

## 1 Introduction

These guidelines set out the policy on the sale and purchase of Securities in the Company by the Company Personnel.

**Company Personnel** are those persons engaged by the Company on a full or part time basis and includes employees, contractors, consultants and management personnel controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Company Personnel 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 purchase or sale of such Securities.

The purpose of these guidelines is to assist Company Personnel to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act.

## 2 What types of transactions are covered by this policy?

This policy applies to the dealing in any Securities on issue of the Company and its subsidiaries from time to time. This includes applying for, acquiring or disposing of Securities and extends to forward contracts, granting and exercising options and hedging securities. **Securities** includes shares, options, warrants, rights, derivatives and other such financial instruments.

## 3 What is insider trading?

### 3.1 Prohibition

Insider trading is a criminal offence. It may also result in civil liability. 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 the Company's Securities (ie. information that is 'price sensitive'); and
- b) that person:
  - i. buys or sells Securities in the Company; or
  - 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.

### 3.2 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 materially affect the price of the Company's Securities:

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Page No:	<b>1 of 8</b>

- a) the Company considering a major acquisition;
- b) the threat of major litigation against the Company;
- c) the Company's revenue and profit or loss results materially exceeding (or falling short of) the market's expectations;
- d) a material change in debt, liquidity or cash flow;
- e) a significant new development proposal (eg. new product or technology);
- f) the grant or loss of a major contract;
- g) a management or business restructuring proposal;
- h) a share issue proposal;
- i) an agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement; and
- j) significant discoveries, exploration results, or changes in reserve/resource estimates from mining tenements in which the Company has an interest.

### **3.3 Dealing through third parties**

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as **Associates** in this Policy).

### **3.4 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.

### **3.5 Employee share schemes**

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

## **4 Guidelines for Trading in the Company's Securities**

### **4.1 General rule**

Company Personnel must not, except in exceptional circumstances, deal in Securities of the Company during the following periods:

- a) two weeks prior to, and 24 hours after the release of the Company's Annual Financial Report;
- b) two weeks prior to, and 24 hours after the release of the Half Year Financial Report of the Company; and
- c) two weeks prior to, and 24 hours after the release of the Company's quarterly reports,

(together the **Closed Periods**).

The Company may at its discretion vary this rule in relation to a particular Closed Period by general announcement to all Company Personnel either before or during the Closed Period. However, if any Company Personnel is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's Securities at **any** time.

The Board has the authority to impose additional Closed Periods from time to time.

#### **4.2 No short-term trading in the Company's Securities**

Company Personnel should never engage in short-term trading of the Company's Securities except for the exercise of options where the shares will be sold shortly thereafter.

#### **4.3 Securities in other companies**

Buying and selling Securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy Securities in either the Company or the other company.

#### **4.4 Exceptions**

- a) Company Personnel may at any time:
  - i. acquire ordinary shares in the Company by conversion of Securities giving a right of conversion to ordinary shares;
  - ii. acquire Company Securities under a bonus issue made to all holders of Securities of the same class;
  - iii. acquire Company Securities under a dividend reinvestment, or top-up plan that is available to all holders of Securities of the same class;
  - iv. acquire, or agree to acquire or exercise options under a Company employee option scheme;
  - v. withdraw ordinary shares in the Company held on behalf of any Company Personnel in an employee share plan where the withdrawal is permitted by the rules of that plan;
  - vi. acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;

- vii. transfer Securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
  - viii. make an investment in, or trade 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;
  - ix. where a restricted person is a trustee, trade in the Securities of the Company by that trust, provided 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;
  - x. undertake to accept, or accept, a takeover offer;
  - xi. trade 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 has 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 take up of the balance of entitlements under a renounceable pro rata issue;
  - xii. dispose of Securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
  - xiii. exercise (but not sell Securities following exercise) an option or a right under an employee incentive scheme, or convert 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 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; or
  - xiv. trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.
- b) In respect of any share or option plans adopted by the Company, it should be noted that it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the periods specified in paragraph 4.1.

