

**AUSTRALASIAN RESOURCES LTD**  
**ABN: 46 008 942 809**

**Trading in Australasian Resources Securities**  
**Security Trading Policy**

**1. Introduction**

The employees and directors of Australasian Resources Limited (“ARH” or “Company”) may have in their possession sensitive commercial information which could materially affect the value of ARH securities. The Corporations Act 2001(CA) prohibits insider trading in relation to financial products including securities. The provisions are wide ranging and breaches are serious offences.

This document:

- (a) provides an outline of the insider trading and other relevant provisions of the Corporations Act; and
- (b) sets out the rules relating to dealings by employees and directors in securities issued by ARH.

This policy is designed to assist in preventing breaches of the insider trading provisions of the Corporations Act. Ultimately it is the responsibility of the employee and director to ensure that none of his or her dealings could constitute insider trading.

In this Policy “Key Management Personnel” means a director, executive or senior manager of the Company, or such other person who is “key management personnel” within the meaning of Accounting Standard AASB 124.

**2. Insider Trading Prohibition**

**2.1 The Nature of the Prohibition**

Section 1043A (of Part 7.10, Division 3) of the Corporations Act makes it an offence for a person in possession of information that is not generally available but which, if generally available, might materially impact the price or value of a financial product to:

- trade in (i.e. apply for, acquire or dispose of, or enter into an agreement to do any of these things); or
- procure another person to trade in, financial products (collectively referred to as “deal in financial products”).

It is also an offence to “tip” the information to another person with the knowledge that the person could deal in financial products. Accordingly the effect of this section cannot be avoided by simply getting another person to deal on your behalf.

**2.2 How You Become Aware of the Information is Irrelevant**

It is irrelevant how or in what capacity the person comes into possession of the information. This means that Section 1043A will apply to any employee or director who acquires “inside information” in relation to ARH securities, no matter in which capacity and is prohibited from dealing in those securities.

## 2.3 Information Which Might Affect Price Value

The prohibition referred to in this policy refers to unpublished information which, if generally available, might materially impact the price or value of ARH securities.

## 2.4 What Does Information Include?

“Information” includes matters of supposition or speculation and matters relating to the intentions or likely intentions of a person.

## 2.5 What Information Might Materially Affect Price or Value?

This means information that a reasonable person would expect to have a material effect on the price or value of ARH securities. A reasonable person would be taken to expect information to have a material effect on price or value if the information would be likely to influence persons who commonly invest in securities whether or not to do so.

Examples of this type of information which might affect the price or value of ARH securities include:

- proposed changes in capital structure, capital returns and buy backs;
- information relating to ARH’s financial results;
- a material acquisition, divestment or realisation of assets;
- proposed dividends and share issues;
- changes to the Board;
- possible events which could have a material impact on profits (negatively or positively) e.g, loss of a major customer;
- proposed changes in the nature of the business of ARH;
- notification to ARH of a substantial shareholding; and
- any information required to be announced to the market pursuant to ASX Listing Rule 3.1.

## 2.6 What does “Unpublished” Mean?

“Unpublished” for this purpose means that the information is not generally available. Information is generally available if it consists of readily observable matter, or it has been disseminated in a manner likely to bring it to the attention of investors and a reasonable period has elapsed.

ASX publishes information to the market by releasing ARH announcements through the Company Announcements Platform. All announcements by ASX are available on [www.asx.com.au/shareholder/ASXannouncements](http://www.asx.com.au/shareholder/ASXannouncements).

## 3. Dealing In Securities Issued by ARH

### 3.1 No Dealing Permitted During Closed Periods

Subject to this policy, Key Management Personnel are permitted to deal in ARH securities throughout the year except during the periods identified below. In setting these times, the Board is cognisant that at this stage ARH is not a trading entity but rather is in exploration and development mode. Accordingly the prescribed times for non trading are relevant to its current state and these will be amended at the appropriate time to reflect the Company’s transition to a trading operation.

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In summary the periods where trading is forbidden are;

- (a) the commencement of the 2 week period preceding the announcement of:
- (i) the annual results; and
  - (ii) the half yearly results; and
  - (iii) the quarterly cash flow statements released to the ASX in the form of Appendix 5B.
- ending once the statement has been lodged on the ASX announcements platform, and;
- (b) prior to the making of any JORC Resource and/or Reserve Statement and ending once the statement has been lodged on the ASX announcements platform.

Each period above is referred to as a "Closed Period". The period where dealing is permitted is called a "Trading Period".

### 3.2 Notice of Closed Period

Notice of the commencement and closure of the Closed Period will be sent by email and/or facsimile to Key Management Personnel Where an employee does not have email access it is the manager's responsibility to inform the employee.

### 3.3 Prohibition in Dealing While in Possession of Relevant Information

Dealing in ARH securities is subject to the prohibition that Key Management Personnel must not deal in ARH securities:

- at any time when he or she is in possession of unpublished, information which, if generally available, might materially affect the price or value of those ARH securities; and
- on the day the public announcement is made in relation to that matter until the statement has been lodged on the ASX announcements platform.

