

Pegmont Mines Limited

ABN 97 003 331 682

TRADING POLICY

Overview

The Pegmont Mines Limited Securities Trading Policy is to regulate dealings by directors, officers, employees and consultants of Pegmont ("restricted persons") in:

- (a) securities issued by the company, and
- (b) any other financial products related to Pegmont securities issued or created by third parties, or any transactions operating to limit the economic risk of holding the securities.

This policy is to:

- (a) ensure that restricted persons are aware of the prohibition on dealing in the company's securities or related financial products while in possession of price-sensitive information regarding the company, and
- (b) establish closed periods in which dealing is prohibited, unless under specific circumstances.

Insider trading

"Insider information" is information which is not "generally available", which a reasonable person would expect to have a material effect on the price or value of the financial products in question. The insider trading provisions of the Corporations Act prohibit a person in possession of inside information about financial products from:

- (a) dealing in those financial products, or entering into an agreement to do so
- (b) "procuring" another person to do any of the things set out in paragraph(a); and
- (c) In some cases, where the financial products are traded on a financial market, merely communicating the information.

Compliance

All restricted persons should ensure that all transactions in Pegmont securities or related financial products comply with:

- (a) the Corporations Act 2001, especially the insider trading provisions, and
- (b) the NSX listing rules, especially in regard to the continuous disclosure requirements and the disclosure of a director's interests

Restrictions under this policy

1. Restricted persons must not deal in any Pegmont securities or related financial products while in possession of inside information.
2. Restricted persons are to check with the Chairman before any dealing.

3. Restricted persons must not engage in short-term trading of Pegmont securities. Short-term trading is defined as buying and selling securities within twelve months.
4. Subject to the next section, restricted persons must not deal in Pegmont securities or related financial products during the following closed periods:
 - a. From 1 January up to and including the day the company's full-year results are released; and
 - b. From 1 July up to and including the day the company's half-year results are released.

Exceptions

A restricted person may deal in Pegmont securities during a closed period if the transaction falls within one of the following categories of "excluded trading":

- (a) Transfers of Pegmont securities already held from a restricted person's own name into a superannuation fund in which the restricted person is a beneficiary.
- (b) An investment in or trading in units of, a fund or other scheme (other than a scheme only investing in Pegmont securities) where the assets of the fund or other scheme are invested at the discretion of a third party.
- (c) Acceptance of a takeover offer
- (d) An offer or invitation made to Pegmont members generally, 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.
- (e) A disposal of Pegmont securities resulting from a secured lender exercising its rights.
- (f) A dealing with written consent, in accordance with the following section.

Written consent

A restricted person may deal in Pegmont securities during a closed period if the person obtains written permission, as follows:

A restricted person who wishes to deal in Pegmont securities during a closed period must obtain the prior written permission of:

- (a) the Chairman and the Chief Executive Officer; or
- (b) where the Chairman or the Chief Executive Officer is the Applicant, the other of them

Approval will only be given where:

- (a) the restricted person has a legal requirement to deal in the securities, and
- (b) there is no inside information which has not been disclosed to NSX.

Policy responsibility

The Chairman and the Company Secretary have responsibility for maintaining this trading policy.