

Policies & Standards

SECURITIES DEALING POLICY

1. Introduction

This document sets out the Company's policy on its directors and employees buying, selling and otherwise dealing in the Company's Securities.

Directors and employees are encouraged to be long-term holders of the Company's Securities. However, it is important that care is taken in the timing of any dealings in such Securities.

The purpose of this document is to assist directors and employees to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act.

This document provides a basic explanation of what constitutes insider trading and the Company's policy to prevent it, including:

- a description of what conduct may constitute insider trading;
- a description of the safest times for directors and employees to deal in the Company's Securities in order to minimise the risk of insider trading;
- a description of the times when Company policy restricts dealings in the Company's Securities; and
- the steps for directors and employees to take when dealing in the Company's Securities.

Paragraph 6 below sets out some definitions which apply in this document.

2. What is Insider Trading?

2.1 Prohibition

In broad terms, a person will be guilty of insider trading if:

- a. that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of a company's Securities (ie, information that is 'price sensitive'); and
- b. that person:
 - i. applies for, acquires or disposes of those Securities or agrees to do so;
 - ii. procures, encourages, incites or induces any other person (for example, a family member, friend, or family company or trust) to do any of the above things; or
 - iii. directly or indirectly communicates that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to use the information to do any of the above things.

Information is generally available where the information is:

- readily observable; or
- made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in the relevant company's Securities or Securities of a kind similar to the relevant company's Securities, and a reasonable period has elapsed to allow the information to be disseminated; or
- able to be deduced, concluded or inferred from those types of information.

2.2 Penalties

Insider trading is a criminal offence.

The criminal penalties for a breach of the insider trading prohibition include:

- for an individual – a fine of up to \$220,000 and a jail term of up to 5 years; and
- for a corporation – a fine of up to \$1,100,000.

In addition, the insider trader, and any other persons involved in the contravention, may also be liable to compensate third parties for any resulting loss.

2.3 Examples

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's Securities:

- the Company's financial results or dividend materially exceeding (or falling short of) the market's expectations;
- the Company considering the acquisition, expansion or disposal of an interest in a major project;
- the threat of major litigation by or against the Company;
- a substantial change to the terms of the AWAC agreements or the AWAC partnership;
- the likely discovery of a major ore body.

2.4 Dealing through third parties

A person does not need to be a director or employee of the Company to be guilty of insider trading in relation to the Company's Securities. The prohibition extends to dealings by directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies.

2.5 Information however obtained

It does not matter how or where the person obtains the information - it does not have to be obtained from the Company to constitute inside information.

2.6 Equity incentive schemes

The prohibition does not apply to applications for, and acquisitions under such applications of, Securities by employees under an equity incentive scheme operated by the Company. However, the prohibition will apply to the disposal of Securities acquired under such a scheme. It could also apply to the exercise of options over or other rights to acquire Securities granted under an equity incentive scheme.

3. Policy for Dealing in the Company's Securities

3.1 General rule

Directors and employees of the Company must not deal in the Company's Securities when they are in possession of price sensitive information which is not generally available to the market.

3.2 Safest times to deal in the Company's Securities

Strictly speaking, there is no particular time during which it is safe to deal in the Company's Securities. The sole test is whether, at the particular time, a director or employee is in possession of price sensitive information which is not generally available in the market.

As a matter of practice, however, the following periods are the most appropriate times for directors and employees to deal in the Company's Securities:

- in the four weeks following the release of the annual results;
- in the four weeks following the release of the half-yearly results;
- in the four weeks following the annual general meeting.

Even at these times, it is important to be aware that there may be occasions when it is not proper for directors or employees to deal in the Company's Securities because of their knowledge of impending or actual developments which are not known in the market place. There are, of course, times when a company is considering a major event (such as those referred to in paragraph 2.3 above) and will not advise the market of this until the occurrence of the event is more certain.

