

GENERAL MINING CORPORATION LIMITED
ACN 125 721 075

SECURITIES TRADING POLICY

1 BACKGROUND¹

In order to preserve the reputation and integrity of General Mining Corporation Limited (“the Company”), it is imperative that when people associated with the Company deal in the Company’s securities those dealings are not only fair, but are seen to be fair. When directors and employees deal in securities of the Company they must be sure that it does not reflect badly on them or the Company. The following policy is designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise.

The general scheme of this policy regarding allowable dealings by employees and directors in the Company’s securities is that those persons should:

- (a) never engage in short term trading of the Company’s securities;
- (b) not deal in the Company’s securities while in possession of price sensitive information;
- (c) notify the company secretary of any material intended transactions involving the Company’s securities; and
- (d) restrict their buying and selling of the Company’s securities to be outside of the closed periods.

The law imposes a number of significant restrictions on directors and other employees of the Company when they deal in the Company’s shares. As fiduciaries, these corporate managers must not utilise their position for their own gain or for the gain of any person other than the Company.

The Corporations Act 2001 (Cth) imposes severe penalties (both criminal and civil) on persons who conduct insider trading activities. Perhaps more importantly, any perceptions of improper conduct by members of the Company has the potential to substantially damage the Company’s reputation.

All directors, officers, executives and other employees and their related parties are subject to the policy set out in this document in an effort to prevent the incidence of insider trading in the Company securities. The policy provides a general summary of the law in

¹ ASX Corporate Governance Council, Corporate Governance Principles and Recommendations, Recommendation 3.2, Box 3.2 includes suggestions for the content of a trading policy.

Australia in relation to insider trading, and as such operates in addition to the legal requirements. It is the personal responsibility of each individual to comply with this policy.

2 OVERVIEW OF THE INSIDER TRADING PROVISIONS IN THE CORPORATIONS ACT

It is illegal for anybody to deal in any securities of a body corporate (including the Company or any subsidiaries) when in possession of information that the person knows, or ought reasonably to know:

- (a) is not generally available (including information that the Company has not disclosed to the market in accordance with the Company's Continuous Disclosure Policy); and
- (b) might have a material effect on the price or value of those securities if it was generally available ("**Inside Information**").

This prohibition extends to procuring another person to deal and, in the case of securities of listed corporations, extends to communicating the inside information to another person, if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in the securities in question or procure another person to do so.

"**Dealing**" includes applying for, acquiring or disposing of, or entering into an agreement to apply for, acquire or sell, securities, and "**deal**" has a corresponding meaning.

"**Securities**" include shares, derivatives and other financial products that can be traded on a financial market including financial products issued or created over the Company securities by third parties and products which operate to limit economic risk in securities holdings in the Company.

3 CONFIDENTIALITY AND INSIDE INFORMATION

A person in possession of Inside Information about the Company has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person. Confidentiality is also stressed in relation to external advisers.

4 DEALING WITH SECURITY ANALYSTS, INSTITUTIONAL INVESTORS AND JOURNALISTS

Directors, employees and consultants may be exposed to persons outside the Company such as security analysts, institutional investors and journalists. It is important to be aware that selective disclosure of non-public information may result in a breach of the insider trading rules. Thus, if a report containing material non-public information concerning the Company was communicated only to local or trade journals and if full public disclosure of the information was not made at the same time, it is possible that this may give rise to breach of the Corporations Act.

It is important to stress that it is the mere fact of conveyance of the material non-public information that gives rise to liability, not the manner in which it is conveyed. For example, the confirmation of an analyst's educated guess about a situation not known to the general public may be just as much a violation as the direct conveyance of information to an analyst. This is clearly the case even if the analyst's case is based upon his or her independent and creative analysis of publicly available information.

Example

At a luncheon attended at Johnson & Co's offices security analysts from Sharp Dealing discussed generally with management the company's declining earnings. At one point Mr Cautious reveals that a preliminary earning statement would be released shortly, from which the analysts could deduce that earnings would be lower than expected. A week after the lunch on the basis of a follow up phone call from the security analysts, Mr Cautious confirmed that there was a good possibility that earnings would be down, and added that this information was confidential. In these circumstances, the first tip is likely to be considered immaterial; however, the second tip is, in all probability, material and a breach of this policy and the Corporations Act.

A person conveys information in breach of this policy and the Corporations Act by expressing subjective attitudes about the Company's performance or by calling attention to disparate bits of information not available as an aggregate to the general public. It is essential to avoid the indirect conveyance of information by any means whatsoever.

If during the course of a discussion with an analyst, journalist or other outsider, material non-public information concerning the Company is disclosed, inadvertently or otherwise, the recipient of the information should be informed of its non-public nature and cautioned against its use unless and until the Company has made full public disclosure of that information. The company secretary should be notified of the situation immediately so that a decision can be made regarding disclosure of the information. In view of the pitfalls inherent in responding to analyst's projections and questions regarding previously undisclosed operating results or other developments, no comment at all should be made on these matters except to correct serious factual errors in situations in which the facts are in the public domain.

