

## **TRADING IN COMPANY SECURITIES**

## JINDALEE RESOURCES LIMITED

### POLICY ON TRADING IN COMPANY SECURITIES

#### 1. Purpose & Scope

The Company wishes to ensure that its stakeholders have confidence in the trading activities of directors, officers and employees in respect to the Company's securities.

This policy regulates dealings by directors, officers and employees in securities issued by the Company and in certain circumstances, this policy also applies to contractors, consultants and advisors.

The Company acknowledges that from time to time, directors, officers and employees may hold securities in the Company and that most investors are encouraged by these holdings. It is the individual director, officer or employee's responsibility to ensure that any trading of the Company's securities by the director, officer or employee complies with the Corporations Act 2001, the Australian Securities Exchange ("ASX") Listing Rules and Company Policy.

The Company further acknowledges that from time to time directors, officers and employees may in the course of their duties be made aware of information in respect of the Company, which for a period of time may not be disclosed to the public under the terms of the continuous disclosure regulations of the Australian Securities Exchange.

#### 2. Insider trading laws

Insider trading laws cover inter alia, all directors and employees of the Company. If a person is in possession of any unpublished price-sensitive information, it is a criminal offence to take advantage for personal gain or that of an associate.

Price-sensitive information is any information which if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company's securities, or would be likely to influence a person in deciding whether to buy or sell the Company's securities.

By way of guidance, 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 materially affect the price of the Company's securities:

- the Company considering the acquisition, expansion or disposal of an interest in a major project.
- the likely discovery of a major ore body.
- the threat of major litigation by or against the Company.
- changes to the Board, management or auditors.
- the Company's financial results materially exceeding (or falling short of) market expectation.

While in possession of price sensitive information a person must not:

- trade in the Company's securities;
- procure another person to acquire or sell the Company's securities; or
- communicate the price sensitive information to another person.

Other persons include partners, children, other relatives, family companies, trusts, superannuation funds and other entities or ventures in which you are in any way interested. However, note that the prohibition extends to all third persons such as friends, acquaintances and business associates.

Insider trading is a criminal offence. 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 inside trader and any other person involved in the contravention, may also be subject to civil liability.

### 3. Confidential information

Employees and directors also have a duty of confidentiality to the Company. A person must not reveal any confidential information concerning the Company and/or use that information in any way which may cause loss to the Company, or use that information to gain an advantage for themselves or anyone else.

With the increasing tendency for business to be conducted in more informal settings, employees and directors should keep in mind that extra vigilance is required to ensure that confidential information, and in particular price sensitive information, is not disclosed through carelessness or inadvertence (eg. through eavesdropping on conversations).

### 4. Limiting risk

Employees, directors and officers must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Chairman.

### 5. Other Securities

A director, officer or employee is also prohibited from trading in securities in any company where they are aware of non-public information regarding investigations or negotiations being made by the Company or any of its related entities into that company.

This restriction also extends to Company interests held in joint ventures and any trading in the securities of joint venture partners where there is awareness of non-public information.

### 6. Closed Periods

A director, officer or employee 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) The period of 2 days before the release of a price sensitive report or ASX announcement by the Company and at least 1 trading day after the release of a price sensitive report or ASX announcement by the Company. For the purpose of this section, an officer or employee includes only those officers and employees who are at the time aware of the price sensitive information concerning the Company.

- b) Additional closed periods when the director or officer is prohibited from trading, which are imposed by the Company from time to time when the Company is considering matters which are subject to Listing Rule 3.1A.

#### 7. Exceptional Circumstances

In exceptional circumstances, the Chairman (or the Managing Director where applicable) may provide written clearance to a Restricted Person to trade in a Closed Period if:

- a) the sale of the Company's securities is necessary to alleviate severe personal hardship;
- b) the Restricted Person has entered into a binding commitment prior to the Company being in a Closed Period where it was not reasonably foreseeable at the time the commitment was made that a Closed Period was likely;
- c) the Restricted Person 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 for him or her to do so;
- d) there are other circumstances which have not been identified in this Trading Policy, that are deemed exceptional by the Chairman, or the Managing Director where the Chairman is involved, and the proposed sale or disposal of the relevant securities is the only reasonable course of action available.

#### 8. Requirements before trading

Before trading, or giving instructions for trading in the Company's securities employees should advise the Company Secretary prior to trading and provide confirmation when the dealing has taken place.

In the case of Directors and the Company Secretary:

- a) a director must notify the Chairman in writing of his/her intention to trade;
- b) confirm that he/she does not hold any inside information;
- c) have been advised in writing by the Chairman (such response to be provided as soon as possible upon receipt of notification but in any event no more than 48 hours after receipt of notification) that there is no reason to preclude him/her from trading in the Company's securities as notified;
- d) comply with any conditions on trading imposed by the Chairman (including, for example, any time limits applicable to the clearance).

Where the Chairman intends to trade in the Company's securities, he must notify and obtain clearance in the abovementioned manner from at least one other member of the Board before trading, or giving instructions for trading.

In the case of any other Restricted Person, he/she must notify and obtain clearance from the Company Secretary before trading, or giving instructions for trading.

All responsibility for share trading rests with the individual.

Written clearance under this Trading Policy via email is acceptable.

9. Additional trading restrictions for Directors and some Employees

Additional restrictions on trading in the Company's securities apply to directors of the Company, all executives reporting directly to the Managing Director and any other employees, consultants or advisors of the Company considered appropriate by the Managing Director and Company Secretary from time to time (Restricted Persons).

Restricted Persons generally hold positions where it can be assumed that they will have inside information regarding the Company. Accordingly, additional requirements apply for any proposed trading in shares by Restricted Persons.

10. Notification of Trading

Directors must notify the Company Secretary of any dealings in the Company's securities immediately as any such dealings occur. The Directors appoint the Company as their agent for the purposes of compliance with the disclosure requirements on Directors share trading contained in ASX Listing Rule 3.19. Directors shall be responsible for providing information to the Company Secretary in order for him/her to ensure compliance with the Listing Rules.

If the Director engaged in trading during a Closed Period, the Director must confirm to the Company Secretary that written clearance to trade was provided by the Chairman and the date on which this was provided.

11. Trading not subject to the Trading Policy

The following is excluded from the operation of this Trading Policy:

- a) transfers of securities of the Company already held in a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- c) where a Restricted Person is a trustee, trading in the securities of the Company by that trust provided that the Restricted Person is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- d) undertakings to accept, or the acceptance of a takeover offer;
- e) 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 reinvestment plan and an equal access buy back, where the plan that determines the timing and structure of the offer have been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the takeup of the balance of entitlements under a renounceable pro rata issue;
- f) disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;

- g) 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 the Company has been in an exceptionally long Closed Period or the Company has had a number of consecutive Closed Periods and the Restricted Person could not reasonably have been expected to exercise it at a time when free to do so;
- h) trading under a non-discretionary trading plan for which prior written clearance has been provided by the Board and;
- the Restricted Person did not enter the plan or amend the plan during a closed period;
  - the trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when or whether to trade; and
  - the trading plan cannot be cancelled during a Closed Period except in exceptional circumstances.

## 12. General

Employees, directors and officers should comply with the spirit and intent of this Policy. Breach of this Policy may result in disciplinary action which may include, depending on the severity of the breach, a range of actions from reprimand or formal warning, to termination of employment.

If there is any doubt as to the application of this Policy or in the case of suspected violation of this Policy, the matter should be referred to the Company Secretary. Senior Executives and Directors should contact the Chairman.

This policy is to be reviewed annually.