

Securities Trading Policy

Hillgrove Resources is committed to upholding the integrity of the market and maintaining investor confidence by ensuring that all Relevant Persons (Hillgrove Resources' Directors, Employees, Contractors, and their close associates and any other person as designated by the Board), are in compliance with the Corporations Act and ASX Listing Rules when trading in the Company's securities. Relevant Persons must not buy, sell or otherwise deal in Company securities, or procure another person to do so, if they are in possession of Inside Information. Inside Information is material that is not generally available to the market and, if it were generally available, would be likely to have a material effect on the price of the Company's securities.

Commitments Regarding Securities Trading

- Securities may only be traded by Relevant Persons, with permission, during designated Trading Windows which include from the opening of trading on the next business day after applicable disclosures and/or corporate activity including:
 - The release of the half-year and full-year results to the ASX.
 - The release of the quarterly activities and cash flow report.
 - The Company's Annual General Meeting
- All Relevant Persons must obtain written clearance before dealing in Company securities.
 - Directors and Key Management Personnel must seek approval from the Chairman.
 - Chairman must seek approval from the Chair of the Audit and Risk Committee.
 - Other Relevant Persons must seek approval from the Company Secretary or CEO.
- Permitted and excluded transactions may be exempt from this policy, including participation in rights issues, share purchase plans and employee incentive schemes, transfers to a superannuation or trust, and acceptances under a takeover offer.
- A Relevant Person who is not in possession of inside information may be granted approval to trade outside of a Trading Window if they are in severe financial hardship or other exceptional circumstances exist. This must be approved in writing by the relevant Authorising Officer and will be strictly limited in scope and duration.
- Relevant Persons must not pass on inside information to others who may trade on it and communicate or confirm information to analysts, institutional investors, or journalists unless it has been publicly disclosed via ASX.
- The Board reserves the right to impose additional black-out periods or suspensions at any time.
- Breaches of this policy may result in disciplinary action including termination of employment, and may attract civil or criminal penalties under law.

The specific procedure underpinning this policy is outlined in the pages following.

The implementation and monitoring of this policy will be overseen by the Hillgrove Board.

SECURITIES TRADING POLICY – PROCEDURE

1. Purpose and application of this policy

- 1.1 The *Corporations Act 2001* (Cth) (**Corporations Act**) prohibits the trading in shares, options, debentures (including convertible notes) and other securities (**securities**) of a company by any person who is in possession of price sensitive information regarding that company that is not generally available. The Corporations Act:
- (a) imposes substantial penalties on persons who breach those provisions; and
 - (b) applies to the extent of any inconsistency between it and this policy.
- 1.2 For the purposes of this policy:
- (a) “**Relevant Person**” means all directors and senior management including each director of the Company, the Managing Director/CEO and Company Secretary of the Company, Key Management Personnel (as defined in the Corporations Act), all employees of the Company and any other person designated as a Relevant Person by the board of directors (**Board**) in writing; and
 - (b) also includes:
 - (i) a company or trust controlled by any of the persons referred to in clause 1.2(a) above; and
 - (ii) a spouse (including a de facto spouse), child (including a step-child or adopted child), a close relative, a person financially dependent on or acting in concert with any of the persons referred to in clause 1.2(a) above.
- 1.3 This policy regulates dealings by directors and certain officers of the Company and other designated persons, in securities in the Company or any other entity about which they acquire Inside Information through their position or dealings with the Company.
- 1.4 The purpose of this policy is not only to minimise the risk of insider trading, but also to avoid the appearance of insider trading and the significant reputational damage associated with the perception of insider trading.
- 1.5 This policy is not designed to prohibit Relevant Persons from investing in the Company securities but does recognise that there may be times when directors, officers or certain employees cannot or should not invest in the Company securities.
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2. Insider trading

- 2.1 General prohibition on Insider Trading
- (a) No Relevant Person may, while in possession of Inside Information (defined in clause 2.2) concerning the Company, in breach of the Corporations Act:
 - (i) buy, sell or deal in any the Company securities at any time;

