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Bathurst Resources Limited

ABN 93 125 679 469

Securities Trading Policy

1. INTRODUCTION

This document summarises the law relating to insider trading and sets out the trading policy of Bathurst Resources Ltd (ABN 93 125 679 469) (**Company**) on buying and selling securities of the Company, including shares, options and derivatives (**Securities**) by its directors (executive and non-executive), officers, senior executives, senior management and employees (full time, part time and casual) and any persons having authority and responsibility for planning, directing and/or controlling the activities of the Company, either directly or indirectly (**Key Personnel**).

Key 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.

A copy of this trading policy will be provided to all Key Personnel as part of the Company's induction procedures. A copy of this trading policy can also be viewed on the Company's website at www.bathurstresources.com

2. OBJECTIVES

The objectives of this trading policy are to:

- (a) educate Key Personnel and minimise the risk of Key Personnel contravening the insider trading prohibitions laws set out in the Corporations Act 2001 (Cth) (**Corporations Act**) when dealing in the Company's Securities;
- (b) assist in maintaining market confidence in the integrity of dealings in the Company's Securities; and
- (c) assist the Company to meet its reporting obligations under the Listing Rules of ASX Limited (**ASX**).

3. WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS TRADING POLICY?

The Company's board of directors has adopted this trading policy which applies to all Key Personnel.

Although this trading policy only applies to Key Personnel, the Company notes that the insider trading prohibitions set out in the Corporations Act apply to all persons (discussed further below).

4. WHAT IS INSIDER TRADING?

4.1 **Prohibition against Insider Trading**

In broad terms, a person will be guilty of breaching the insider trading prohibitions under the Corporations Act if that person possesses Inside Information (as defined below) and that person:

- (a) deals in (that is, applies for, acquires or disposes of) the Company's Securities or enters into an agreement to do so;

- (b) procures another person to apply for, acquire or dispose of the Company's Securities or enter into an agreement to do so; or
- (c) directly or indirectly communicates, or causes to be communicated, that Inside Information to any other person if the disclosing person knows, or ought reasonably to know, that the receiving person would or would be likely to use the information to engage in the activities specified in paragraphs (a) or (b) above.

A person possesses "**Inside Information**" if that person has information relating to the Company which is not generally available but, if the information were generally available, would be likely to have a material effect on the price or value of the Company's Securities. Inside Information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.

4.2 Examples of Inside Information

To illustrate the prohibition described above, the following are potential examples of price sensitive Inside Information which, if made available to the market, may be likely to affect materially the price of the Company's Securities:

- (a) the Company considering a major acquisition or disposal of assets;
- (b) the threat of major litigation against the Company;
- (c) the Company's profit 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 ie, new product or technology;
- (f) the granting (or loss) of a major contract;
- (g) management or business restructuring proposal;
- (h) a proposal to issue Securities;
- (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.

4.3 Dealing through third parties

The insider trading prohibitions extend to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies (**Associates**).

4.4 Inside 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.

4.5 When is information generally available?

Information is generally available if:

- (a) it consists of readily observable matter or deductions;
- (b) it has been brought to the attention of investors through an announcement to ASX or otherwise similarly brought to the attention of investors who commonly invest in securities, and a reasonable period has elapsed since it was announced or brought to investors' attention; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information referred to in paragraphs (a) or (b) above.

Examples of possible readily observable matters are:

- (a) a change in legislation which will affect the Company's ability to make certain types of investments;
- (b) a natural event affecting the operations of the Company (ie. natural disaster); or
- (c) a severe downturn in global securities markets.

4.6 What are the consequences of breach of the insider trading provisions?

Breach of the insider trading laws may subject a person to:

- (a) criminal liability - penalties include heavy fines and imprisonment; and
- (b) civil liability – a person can be sued by another party or the Company for any loss suffered as a result that person's illegal trading activities.

Breaches of this trading policy may damage the Company's reputation in the investment community and undermine confidence in the market for the Company's Securities. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including possible termination of a person's employment or appointment (where appropriate).

4.7 Confidentiality

In addition to the insider trading prohibitions and other restrictions in this trading policy, Key Personnel also owe a duty of confidentiality to the Company and must not reveal any confidential information concerning the Company or use that information in any way which may injure or cause loss to the Company, or use that information to gain an advantage for themselves.

These general prohibitions are overriding obligations and apply at all times, despite all other terms and conditions of this trading policy.

5. **GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES**

5.1 **General rule**

The Company's Board has resolved that directors (executive and non-executive), officers, senior executives, senior management, employees and such other persons that the Managing Director nominates (**Key Management Personnel**) may not deal in the Company's Securities except where such person is affected by financial hardship (as described in paragraph 6.7) or in exceptional circumstances (as described in paragraph 6.8) during the following periods (each a **Closed Period**):

- (a) during the period from 1 January of each year until two (2) days following the release of the Company's half-year results;
- (b) during the period from 1 July of each year until two (2) days following the release of the Company's full-year results;
- (c) during the period commencing from the tenth (10th) day of the relevant month in which the Company is required to release its Quarterly Activities Report and Quarterly Cashflow Report to ASX (**Quarterly Reports**) in accordance with the ASX Listing Rules, and ending two (2) days following the date of release of such Quarterly Reports; and
- (d) during any period where there is in existence price sensitive information that has not been disclosed to ASX because of an ASX Listing Rule exception.

The Company may at its discretion vary this general rule in relation to a particular period by general announcement to the market and to all Key Management Personnel either before or during the Closed Period.

However, if a Director or a member of the Key Management Personnel of the Company is in possession of price sensitive information which is not generally available to the market, then they must not deal in the Company's securities **at any time**.

