

ASX, AIM and Media Release  
22 January 2021

## Updated Securities Trading Standard

African mineral sands producer, **Base Resources Limited** (ASX & AIM: BSE) advises that the company's Securities Trading Standard has been updated, following a recent review. In accordance with ASX Listing Rule 12.10, the updated Securities Trading Standard is enclosed with this announcement.

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This release has been authorised by Base Resources' Disclosure Committee.

### About Base Resources

Base Resources is an Australian based, African focused, mineral sands producer and developer with a track record of project delivery and operational performance. The company operates the established Kwale Operations in Kenya and is developing the Toliara Project in Madagascar. Base Resources is an ASX and AIM listed company. Further details about Base Resources are available at [www.baseresources.com.au](http://www.baseresources.com.au).



## **SECURITIES TRADING STANDARD**

**BST020- REV 3 – 21/01/2021**

<b>REVISION NO.</b>	<b>DATE</b>	<b>APPROVED BY</b>
Rev 3	21/01/2021	Board

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## 1 INTRODUCTION

- Base Resources Limited (**Base**) is a public company incorporated in Australia. Base's shares are listed on both the Australian Securities Exchange (**ASX**) and the London Stock Exchange's AIM (**AIM**).
- This Standard sets out the requirements for dealing in Base securities by Directors and employees (**Base Personnel**) of Base and its subsidiaries, as well as each of their consultants and advisers (**Base Associates**).
- Base Personnel are encouraged to be long-term holders of Base securities. However, it is important that care is taken in the timing of any dealing in Base securities to reduce the risk of insider trading and to maintain market confidence in the integrity of dealings in Base securities.
- The purpose of this Standard is to:
  - assist Base Personnel and Base Associates avoid conduct known as "insider trading" or "insider dealing", which is prohibited under Australia's *Corporations Act 2001* (Cth) (**Corporations Act**) and the United Kingdom's Market Abuse Regulation (**MAR**) (which applies due to Base's AIM listing), as well as the appearance of such conduct. Accordingly, in the case of Base Personnel or Base Associates who, because of their roles, are likely to come into possession of inside information in respect of Base, the requirements of this Standard extend beyond the strict requirements of the Corporations Act and MAR;
  - explain the type of conduct in relation to dealings in Base securities that is prohibited under the Corporations Act and MAR, which is applicable to **all** Base Personnel and Base Associates; and
  - establish a best practice procedure relating to dealing in Base securities that protects Base, Base Personnel and Base Associates against the misuse of unpublished information which could materially affect the price or value of Base securities and enables compliance with applicable dealing notification requirements.
- If you are in doubt about the application of this Standard to any proposed dealing, you should contact Base Group Legal by email to [legal@baseresources.com.au](mailto:legal@baseresources.com.au) before undertaking the relevant dealing.

## 2 WHAT SECURITIES AND CONDUCT ARE COVERED BY THIS STANDARD?

- This Standard applies to any dealings in:
  - Base securities;
  - securities of companies that Base or its subsidiaries have or propose to have business dealings with; and
  - financial products issued or created over or in respect of such securities by third parties.
- For the purposes of this Standard, **dealing** (or to **deal**) in securities includes:
  - trading in securities (i.e. subscribing for, buying, selling or entering into an agreement to do any of those things);
  - other types of dealings including, but not limited to, converting or exercising securities, using securities as collateral for a loan or other obligation or dealing in rights linked to securities;
  - entering into, amending or terminating any agreement to deal in securities (such as a written agreement or plan with a broker or other third party to acquire or dispose of securities); and
  - 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.

- This Standard extends to all securities owned or controlled by Base Personnel, whether those securities are held in their name or on their behalf in a company, through a trust, by a family member or in some other entity or arrangement.
- This Standard also extends to the entering into of transactions or arrangements which operate to limit the economic risk of a security holding in Base.

### 3 SUMMARY OF KEY PROHIBITIONS

#### 3.1 INSIDER TRADING AND INSIDER DEALING

Insider trading is a criminal offence under Australian laws. It may also result in civil liability. In broad terms, a person will be guilty of insider trading under the Corporations Act if:

- (a) that person possesses information which is not generally available to the market and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a company's securities (**Price Sensitive Information**); and
- (b) that person knows, or ought reasonably to know, that the information is Price Sensitive Information and:
  - (i) buys or sells securities in the company;
  - (ii) procures that someone else buys or sells securities in the company; or
  - (iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the company.