- (ii) procure another person to deal in the Company's securities in any way; or
 - (iii) pass on any Inside Information to another person for that person's own personal gain by dealing in the Company securities in any way (**Insider Trading**).
- (b) All Relevant Persons are prohibited from dealing in the securities of outside companies about which they acquire Inside Information through their position with the Company.
- (c) The requirements imposed by this policy are in addition to any legal prohibitions on Insider Trading. Trading in the Company's securities is prohibited at any time by a director or a Relevant Person if that person possesses Inside Information, even where the trade occurs inside a Trading Window; or the trade falls within an exclusion in this policy; or clearance has been given under this policy to trade (whether in exceptional circumstances or otherwise).

2.2 Inside Information

- (a) A Relevant Person is responsible for assessing whether they possess "Inside Information". This occurs where:
 - (i) the person possesses information that is not generally available to the public 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 (or a decision whether or not to trade in them); and
 - (ii) 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.

2.3 A reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence a person who commonly invests in securities to either deal or not deal in securities in any way. Inside Information in relation to the securities of outside companies has the same meaning for the purposes of this policy, except that references to "the Company securities" should be read as references to the securities of the outside company.

3. Restrictions on Trading – Trading Windows

3.1 Trading Windows

In addition to general restrictions outlined in clause 2, Relevant Persons, subject to clause 3.3, may not buy or sell the Company securities except during a Trading Window (defined below).

- (a) Trading Windows are times when Relevant Persons may deal in the Company's securities, subject to clauses 3.3 and 3.4.
- (b) The following are designated Trading Windows:
- (i) the four weeks commencing on the trading day after the release of the Half Year Financial Results;
 - (ii) the four weeks commencing on the trading day after the release of the Full Year Financial Results;
 - (iii) the two weeks commencing on the trading day after the release of the Company's Annual Report
 - (iv) the two weeks commencing on the trading day after the Company's Annual General Meeting
 - (v) the period commencing on the trading day after the release to ASX of a Prospectus or Product Disclosure Statement until the closing date of applications.
 - (vi) the trading day after the Company lodges a Cleansing Notice in accordance with the Corporations Act
 - (vii) commencing on the trading day following the release of the Company's quarterly reports (if applicable) as follows:
 - First quarter: two weeks
 - Second quarter: closed until the release of the Company's Half Year Financial Results
 - Third quarter: two weeks
 - Fourth quarter: closed until the release of the Company's Full Year Financial Results
 - (viii) any other period that the Board specifies from time to time.
- (c) Only during Trading Windows may Relevant Persons deal in any of the Company's financial products or securities, or in any securities related to them.

3.2 Ad-hoc restrictions

The Company may impose, without notice and in its sole and absolute discretion, additional restrictions on trading in the Company's securities by any or all Relevant Persons, and also by any other staff member(s) (who are not otherwise designated as "Relevant Persons") as the Company considers appropriate. For the avoidance of doubt, the Company may impose ad-hoc restrictions under this clause 3.2 even where the proposed trade would otherwise take place within a Trading Window provided for in this policy. Any restriction communicated by the Company to any or all Relevant Persons (or other staff members) under this clause 3.2 must be kept strictly confidential.

3.3 Notifications

- (a) Relevant Persons must:
- (i) prior to dealing in the Company securities during a Trading Window or where clause 4 requires the person to obtain a consent under clause 3.3, notify the relevant person in clause 3.3(c) (the **Authorising Officer**) of their proposed dealing and obtain consent from the Authorising Officer by completing a Request for clearance to trade (Annexure A);
 - (ii) confirm that they are not in possession of any Inside Information;
 - (iii) after dealing with the Company securities, provide the Authorising Officer with a transaction confirmation; and
 - (iv) notify the Authorising Officer if they begin to have, or cease to have, a “substantial holding” (as defined in section 9 of the Corporations Act) in the Company, or if they have a substantial holding in the Company and there is a movement of at least 1% in their holding.
- (b) For the avoidance of doubt, the Relevant Person seeking authorisation cannot be their own Authorising Officer.
- (c) Authorising Officer

