to gain an advantage for yourself.

6. CONSEQUENCES OF BREACH

6.1 What if I breach the Company Securities Trading Policy?

Strict compliance with the Company’s Securities Trading Policy is mandatory for all Strandline Personnel.

Contravention of the Corporations Act is a serious matter which may result in criminal or civil liability.

In addition, breaches of the Company’s Securities Trading Policy may damage Strandline’s reputation in the investment community and undermine confidence in the market for Strandline securities. Accordingly, breaches will be taken very seriously by Strandline and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

7. PUBLICATION

7.1 Where can I find the Company’s Securities Trading Policy?

A copy of the Securities Trading Policy will be available on Strandline’s website and a copy will be provided to all new directors and employees of Strandline as part of Strandline’s induction procedures.

7.2 Will I receive any training?

If you do not understand this Policy or wish to receive training on compliance, please contact the Company Secretary.

8. REVIEW

The Managing Director is accountable to the Board of Directors for ensuring that this policy is implemented. This policy will be reviewed on a yearly basis.

This Policy applies to all staff, contractors and joint venturers engaged in activities under Strandline’s operational control.

Approved by:	Luke Graham	Approval Date:	26 September 2019
Position:	Managing Director	Review Date:	26 September 2019