Were this to occur at a time when the person possessed inside information, then the sale of Company Securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale. Where Company Securities are provided to a lender as security by way of mortgage or charge, a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

#### 4.5 Notification of periods when Company Personnel are not permitted to trade

The Company Secretary will endeavour to notify all Company Personnel of the times when they are not permitted to buy or sell the Company's Securities as set out in paragraph 4.1.

## 5 Approval and Notification Requirements

### 5.1 Approval requirements

- a) Any Company Personnel (other than the Chair) wishing to buy, sell or exercise rights in relation to the Company's Securities must obtain the prior written approval of the Chair or the Board before doing so.
- b) If the Chair wishes to buy, sell or exercise rights in relation to the Company's Securities, the Chair must obtain the prior approval of the Board before doing so.

### 5.2 Approvals to buy or sell Securities

- a) All requests to buy or sell Securities as referred to in paragraph 5.1 must include the intended volume of Securities to be purchased or sold and an estimated time frame for the sale or purchase.
- b) Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.

### 5.3 Notification

Subsequent to approval obtained in accordance with paragraphs 5.1 and 5.2, any Company Personnel who (or through his or her Associates) buys, sells, or exercises rights in relation to Company Securities **must** notify the Company Secretary in writing of the details of the transaction within five (5) business days of the transaction occurring. This notification obligation **operates at all times** but does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.

### 5.4 Company Personnel sales of Securities

Company Personnel must be mindful of the market perception associated with any sale of Company Securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Company Securities (ie. a volume that would represent a volume in excess of 10% of the total Securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the ASX for the preceding 20 trading days) by a Company Personnel needs to be discussed with the Board and the Company's legal advisers prior to the execution of any sale. These discussions need to be documented in the form of a file note, to be retained by the Company Secretary.

## **5.5 Exemption from Closed Periods restrictions due to exceptional circumstances**

Company Personnel who are not in possession of inside information in relation to the Company, may be given prior written clearance by the Managing Director (or equivalent) (or in the case of the Managing Director, by all members of the Board) to sell or otherwise dispose of Company Securities in a Closed Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this Policy.

### **5.5.1 Severe financial hardship or exceptional circumstances**

The determination of whether a Company Personnel is in severe financial hardship will be made by the Managing Director (or equivalent) (or in the case of the Managing Director, by all members of the Board).

A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and, if necessary, obtaining independent verification of the facts from banks, accountants or other like institutions.

### **5.5.2 Financial hardship**

Company Personnel may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the Securities of the Company.

In the interests of an expedient and informed determination by the Managing Director (or equivalent) (or all other members of the Board as the context requires), any application for an exemption allowing the sale of Company Securities in a Closed Period based on financial hardship must be made in writing stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions (where applicable).

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of Securities can be made.

### **5.5.3 Exceptional circumstances**

Exceptional circumstances may apply to the disposal of Company Securities by a Company Personnel if the person is required by a court order or a court enforceable undertaking, for example in a bona fide family settlement, to transfer or sell Securities of the Company, or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Company Securities in a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation (where applicable).

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of Securities can be made.

## 6 ASX Notification for Directors

The ASX Listing Rules require the Company to notify the ASX within five (5) business days after any dealing in Securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the Securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all of the information required by the ASX (refer *Directors' Disclosure Obligations Policy* (CO-PL-002) and *Directors' Declaration of Interest Form* (CO-FM-001)).

## 7 Effect of Compliance with this Policy

Compliance with these guidelines for trading in the Company's Securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's Securities.

## 8 Acknowledgement

To: Breaker Resources NL (ACN 145 011 178)

Attention: Company Secretary

I, \_\_\_\_\_, hereby acknowledge that I have been supplied with a copy of the Securities Trading Policy (the "**Policy**") for Breaker Resources NL (the "**Company**"). I certify that I have read and understand the rules of the Policy and agree to adhere strictly to them. I further certify that I understand that failure to adhere to the rules of the Policy will result in serious consequences and may result in termination of any employment with the Company or its subsidiaries.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date