The Relevant Person seeking authorisation	Authorising Officer
Chair of the Board	The Chair of the Audit and Risk Committee
Other directors, Company Secretary and any other Key Management Personnel	The Chair of the Board
Any other Relevant Person	The CEO/Managing Director or the Company Secretary

3.4 Exceptional circumstances

- (a) In exceptional circumstances the Authorising Officer has discretion to approve dealings in the Company securities outside a Trading Window, or other dealings that would otherwise be prohibited by this policy.
- (b) Any approval given under this clause 3.4, must be provided by electronic delivery via email. The notification requirements still apply.
- (c) What constitutes “exceptional circumstances” will be assessed on a case-by-case basis within the absolute discretion of the Authorising Officer, and may include, without limitation, severe financial hardship or a requirement to comply with a court order or court enforceable undertaking.
- (d) Any decision to grant or refuse to grant clearance to a Relevant Person to trade in the Company’s securities by the Authorising Officer under this clause 3.4:

- (i) may be made in the Authorising Officer's absolute discretion, without giving any reasons;
 - (ii) can be withdrawn (if clearance has been given) if new information comes to light or there is a change in circumstances;
 - (iii) is final and binding on the Relevant Person seeking clearance; and
 - (iv) must be kept strictly confidential by the Relevant Person and not disclosed to any other person.
- (e) In deciding whether to grant clearance to trade in the Company's securities, the Authorising Officer will consider the need to minimise the risk of Insider Trading, and also to avoid the appearance of Insider Trading and the significant reputational damage that may cause.
- (f) Any clearance to trade by the Authorising Officer under this clause 3.4 is not an endorsement to trade. The Relevant Person doing the trading is individually responsible for their investment decisions and their compliance with insider trading laws. The Relevant Person must carefully consider whether they are in possession of any Inside Information that might preclude them from trading at that time. If the Relevant Person is in any doubt, they should not trade.
- (g) If a Relevant Person comes into possession of Inside Information after receiving a clearance to trade, they must not trade despite having received the clearance.

3.5 Company secretary to maintain records Company Secretary will maintain a copy of:

- (a) all requests for an approval to deal in the Company's securities submitted by a Relevant Person; and
- (b) details of all dealings in the Company's securities made by a Relevant Person.

4. Other restrictions

4.1 No speculative trading

Under no circumstances should Relevant Persons engage in short-term or speculative trading in the Company securities. This prohibition includes short term direct dealing in the Company securities as well as transactions in the derivative markets, involving exchange traded options, share warrants, contracts for difference, and other similar instruments, which are short term or speculative.

4.2 No Hedging - Equity Based Remuneration Schemes

Relevant Persons are not permitted to enter into hedging transactions or arrangements that would have the effect of limiting their exposure to the economic risk of participating in Company equity-based remuneration schemes.

Relevant Persons must not engage in hedging arrangements over unvested entitlements such as unvested options or performance rights issued pursuant to any Company share scheme, Performance Rights Plan or Option Plan.

Vested securities issued pursuant to any Company share scheme, Performance Rights Plan or Option Plan may only be hedged once they are exercised into shareholdings and only under the following conditions:

- The details of the hedge are fully disclosed (to the ASX and in the Annual Report, as appropriate);
- The hedge transaction is treated as a sale or purchase of shares and the relevant notifications must be made in accordance with this policy; and
- All holding locks have been removed from the relevant vested securities.

4.3 Margin Loans

Relevant Persons may not include their securities in a margin loan portfolio or otherwise trade in the Company's securities pursuant to a margin lending arrangement without first obtaining the relevant consent (refer to Section 3.3).

Where a Relevant Person has entered into a margin loan or any other similar funding arrangement for a material number of Securities, the Company may need to disclose the key terms of these arrangements, including the number of Securities involved, the trigger points, the right of the lender to sell unilaterally and any other material details.

