

A1 Minerals Limited  
**SECURITIY TRADING POLICY**

**Buying and Selling Securities in A1 Minerals Limited (“the Company”)**

1. *Introduction*

This policy sets out the Company’s policy on the sale and purchase of securities (includes shares and options) in the Company by its directors and employees.

Directors and employees are encouraged to be long-term holders of the Company’s shares and /or options. However, it is important that care is taken in the timing of any acquisition or sale of such securities.

The purpose of this policy 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 note 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 buy or sell securities in the Company in order to minimise the risk of insider trading;
- a description of the times when Company policy restricts trading in the Company’s securities; and
- the steps for directors and employees to take when buying or selling securities in the Company.

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:

For personal use only

A1 Minerals Limited  
**SECURITY TRADING POLICY**

- (i) buys or sells securities in the company (which includes shares, options and warrants);
- (ii) procures someone else to buy or sell 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.

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 Company's securities or securities of a kind similar to the 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, such as the Brightstar Project;

For personal use only

A1 Minerals Limited  
**SECURITIY TRADING POLICY**

- the commencement or threat of major litigation by or against the Company;
- a substantial change to the terms of the any significant agreements to which the Company is a party, including any production or construction contracts; or
- the likely discovery of a major ore body or results of any exploration on any ore body.

All employees need to be aware of the above examples and note that they are by no means an exhaustive list of all actions that may constitute insider trading.

#### 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 securities in the Company. 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 Employee share schemes

The prohibition does not apply to subscriptions for shares by employees made under an employee share scheme. However, the prohibition will apply to the disposal of shares acquired under such a scheme. It could also apply to the exercise of employee options.

### 3. *Policy for trading in the Company's securities*

#### 3.1 General rule

Directors and employees of the Company must not buy or sell securities in the Company 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.

For personal use only

A1 Minerals Limited  
**SECURITIY TRADING POLICY**

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

- 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 trading in the Company's securities

Directors and employees must not trade in any of the Company's securities during a "close" period. A "close" 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 No short-term trading in the Company's securities

It is also contrary to Company policy for directors and employees to be engaged in short-term trading of the Company's securities (ie. buy and sell the securities within a 12 month period).

### 3.5 Trading in products relating to the Company's securities

Directors and employees are prohibited from:

- i) trading in financial products issued or created over the Company's securities by third parties, or trading in associated products.
- ii) Entering into transactions in associated products which operate to limit the economic risk of their security holdings in the Company.

## 4. *Disclosure policy*

Any director or employee wishing to buy or sell the Company's shares or exercise options over the Company's shares must advise the Chairman (in the case of directors) or the Finance Director (in the case of an employee) of their intention to do so before buying or selling the shares or exercising options. The Chairman shall advise the Finance Director if he is wishing to buy or sell the Company's shares or exercise options over the Company's

A1 Minerals Limited  
**SECURITY TRADING POLICY**

shares. If the Chairman is unable to be advised by directors, the Finance Director shall be advised.

In the case of employees, if the Finance 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 buy or sell the Company's securities or exercise options until approval has been given by the Chairman or Finance Director (as the case may be).

Clearance by any party must not be given to trade in the Company's shares or other securities during:

- any close 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 policy.

This procedure should prevent potential embarrassment and adverse publicity concerning trading the Company's shares 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*

The Corporations Act obliges a director to notify the ASX within 14 days after any dealing in the Company's shares (either personally or through a third party) which results in a change in the relevant interests of the director in the Company's shares.

In addition, under the ASX Listing Rules the Company is required to notify the ASX of such dealings within 5 business days of such dealings taking place.

Directors have agreed with the Company to provide notice of such dealings to the Company as soon as possible after such dealings 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.

For personal use only