5 SENIOR MANAGEMENT RESTRICTIONS ON TRADING

Senior Management of the Company, whose positions expose or are likely to expose them to information regarding the Company, being:

- (a) the Board;
- (b) the chief executive officer of the Company, and his or her direct reports;
- (c) group corporate accountant, the group taxation manager and the legal executive;
- (d) anyone else who directly reports to the chief executive officer;
- (e) anyone else whose position falls within "key management personnel" as defined in AASB 124 Related Party Disclosure (that is those persons having authority and

responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity).

(collectively called “**Senior Management**” for the purposes of this policy) are to be subject to restriction on trading in the Company securities during closed periods and at any other time when there is material non-public information not yet disclosed to the market (together referred to as prohibited periods). This includes any employee who may be exposed to Inside Information in the course of their duties.

6 ASSOCIATED PARTIES

Each person in Senior Management has a personal responsibility to ensure that his or her “associated parties” (being immediate family (including a spouse (or equivalent) or dependent), family company or trust) complies with the same respective restrictions as apply to Senior Management of the Company.

7 EMBARGO ON SENIOR MANAGEMENT’S DEALING IN THE COMPANY’S SHARES

In addition to the overriding prohibition on dealing when a person is in possession of Inside Information, Senior Management and their associated parties are at all times embargoed from dealing in the Company securities during the following closed periods:

- (a) each period of two weeks immediately prior to the date upon which the Company gives to the ASX its audited annual financial statements;
- (b) each period of two weeks immediately prior to the date upon which the Company gives to the ASX its half-yearly and quarterly reports.

Each Senior Manager will be provided with a copy of this policy and, within 10 days, is required to return a copy of the policy with the following signed acknowledgment:

[Date]

General Mining Corporation Limited ACN 125 721 075

Attention: Compliance Officer

Securities trading policy

I have been supplied with a copy of the Company’s securities trading policy. I have read and considered the contents of the policy.

I give my unqualified undertaking to comply with the letter and the spirit of the policy in all my dealings with or on behalf of the Company.

Yours sincerely,

8 TOTAL EMBARGO ON “SHORT-TERM” TRADING

In order to prevent the unfair use of information, Senior Management is generally prohibited from short-term trading at all times. Short-term trading is a purchase and sale of the same securities within a six month period.

This embargo on short term trading may be excepted in some very limited circumstances for example, exercising options in employee share ownership plans, redemption of securities or certain other option exercises.

9 EXEMPTION TO TRADE DURING PROHIBITED PERIODS

The Board may, in exceptional circumstances only, approve any member of Senior Management or his or her associated parties trading in the Company securities during a prohibited period. An exemption will not be granted by the Board if it considers there is information that is not generally available, but if it were, would be likely to “materially affect” the price of the Company securities.

10 BOARD OF DIRECTORS’ DISCRETION

The Board of the Company have an absolute discretion to place an embargo on Senior Management and/or employees and/or their respective associated parties trading in the Company securities at any time.

11 NOTIFICATION RULES IN RELATION TO DEALING IN GMM SECURITIES

Senior Management are required to notify the Company of intended dealings in the Company securities, by themselves or their associated parties, prior to such intended dealings. This should be done by written notice to the company secretary of the Company outlining:

- (a) name of security holder;
- (b) proposed date of dealing;
- (c) type of proposed transaction (purchase, sale, etc.); and
- (d) number of securities involved.

Following completion of the proposed dealing, the member of Senior Management in question must provide confirmation to the company secretary that the dealing has occurred, and details of the price per security.

12 DIRECTORS TO NOTIFY ASX OF SHAREHOLDING

The directors of the Company are required to complete either Appendix 3X, 3Y or 3Z (as applicable) and provide it to the Company to be filed with the ASX in respect of their shareholding in the Company for the purposes of section 205G of the Corporations Act and Listing Rule 3.19A.

13 DISCLOSURE

In order to maintain transparency, this policy is to be disclosed in the annual report and be made publicly available.²

14 BREACHES OF POLICY

Any breaches of this policy will be severely dealt with and may lead to summary termination.

15 TRADING EXCLUDED FROM THIS POLICY

Certain types of transaction are excluded from this policy:

- a) transfers of securities already held into a superannuation fund or other saving scheme in which the director, officer or employee is a beneficiary;
 - b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Company's securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
 - c) where the director, officer or employee is a trustee, trading in the Company's securities by that trust provided the director, officer or employee 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 director, officer or employee;
 - d) undertakings to accept, or the acceptance of, a takeover offer;
 - e) 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 buy-back, 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
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required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;

- f) a disposal of securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- 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, officer or employee could not reasonably have been expected to exercise it at a time when free to do so; or
- h) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
 - i. the director, officer or employee did not enter into the plan or amend the plan during a Prohibited Period; and
 - ii. the trading plan does not permit the director, officer or employee to exercise any influence or discretion over how, when, or whether to trade.

16 EXCEPTIONAL CIRCUMSTANCES

Senior management, who are not in possession of inside information, may be given prior written clearance to sell or otherwise dispose of securities in the Company during a prohibited period in certain exceptional circumstances:

- a) where the person is in severe financial hardship where a pressing financial commitment cannot be satisfied by any means other than disposing of securities in the Company;
- b) where the person is required by a court order or other court enforceable undertaking or some other overriding legal or regulatory requirement to carry out a transaction in securities of the Company.