3.3 Restrictions on dealing in the Company's Securities

Directors and employees must not deal in any of the Company's Securities during a "closed" period. A "closed" period is the period from the end of the financial year or half financial year to the time of release of the annual or half year results.

3.4 Exception for equity incentive schemes

The restrictions in paragraph 3.3 above and the requirements of paragraph 4 below do not apply to the application for, and the acquisition under such application of, Securities offered under an equity incentive scheme operated by the Company. Nor do they apply to the automatic vesting of rights under an equity incentive scheme (ie, where no exercise is required to acquire the underlying Securities).

Exercise of options over or other rights to acquire shares in the Company under an equity incentive scheme will, however, not be permitted during a closed period. The requirements of paragraph 4 below will also apply to exercise of such options or rights.

Any other dealings with Securities granted under an equity incentive scheme (including Securities acquired upon exercise or vesting of options or rights) will be subject to the requirements of this document, including the restrictions that apply during closed periods, as well as the requirements of the insider trading prohibitions.

3.5 No short-term dealing in the Company's Securities

It is also contrary to Company policy for directors and employees to be engaged in short-term dealing in the Company's Securities (ie dealing in the same Securities within a 12 month period). This prohibition does not restrict the vesting or exercise of options over or other rights to acquire shares in the Company under an equity incentive scheme operated by the Company, and the subsequent disposal of those shares within a 12 month period. Similarly, the sale of such shares at the end of a restriction period applying under such a scheme is not prohibited.

3.6 Dealing in products relating to the Company's Securities

Directors and employees are prohibited from:

- dealing in financial products issued or created over the Company's Securities by third parties; and
- entering into transactions in financial products which operate to limit the economic risk of their holdings of the Company's Securities.

4. Disclosure Policy

Any director or employee wishing to deal in the Company's Securities must advise the Chairman (in the case of directors) or the Managing Director (in the case of an employee) of their intention to do so before dealing in such Securities. The Chairman shall advise the Managing Director if he is wishing to deal in the Company's Securities. If the Chairman is unable to be advised by directors, the Managing Director shall be advised. In the case of employees, if the Managing Director is unable to be advised, the Company Secretary shall be advised. This notification obligation operates at all times (even during the periods specified in paragraph 3.2 above).

Directors and employees must not deal in the Company's Securities until approval has been given by the Chairman, Managing Director or Company Secretary (as the case may be). Clearance must not be given to deal in the Company's Securities during:

- any closed period;
- any period when there exists any matter which constitutes unpublished price sensitive information in relation to the Company's Securities; or
- any period when the proposed dealing is in breach of this document.

This procedure should prevent potential embarrassment and adverse publicity concerning dealing in the Company's Securities when, for example, there may be important corporate information (whether or not material in a legal context) not publicly released, or when projected financial results may deviate from market expectation.

5. ASX Notification by Directors

Broadly speaking, the Corporations Act obliges a director to notify the ASX within 14 days after their appointment of the director's relevant interests in securities of the Company (including shares, options and debentures) and of the director's interests in contracts relating to shares or debentures of the Company. The director must also notify the ASX within 14 days after any change in such interests.

In addition, under the ASX Listing Rules the Company is required to notify the ASX of such matters within 5 business days after the director's appointment or the change occurring (as applicable). Directors have agreed with the Company to provide notice of such matters to the Company as soon as possible to enable the Company to comply with its obligations under the Listing Rules. A notice given by the Company to the ASX under the ASX Listing Rules satisfies the director's obligations to notify the ASX under the Corporations Act.

Any director requiring assistance in this regard should contact the Company Secretary.

6. Definitions

For the purposes of this document, the following terms have the meaning set out below:

Corporations Act means the Corporations Act 2001 (Cth).

deal includes, in relation to Securities, an acquisition or disposal of the Securities, or the entry into any agreement to do any of those things.

Securities include shares, options over shares, rights to acquire shares, debentures, derivatives and other financial products covered by section 1042A of the Corporations Act.