Insider dealing under MAR is akin to insider trading under the Corporations Act and is also an offence. In broad terms, insider dealing arises where a person:

- (a) possesses information (akin to Price Sensitive Information) that is of a precise nature, which has not been made public, relating, directly or indirectly, to a company or its securities, and which, if it were made public, would be likely to have a significant effect on the price of the company's securities (**inside information**); and
- (b) either:
  - (i) uses inside information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, the company's securities;
  - (ii) recommends or induces another person to deal in the company's securities on the basis of the inside information; or
  - (iii) discloses the inside information to another person, except where the disclosure is made in the normal exercise of an employment or professional duty.

For the purposes of this Standard, the term "Price Sensitive Information" is taken to include "inside information". Further, references in this Standard to "insider trading" are taken to be references to both insider trading and insider dealing.

#### 3.2 EXAMPLES

To illustrate the prohibitions described above, the following are possible examples of Price Sensitive Information – i.e. information which, if made generally available, may be likely to affect materially or significantly the price or value of Base securities:

- (a) Base considering a major acquisition or disposal of assets;
- (b) the threat of major litigation against Base;
- (c) Base's production, sales or profit results materially exceeding (or falling short of) the market's expectations or any published guidance;
- (d) guidance in respect of forecast financial performance or production;
- (e) a material change in debt, liquidity, cash flow or liabilities;
- (f) material exploration results;
- (g) material mineral resource or ore reserve estimates;
- (h) results of material technical studies (such as pre-feasibility or definitive feasibility studies);
- (i) a significant new development proposal (e.g. a new project);
- (j) the granting (or loss) of a major contract;
- (k) a management or business restructuring proposal; and
- (l) a share issue proposal.

### 3.3 DEALING THROUGH THIRD PARTIES

A person does not need to be a Director, employee, consultant or adviser of Base or its subsidiaries to be guilty of insider trading in relation to Base securities. The prohibition extends to dealings through nominees, agents or other associates, such as family members, family trusts and family companies.

### 3.4 INFORMATION HOWEVER OBTAINED

It does not matter how or where a person obtains information – it does not have to be obtained from Base to constitute Price Sensitive Information.

### 3.5 EMPLOYEE SHARE SCHEMES

MAR's insider trading prohibition applies to acquisitions of Base securities by employees made under employee equity incentive schemes, including the acquisition of shares as a result of any non-automatic exercise of securities under an employee equity incentive scheme. Further, both insider trading prohibitions apply to the sale/disposal of any shares acquired under an employee equity incentive scheme, including the sale of shares acquired following the vesting and/or exercise of Base securities granted under an employee equity incentive scheme.

### 3.6 DEALINGS BY PDMRS

Except in limited circumstances, MAR prohibits a "person discharging managerial responsibilities" (**PDMR**) within Base from dealing in Base securities in the 30 days before the release of Base's half year and full year results (**MAR Closed Periods**).

## 4 DEALING PROHIBITIONS

### 4.1 NO DEALINGS IN BASE SECURITIES WHILST IN POSSESSION OF PRICE SENSITIVE INFORMATION

Base Personnel and Base Associates must not deal in Base securities whilst they are in possession of Price Sensitive Information in relation to Base securities that has not been disclosed on ASX and AIM. Base Personnel

and Base Associates must also not disclose the information to anyone else, except in limited circumstances where disclosure is necessary to carry out employment, professional or other legal or contractual duties.

#### 4.2 NO DEALINGS IN SECURITIES IN OTHER COMPANIES WHILST IN POSSESSION OF PRICE SENSITIVE INFORMATION

Base Personnel and Base Associates must not deal in securities of other companies with which Base or its subsidiaries may be dealing where they possess information that they know, or ought reasonably to know, is Price Sensitive Information which is not generally available. For example, where an individual is aware that Base is about to sign a major agreement with another company, they should not buy securities in either Base or the other company. Base Personnel and Base Associates must also not disclose the information to anyone else, except in limited circumstances where disclosure is necessary to carry out employment, professional or other legal or contractual duties.

