

SECURITIES TRADING POLICY

Purpose

The purpose of this Policy is to:

- a) provide a brief summary of the law which prohibits insider trading;
- b) set out restrictions on dealing in securities by key management personnel of the Company; and
- c) assist in maintaining market confidence in the integrity of dealings in the Company's securities.

Policy

Whenever a person has inside information which may affect the value of securities, they must not:

- a) deal in those securities; or
- b) communicate the information to anyone else

This rule applies regardless of how the inside information was obtained. It applies not only to the Company's securities but also to the securities of other companies.

Who Is Covered By This Policy

This policy applies to Restricted Persons - the key management personnel of the Company. This includes all Directors, executive employees, contractors, consultants and employees.

Not only does this policy cover a Restricted Person of the Company but it applies equally to any dealings by their:

- a) spouses – marriage or de facto;
- b) dependents under the age of eighteen (18) years old; and
- c) related parties (as defined in the Corporations Act 2001) - for example if a Restricted Person is a trustee of a trust and is also a beneficiary of the trust, the Restricted Person must not purchase or procure the purchase of securities on behalf of the trust.

The Securities Covered By This Policy

This Policy applies to the following securities:

- a) Company securities;
- b) Any other securities issued by the Company, such as options;
- c) Derivatives and other financial products issued or created over or in respect of the Company's securities; and
- d) Securities of any other company or entity that may be affected by inside information.

Inside Information

Inside information is information that:

- a) is generally not available to people who commonly invest in securities; and
- b) if it was generally available, would or likely to have a material effect on the price or value of the Company's securities and would influence persons who commonly invest in financial products whether or not to do so.

It is irrelevant how or in what capacity the person came into possession of the information.

Determining what is inside information can at times be subjective and not only does one need to consider the financial impact of the information but also the strategic and other implications can be equally important in determining what amounts to inside information.

Inside information about the Company could include:

- a) Proposed changes in the capital structure, capital returns and buy backs of financial products;
- b) Information relating to its financial results;
- c) Material (more than 5%) changes in its financial forecasts or expectations;
- d) A material acquisition, divestment or realisation of assets;
- e) Material drill results or the likely discovery of a major ore body;
- f) Proposed dividends and share issues;
- g) Changes to the Board;
- h) Possible events which could have a material impact on profits (negatively or positively);
- i) Proposed changes in the nature of the business;
- j) Notification of changes by a substantial shareholding;

k) Any information required to be announced to the market pursuant to ASX Listing Rule 3.1.

Restricted Persons must not engage in short term or speculative dealing in the Company's securities.

Available Information

Information relating to the Company that would fall outside the ambit of inside information is that which is available after it has been released to the Australian Securities Exchange (ASX) and the ASX has fully disseminated that information to the market.

The Law

The principal insider trading prohibition in Australian law is contained in section 1043A of the Corporations Act.

The Corporations Act contains provisions which prohibit a person in possession of inside information relating to a company from dealing in any way with shares, options or other securities issued by that company or issued or created over the company's securities by third parties.

In very broad terms insider trading will be committed, when a person:

- a) Deals in securities or securities of another entity whilst having inside information; or
- b) Tips – communicates inside information to another person knowing that the other person would or likely to use that information to deal in, or procure someone else to deal in securities.

Dealings in The Company's Securities

Dealing in the Company's Securities includes:

- a) trading in securities encompassing subscribing for, buying, selling or entering into an agreement to do any of those things; and
- b) communicating through advising, procuring or encouraging any other person to trade in the Company's securities.

Communicating to any other person includes: a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust.

Dealings in The Company's Securities By Restricted Persons

Prohibited Periods

Restricted Person must not trade in the Company's securities, or in financial products issued or created over or in respect of the Company's securities, during a Prohibited Period.

A Prohibited Period means any Closed Period or additional period when a Restricted Person is prohibited from trading, which is imposed by the Company from time to time when the Company is considering matters which are subject to Listing Rule 3.1A.

The Company's Closed Periods are:

- a) 14 calendar days prior to the release of the Company's quarterly reports;
- b) 14 calendar days prior to the release of the Company's half year financial results; and
- c) 14 calendar days prior to the release of the Company's full year financial results.

Trading with permission during a Prohibited Period

In exceptional circumstances clearance may be given for a Key Management Person to trade securities when they would otherwise be prohibited. Clearance to trade securities in exceptional circumstances in a Prohibited Period can only be granted in relation to sales of securities but not in the case of purchases of securities.

Exceptional circumstances where clearance may be granted for the trading of securities during a Prohibited Period can include, but are not limited to, where:

- a) the sale of the Company's securities is necessary to alleviate severe personal hardship;
- b) the Key Management Person has entered into a binding commitment prior to the Company being in a Prohibited Period;
- c) the Key Management Personnel is required by a court order, or there are court enforceable undertakings to transfer or sell the securities of the Company or there is some other overriding legal or regulatory requirement to do so; and
- d) there are other circumstances where the proposed sale or disposal of the relevant securities is the only reasonable course of action available.

The determination on whether to give clearance for trading during a prohibited period under exceptional circumstances must be made by either the Chairman or Managing Director and one other non-executive director, none of which can be the Key Management Person seeking clearance. Consideration will be given to whether the sale or disposal of the relevant securities is the only reasonable course of action available to the Key Management Person.