### 3.4 Prohibition on Active Dealing

Dealing during a Trading Period is subject to the prohibition that Key Management Personnel must not actively deal in ARH securities with a view to deriving profit related income from that activity.

"Actively Deal" for this purpose means to deal in ARH securities in a manner which involves frequent and regular trading activity.

### 3.5 Exceptional circumstances

Dealing in company securities by Key Management Personnel during a Closed Period may be permitted with the prior written approval of the Chairman, or in his absence, the Board or the Managing Director, if the following exceptional circumstances apply:

- (a) severe financial hardship;
- (b) in order to comply an undertaking given to, or an order by, a court; or
- (c) such other exceptional circumstances as may from time to time be determined by the Chairman, or in his absence, the Board or the Managing Director.

Any such approval must be obtained in advance. It cannot be given after the event.

### 3.6 Confirmation of Dealing that has Occurred

ARH may require Key Management Personnel to provide confirmation of dealing in ARH securities by Key Management Personnel or their associate(s).

### 3.7 Notice of Change to Trading Period or Closed Period

The Closed Period, as outlined in Rule 3.1, may be extended or shortened or another Closed Period may be introduced at any time by direction of the Managing Director or the Chairman. Notice of such changes will be specified to employees by email and to directors by email and/or facsimile. Changes to the Closed Period or Trading Period are effective immediately upon the giving of such notice. Where an employee does not have email access it is the manager's responsibility to inform the employee.

A dealing during any such change remains subject to Rules 3.3 and 3.4.

### 3.8 Director Requirement to Report to the market – ASX Listing Rule 3.19A

In accordance with the Agreement between directors and ARH, directors are required to provide details of all changes to their interest in ARH securities registered in the name of the director or held on behalf of the director, directly or indirectly. The details must be provided as soon as reasonably possible after the date of the change and in any event no later than three business days after the change or another time frame agreed with Company Secretary which allows for compliance with the listing rule obligations.

### 3.9 Employees other than Key Management Personnel

Employees who are not Key Management Personnel may deal in company securities at any time provided the Employee notifies the Company Secretary before commencing the transaction and, after the transaction has occurred, provides confirmation of the trading. Employees are strongly advised to limit dealing in company securities to the Trading Periods referred to in paragraph 3.1 above. In any event, the Employees must not deal in Company securities at any time if the Employee is in possession of any inside information relating to those securities.

## 4. **Prohibition in Dealing in Financial Products Issued Over ARH Securities by Third Parties**

Employees and directors are not permitted to deal at any time in financial products such as warrants, futures or other financial products issued over ARH securities by third parties such as banks and other institutions traded on either ASX markets or any other market. An exception may apply where ARH securities form a component of a listed portfolio or index product.

## 5. **Exceptions to the Policy**

Employees and directors may at any time:

- (a) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares (but may not sell all or any of the shares received upon exercise of the options other than in accordance with this Policy);
- (b) acquire Company securities under a bonus issue made to all holders of securities of the same class;

- (c) acquire Company securities under a dividend reinvestment, plan, a rights issue or a share purchase plan that is available to all holders of securities of the same class;
- (d) acquire, or agree to acquire, options under a Company share option plan;
- (e) exercise options acquired under a Company share option plan (but may not sell all or any of the shares received upon exercise of the options other than in accordance with this Policy);
- (f) transfer Company securities already held into a superannuation fund or other saving scheme in which the employee or director is a beneficiary, subject to ensuring the transfer does not contravene the laws prohibiting insider trading;
- (g) invest in, or trade unit of, a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party; and
- (h) accept a takeover offer.

## 6. Related Parties and Relevant Interests

The restrictions on dealings by an employee or director are equally applicable to any dealings:

- (a) by their spouses or de facto spouses;
- (b) by or on behalf of any dependant under 18 years of age; and
- (c) any other dealings in which, for the purposes of the Corporations Act, he or she is or is to be treated as interested. For example, if an employee or director is a trustee of a trust and is also a beneficiary of the trust, the employee or director must not trade in ARH securities on behalf of the trust without reference to this policy.

It is the duty of the employee and director to seek to avoid any such dealing at a time when he or she is himself or herself prohibited from dealing.

## 7. Employment and Monitoring of Compliance

To promote understanding of the insider trading prohibition, related Corporations Act provisions and ARH policy, a copy of this document will be distributed to all employees and directors (present and future). All new employees and directors will receive a copy of this document with their employment or appointment letter.

## 8. Conclusion

Compliance with the rules set out in this document is mandatory. Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both. Failure to comply with this policy could have a damaging impact on perception of ARH within the investment community.

Any employee or director who does not comply with the Dealing Rules set out in this document will be considered to have engaged in serious misconduct which may result in the termination of their engagement by ARH.