#### 4.3 NO DEALINGS BY RESTRICTED PERSONS DURING PROHIBITED PERIODS

- (a) All Directors, employees or consultants of Base or its subsidiaries who are a direct or once-removed report to a member of EXCO, and any other employee or consultant, or adviser, determined by a member of EXCO (**Restricted Persons**) are not permitted to deal in Base securities during the "**Prohibited Periods**".
- (b) The Prohibited Periods are:
  - (i) the period from the end of a quarter until and including the day the quarterly results are announced;
  - (ii) the longer of the following periods:
    - (A) the period from the end of the half year until and including the day the half year results are announced; and
    - (B) the period of 30 days before announcement of the half year results;
  - (iii) the longer of the following periods:
    - (A) the period from the end of the financial year until and including the day the full year results are announced; and
    - (B) the period of 30 days before announcement of the full year results.
- (c) The Prohibited Periods incorporate the MAR Closed Periods.
- (d) Base may at its discretion vary this rule in relation to a particular Prohibited Period by general announcement to all Restricted Persons either before or during the period. Base may also announce additional Prohibited Periods during which dealing in Base securities by Restricted Persons is **not** permitted, including while it has Price Sensitive Information which it is withholding from immediate disclosure in reliance on applicable exemptions in the ASX Listing Rules and MAR.

#### 4.4 NO SHORT-TERM DEALING IN BASE SECURITIES

Base Personnel and Base Associates should never engage in short-term or speculative dealing in Base securities except for the exercise of options or performance rights granted by Base and the sale of resulting shares shortly thereafter.

#### 4.5 FINANCING ARRANGEMENTS

Restricted Persons must not enter into financing arrangements (including margin loans) related to Base securities. Such arrangements pose risks to compliance with this Standard and applicable insider trading laws,

particularly where the terms of the financing arrangements may place the Restricted Person in a position of conflict with their obligations under this Standard and/or with insider trading laws.

#### 4.6 PROHIBITION AGAINST HEDGING UNVESTED ENTITLEMENTS

Base Personnel participating in equity-based incentive plans are prohibited from entering 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 Base securities.

### 5 EXCEPTIONS

#### 5.1 EXCEPTIONS DURING PROHIBITED PERIODS

- (a) Subject to paragraph (b) below, during a Prohibited Period, Restricted Persons may:
- (i) acquire Base securities under a bonus issue made to all holders of securities of the same class;
  - (ii) acquire Base securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
  - (iii) acquire or agree to acquire shares under an employee share plan operated by Base, or acquire or exercise options or performance rights under an employee incentive scheme operated by Base;
  - (iv) withdraw ordinary shares in Base held on behalf of the employee in an employee share or incentive plan where the withdrawal is permitted by the rules of that plan;
  - (v) transfer Base securities provided the beneficial ownership does not change;
  - (vi) acquire ordinary shares in Base as a result of the exercise of options held under an employee option scheme;
  - (vii) undertakings or elections to take up entitlements under a rights issue or other pre-emptive offer (including an offer of Base securities in lieu of a cash dividend);
  - (viii) allowing entitlements to lapse under a rights issue or other pre-emptive offer (including an offer of Base securities in lieu of a cash dividend);
  - (ix) the sale of sufficient entitlements nil-paid to take up the balance of the entitlements under a rights issue; and
  - (x) undertakings to accept, or the acceptance of, a takeover offer; and
  - (xi) invest in, or trade in units of, a fund or other scheme (other than a scheme only investing in Base) where the assets of the fund or other scheme are invested at the discretion of a third party, provided the Restricted Person has no influence or control over the third party and is not aware that the fund or other scheme holds Base securities.
- (b) Notwithstanding the above, PDMRs are not permitted to undertake any of the above dealings during a MAR Closed Period without prior clearance in accordance with paragraph 6. Clearance will be given if the dealing is permitted by MAR, where the beneficial ownership of the relevant Base securities will not change as a result of the dealing. Clearance may also be granted for share acquisitions under employee share plans or dividend reinvestment plans or relating to qualifications or entitlements to shares depending on the characteristics of the trading involved.
- (c) Notwithstanding that the dealings referred to in paragraph (a) are excluded from the prohibition on dealings by Restricted Persons during Prohibited Periods, they remain subject to the insider trading prohibitions under the Corporations Act and insider dealing prohibitions under MAR, as

well as the prohibitions under this Standard on dealings whilst in the possession of Price Sensitive Information.