Whether a margin loan arrangement is 'material' under the Listing Rules is a matter which the Company must decide having regard to the nature of its operations and its particular circumstances.

4.4 Trading in outside companies

Relevant Persons must not trade in the securities or financial products of outside companies where they are in possession of Inside Information of that outside company.

5. Exemptions

5.1 Relevant Persons may at any time:

- (a) trade in the Company's securities where the trading does not result in a change of beneficial interest in the securities;
- (b) acquire securities under any director or employee security plan or through the exercise of options or performance rights under an option or performance rights plan or acquire, or agree to acquire, options or performance rights under an option or performance rights plan. However, any dealing in those securities remains subject to this policy and the provisions of the Corporations Act;

- (c) transfer the Company securities already held into a self-managed superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (d) acquire the Company's ordinary shares by conversion of securities giving a right of conversion to the Company's ordinary shares;
- (e) acquire the Company's securities under a bonus issue made to all holders of securities of the same class;
- (f) undertake to accept, or accept, a takeover offer;
- (g) invest in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (h) a disposal of the Company securities that is the result of a secured lender exercising their rights under a loan or security agreement;
- (i) where a restricted person is a trustee, trade in the securities managed by that trust provided the restricted person 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 restricted person; and
- (j) trade 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 or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes deciding 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.

5.2 If a Relevant Person undertakes any of the actions described in clause 5.1, that Relevant Person must advise the relevant Authorising Officer (as set out in clause 3.3(c)).

6. ASX notifications

- 6.1 The Company must notify ASX within 5 business days after any change to a director's relevant interest in the Company's securities or a related body corporate of the Company, including whether the change occurred outside a Trading Window and, if so, whether prior written clearance was provided.
- 6.2 To enable the Company to comply with the obligation set out in clause 6.1, a director must immediately (and no later than 3 business days after any relevant event) notify Company Secretary in writing of the requisite information for Company Secretary to make the necessary notifications to the Australian Securities and Investments Commission (**ASIC**) and ASX as required under the Corporations Act and ASX Listing Rules.

- 6.3 If the Company makes a material change to this trading policy, the amended trading policy will be provided to the ASX for release to the market within 5 business days of the material changes taking effect.
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7. General

- 7.1 A breach of this policy will be regarded as serious misconduct which may lead to disciplinary action, up to and including dismissal.
- 7.2 This policy will be made available on the Company's website.
- 7.3 If you require any further information or assistance or are uncertain about the application of the law or this trading policy in any situation, please contact Company Secretary.
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8. Review and changes to this policy

- 8.1 The Board will review this policy annually or as often as it considers necessary to check it is operating effectively and consider whether changes are required.
- 8.2 The Board may change this policy from time to time by resolution.

Annexure A – Request for clearance to trade

1. Applicant Details

Name	
Position	

2. Details of securities and proposed trade

Nature of trade	<input type="checkbox"/> Onmarket	<input type="checkbox"/> Offmarket	<input type="checkbox"/> Other
Number of Securities			
Class of Securities			
Name of registered holder			

3. Reason for request

<input type="checkbox"/> Standard	<input type="checkbox"/> Exceptional Circumstances
If exceptional circumstances please provide details:	

4. Declarations

I confirm that I:

- (a) have read and understood the Securities Trading Policy and the proposed trade does not breach that policy or any legal obligations referred to in the policy;
- (b) am not in possession of any inside information in relation to Hillgrove Resources Limited; and
- (c) understand that I cannot trade in the company's securities until clearance is given, and that any clearance given will be valid only for the period stated in the clearance.

Signed: _____ Name: _____ Date: _____

OFFICE USE – Clearance to be completed by Authorising Officer

Clearance given by:		
.....		
.....		
Name of Authorising Officer	Signature of Authorising Officer	Date
Clearance valid for ___ business days from the date of clearance		