Permission for trading must be evidenced by prior written communication, whether by letter, facsimile, e-mail, or other visible form of communication.

Requirements prior to trading

Before trading, or giving instructions for trading in the Company's securities, a director must:

- notify the Chairman in writing of his intention to trade;
- confirm that he does not hold any unpublished price sensitive information;
- have been advised by the Chairman that there is no reason to preclude him from trading in the Company's securities as notified; and

- comply with any conditions on trading imposed by the Chairman.

Where the Chairman intends to trade in the Company's securities, he must notify and obtain clearance in the abovementioned manner from the Managing Director before trading, or giving instructions for trading.

In the case of any other Key Management Personnel, they must notify and obtain clearance from the Managing Director before trading, or giving instructions for trading.

Notifications prior to trading must be evidenced by prior written communication, whether by letter, facsimile, e-mail, or other visible form of communication.

Notification of trading

As required by the Corporations Act and the ASX Listing Rules, directors must notify the Company Secretary of any dealings in the Company's securities immediately and in any event within five business days of the date of any such dealings.

Trading Under Exceptional Circumstances

A Restricted Person who is not in possession of inside information in relation to the Company may be given prior written clearance to sell or dispose of their securities outside the Trading Windows where there are exceptional circumstances.

Examples of what constitutes exceptional circumstances are:

- severe financial hardship which means a Restricted Person has a pressing financial commitment that cannot be satisfied otherwise than by selling the Securities;
- court order requiring the sale or transfer of the securities; or
- a situation determined by the Chairperson or Managing Director to be an exceptional circumstance.

Trading under exceptional circumstances must be made in writing (including electronic format) to the Managing Director through the Company Secretary. Retrospective approval can not be granted, the approval to sell or dispose of securities must be obtained in advance of the trade.

The application must include:

- the name of the Restricted Person;
- whether the interest in the Company's Securities held by the Applicant is direct or indirect (and if it is indirect, the circumstances giving rise to the interest);
- a description of the sale or disposal;
- the proposed date of the sale or disposal;
- the number of Securities to be sold or disposed of;
- the amount to be paid or received for the Securities; and

- the number of Securities held by the Applicant, directly and indirectly, before and after the sale.

Written approval (including electronic format), if granted will expire within 14 (fourteen) days of being granted or such shorter or longer period as specified.

Trading Excluded from the Policy

The following types of trading in Company's securities are specifically excluded from the operation of the Trading Policy:

- a) the issue of securities under the Employee Share Option Plan;
- b) transfers of securities already held into a superannuation fund or other saving scheme in which the member of Personnel is a beneficiary;
- c) undertakings to accept, or the acceptance of, a takeover offer;
- d) 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 investment plan (DRP) and 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 securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- f) the exercise (but not the sale of securities following exercise) of an option or a 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 Closed Period and where the member of Personnel could not reasonably have been able to exercise at a time when free to do so; and
- g) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
 - i. Personnel did not enter into the plan or amend the plan during a Trading Window; and
 - ii. the trading plan does not permit Personnel to exercise any influence or discretion over how, when, or whether to trade.

ASX DISCLOSURE OBLIGATIONS

The acquisition or sale of securities by Directors must be disclosed to the ASX under Listing Rule 3.19A within five (5) business days of the transaction taking place.

The details of the dealing must be provided to the Company Secretary as soon as possible after the dealing to allow the Company Secretary adequate time to complete and release of the documentation to the ASX on the Director's behalf. Details of any changes in Directors' interest in the Company's securities must be noted in the Board minutes of the next meeting.

Restricted persons with a substantial shareholding in the Company's securities (more than 5% of the issued capital) are also required to comply with the substantial shareholding notification provisions of the Corporations Act 2001 when there is a change in their holding. In this instance a notice must be provided to the ASX and to the Company in the prescribed form within two (2) business days of the change.

OTHER OBLIGATIONS

Restricted Persons are prohibited from hedging their incentive based remuneration by entering into "arrangements" that limit their exposure to risk relating to their remuneration that is unvested (due to time or other conditions) or is subject to a holding lock, ensuring that the actual level of executive remuneration is solely linked to performance. The "arrangements", will include a put option on incentive remuneration and income protection insurance contracts in which the insurance risk event effects the financial value of remuneration or an equity related instrument.

Restricted Persons also owe a duty of confidentiality to the Company. Restricted Persons must not reveal any confidential information concerning the Company, use that information in any way that may cause loss to the Company or use that information to gain an advantage for themselves.

In addition, a breach of the prohibitions contained in the Corporations Act is a criminal offence punishable by imprisonment for up to five years, a fine of up to \$220,000, or both.

Strict compliance with the Trading Policy is mandatory for all Restricted Persons covered by the Policy. Breaches of the Policy may damage the reputation of the Company in the investment community and undermine confidence in the market for the Company's securities.

Breaches of the policy will be taken very seriously and will be subject to disciplinary action, including possible termination of employment. Reports of any breaches of the Policy will be forwarded to the Audit and Risk Management Committee.

REVIEW OF THIS POLICY

This Policy will be reviewed regularly by the Company's Directors having regard to the changing circumstances of the Company and any changes to this Policy will be notified to affected persons in writing.

If Directors and Senior Executives have any comments or views concerning the operation or effectiveness of this Policy, they should be communicated to the Company Secretary.

LAST UPDATED:

April 2013