## 5.2 FURTHER EXCEPTION DURING PROHIBITED PERIODS - EXCEPTIONAL CIRCUMSTANCES

- (a) A Restricted Person, who is not in possession of Price Sensitive Information in relation to Base, may be given prior written clearance to sell or otherwise dispose of the securities of Base, but not to purchase, during a Prohibited Period where such a person is in **severe financial difficulty** or there are **other exceptional circumstances** which require the immediate sale of shares.
- (b) A person may be in severe financial difficulty if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities of Base. For example, a tax liability of such a person would not normally constitute severe financial difficulty 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 difficulty or otherwise be considered an exceptional circumstance for the purpose of obtaining prior written clearance to sell or otherwise dispose of securities during a Prohibited Period.
- (c) 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 Base or there is some other overriding legal or regulatory requirement for him or her to do so.
- (d) In recognition of the case that exceptional circumstances, 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 Standard, that may be deemed exceptional by the Chair, or the Board (where the Chair is involved).
- (e) The Restricted Person seeking clearance to trade in exceptional circumstances must seek prior written approval to do so (in accordance with paragraph 6 below) and satisfy the Chair or the Board (as the case may be) that they are in severe financial difficulty or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant securities is the only reasonable course of action available.
- (f) If the Chair or the Board (as applicable) is in any doubt in making such determinations on behalf of Base, consideration should be given to the purpose of this Standard and the discretion should be exercised with caution.
- (g) Any written approval to deal in Base securities due to exceptional circumstances shall specify the duration of such clearance.

## 5.3 EXCEPTION – FINANCING ARRANGEMENTS

- (a) Restricted Persons may seek prior written approval to enter into financing arrangements with respect to Base securities (in accordance with paragraph 6 below).
- (b) Clearance will not be provided unless the terms of the financing arrangements do not require, or allow for, the disposal of relevant Base securities at any time when this Standard would prohibit the person from dealing in the relevant Base securities.
- (c) The relevant individual must also promptly inform the Company Secretary of any call that is made under the applicable financing arrangements, and the terms of that call.

## 6 APPROVAL AND NOTIFICATION REQUIREMENTS

- (a) **Any** Director of Base wishing to deal in Base securities must obtain the prior approval of the Chair before doing so.
- (b) If the Chair wishes to deal in Base securities, the Chair must obtain the prior approval of at least two other directors before doing so.

- (c) Any other Restricted Person wishing to deal in Base securities must obtain prior approval of a member of EXCO before doing so.
- (d) The form to complete and send to the applicable person(s) to seek clearance is the Request for Approval to Deal in Base Resources Securities Form and is available on request from the Company Secretary.
- (e) Restricted Persons must follow these requirements if they are aware that their spouse, partner, child or other immediate family member intends to deal in Base securities, and take all reasonable steps to prevent the dealing proceeding until approval to deal has been received.
- (f) The dealings listed in paragraph 5.1(a) are exempt from the clearance requirements set out in this paragraph, unless the dealing is by a PDMR during a MAR Closed Period.
- (g) The person(s) from whom prior approval for a dealing is sought may, in their sole and absolute discretion, refuse to grant approval, impose conditions on an approval and revoke an existing approval. The timeframe within which an approved dealing must be undertaken will be determined by the person(s) who provided the approval and notified to the applicable Restricted Person.
- (h) In considering a request for approval, regard will be had to, among other things, the risk of insider trading or the appearance of insider trading. Any refusal to approve a dealing by a person from whom prior approval is sought **must** be kept confidential.
- (i) Restricted Persons are still responsible for complying with all applicable laws in respect of a proposed dealing notwithstanding any approval provided for the dealing.
- (j) If a Restricted Person comes into possession of Price Sensitive Information after receiving approval, they must not proceed with the approved dealing.
- (k) Any Restricted Person who deals in Base securities **must** notify the Company Secretary without delay in writing of the details of the transaction. The details of the transaction which need to be confirmed in writing to the Company Secretary include the following:
  - (i) the person's name;
  - (ii) the name of any person who dealt on their behalf;
  - (iii) details of the holder of the interest in securities the subject of the dealing;
  - (iv) the nature of the transaction;
  - (v) the date of the dealing;
  - (vi) the number of securities subscribed for, bought or sold;
  - (vii) the amount paid or received for those securities;
  - (viii) the number of securities held by the relevant person (directly or indirectly) before and after the dealing; and
  - (ix) any other information requested for the purposes of compliance with ASX, AIM and MAR requirements.
- (l) This notification obligation for Restricted Persons operates **at all times** and irrespective of whether clearance for the dealing was required pursuant to this Standard.
- (m) The form to complete and send to the Company Secretary for the purposes of the notification in paragraph 6(i) is the Details of Dealings in Base Securities Form and is available on request from the Company Secretary.

## 7 NOTIFICATION REQUIREMENTS FOR DIRECTORS AND OTHER PDMRS

- (a) Directors of Base and other PDMRs must notify the Company Secretary in accordance with paragraph 6(i) immediately where **they** or a **person closely associated** with them acquires or disposes of a relevant interest in any securities of Base to ensure that the notification requirements of ASX, AIM, MAR and the UK Financial Conduct Authority (**FCA**) are met.
- (b) To avoid doubt, these notification requirements apply irrespective of whether approval for the dealing is required under paragraph 6.
- (c) **PDMRs** for the purpose of this Standard means:
  - (i) the Directors and the Company Secretary of Base, and Base's other key management personnel from time to time; and
  - (ii) any other senior executive who has regular access to Price Sensitive Information and power to take managerial decisions affecting the future developments and business prospects of Base, as notified to such individuals from time to time.
- (d) A **person closely associated** means a:
  - (i) spouse, or a partner considered to be equivalent to a spouse;
  - (ii) a dependent child;
  - (iii) a relative who has shared the same household for at least one year on the date of the transaction concerned; or
  - (iv) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a PDMR or by a person referred to in subparagraphs (i), (ii) or (iii), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.
- (e) Under MAR, dealings in Base securities over €5,000 within a calendar year by PDMRs or a person closely associated must be notified within three business days on AIM and to the FCA through its website.
- (f) The ASX Listing Rules require Base to notify ASX within five business days after any dealing in securities of Base (either personally or through an associate) which results in a change in the relevant interests of a Director in Base securities.
- (g) The Company Secretary will arrange for lodgement of any required notification to ASX and AIM within the prescribed time periods. Notification to the FCA is the individual responsibility of the PDMR or the person closely associated with them (as the case may be). The Company Secretary will, following a request, assist with providing such notification.
- (h) PDMRs must provide the Company Secretary with a list of the persons closely associated with them and notify Base of any changes that need to be made to that list.
- (i) PDMRs must notify the persons closely associated with them of their notification obligations under MAR.

## 8 MATERIAL CHANGES TO THE SECURITIES TRADING STANDARD

For the purposes of the ASX Listing Rules, amendments to this Standard that would constitute a material change and which would require that the amended standard be given to ASX for release to the market include:

- (a) changes to the periods specified in this Standard when Base Personnel are prohibited from trading in Base securities;

- (b) changes with respect to the trading that is excluded from the prohibitions or clearance requirements; and
- (c) changes with respect to the exceptional circumstances in which Restricted Persons may be permitted to trade during a Prohibited Period.

## 9 EFFECT OF COMPLIANCE WITH THIS STANDARD

Compliance with this Standard does not absolve that individual from complying with the law, which must be the overriding consideration when dealing in Base securities.

## 10 CONSEQUENCES

Strict compliance with this Standard is mandatory for **all** Base Personnel and Base Associates.

A breach of this Standard may result in a contravention of the Corporations Act or MAR and is a serious matter, which may result in criminal or civil liability for those involved. A breach of this Standard may also damage Base's reputation in the investment community and undermine general confidence in the market for Base securities. Therefore, any breach of this Standard will be taken seriously and the individual(s) involved will be subject to disciplinary action, including possible termination of their employment or appointment.

## 11 REVIEW AND APPROVAL

This Standard will be reviewed annually. Any amendment requires Board approval.

## 12 SUPPORTING DOCUMENTS

- Code of Conduct – BPOL010
- Securities Trading Process
- Form: Request for Approval to Deal in Base Resources Securities
- Form: Details of Dealings in Base Securities