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

Directors and other members of Key Management Personnel should not engage in short-term trading of the Company's Securities except for the exercise of options where the relevant shares to be issued upon the exercise of the options will be sold shortly thereafter.

5.3 **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 or sell either the Company's Securities or the relevant securities in the other company. Note that the insider trading prohibitions under the Corporations Act will also capture such conduct.

5.4 Other Prohibitions

Key Management Personnel are not permitted to deal at any time in financial products such as options, warrants, futures or other financial products issued or created over or in respect of the Company's Securities by third parties such as banks and other institutions. An exception may apply where the Company's Securities form a component of a listed portfolio or index product.

Key Management Personnel are not permitted to enter into transactions in products associated with the Company's Securities which operate to limit the economic risk of their security holding in the Company over unvested entitlements (eg hedging arrangements).

5.5 Exceptions

Notwithstanding the general rule under paragraph 5.1, Directors and other members of Key Management Personnel may at any time:

- (a) acquire ordinary shares in the Company by conversion of the Company's Securities giving a right of conversion to ordinary shares;
- (b) acquire the Company's Securities under a bonus issue made to all holders of the same class of the Company's Securities;
- (c) acquire the Company's Securities under a dividend reinvestment, or top-up plan that is available to all holders of Securities of the same class;
- (d) acquire, or agree to acquire or exercise options under a Company share option plan;
- (e) withdraw ordinary shares in the Company held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan;
- (f) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
- (g) transfer the Company's Securities already held by that person into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (h) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the Company's Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (i) where a restricted person is a trustee, trade in the Company's Securities by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;

- (j) undertake to accept, or accept, a takeover offer;
- (k) trade under an offer or invitation made to all or most of the Company's 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 Company's 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;
- (l) dispose of the Company's Securities resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
- (m) exercise (but not sell the Company's 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 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; or
- (n) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this trading policy.

6. APPROVAL AND NOTIFICATION REQUIREMENTS

6.1 Approval Requirements – Directors

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

6.2 Approval Requirements – Key Management Personnel excluding Directors

Apart from the Company's Directors, any member of Key Management Personnel wishing to buy, sell or exercise rights in relation to the Company's Securities must obtain the prior written approval of the Managing Director before doing so.

6.3 Approvals to buy or sell the Company's Securities

All requests to buy or sell securities as referred to in paragraphs 6.1 or 6.2 above must include the intended volume of Securities to be purchased or sold and an estimated time frame for the purchase or sale.

Copies of written applications and the relevant approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.

6.4 Subsequent Notification

Subsequent to any written approval being obtained in accordance with paragraphs 6.1 or 6.2, any Director or other member of Key Management Personnel who (or through an Associate) buys, sells or exercises rights in relation to the Company's 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 the acquisition 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.

6.5 Sales of the Company's Securities by Directors or other members of Key Management Personnel

Directors or other members of Key Management Personnel should be mindful of the market perception associated with any sale of the Company's Securities and possibly the ability of the market to absorb the volume of the Company's Securities being sold.

With this in mind, the management of the sale of any significant volume of the Company's Securities (i.e. 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 securities of the Company on the ASX for the preceding 20 trading days) by any Director or other member of Key Management Personnel must be discussed with the Company's Board and the Company's legal advisers prior to the execution of any sale of the Company's Securities.

These discussions must be documented in the form of a file note, to be retained by the Company Secretary.

6.6 Exemption from Closed Period restriction due to exceptional circumstances

- (a) The Company's Chairman may allow dealing in the Company's Securities during the Closed Periods described in paragraph 5.1 if the applicant complies with the procedures under paragraphs 6.7 or 6.8 (as applicable) and satisfies the Company's Managing Director (including providing any supporting documentation required by the Company's Managing Director) that the applicant faces financial hardship or the circumstances surrounding the proposed dealing are exceptional (which is subject to the absolute discretion of the Company's Managing Director). 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.

- (b) If the Company's Managing Director considers that the applicant faces financial hardship or the circumstances surrounding the proposed dealing are exceptional, he or she may approve the relevant dealing in the Company's Securities by providing a written clearance letter approving such dealing for a prescribed period (not to exceed thirty days) following which time, the relevant dealing in the Company's Securities will again be prohibited (if the Closed Period is still applicable).
- (c) If the approval pursuant to paragraph 6.6(a) is sought by a Director of the Company, then the written clearance letter must be signed by the Company's Chairman and the paragraph (a) will apply as if the references to the Company's Managing Director were references to the Company's Chairman.
- (d) If the approval pursuant to paragraph 6.6(a) is sought by the Company's Chairman, then the written clearance letter must be signed by all of the other members of the Board of the Company and paragraph (a) will apply as if the references to the Company's Managing Director were references to all of the other members of the Board of the Company.

6.7 Financial Hardship

A Director or other member of Key Management Personnel may be in severe financial hardship if such person has a pressing financial commitment that can not be satisfied other than by selling the Company's Securities.

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

6.8 Exceptional Circumstances

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

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

7. ASX NOTIFICATION FOR DIRECTORS

The ASX Listing Rules require the Company to notify the ASX within 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 Company's Securities. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by ASX.

8. REVIEW OF THIS POLICY

The Company's Board will review this trading policy from time to time. This trading policy may be amended at any time from time to time by resolution of the Company's Board. If so amended, a copy of the Company's updated trading policy will be placed on the Company's website and released to ASX in accordance with the requirements of the ASX Listing Rules.

9. EFFECT OF COMPLIANCE WITH THIS POLICY

Compliance with this trading policy for trading in the Company's Securities does not absolve Key Personnel from complying with the law, which must be the overriding consideration when trading in the Company's Securities. If a member of Key Personnel does not understand the summary of the law relating to insider trading or this trading policy, please contact the Company Secretary. Key Personnel may wish to seek their own professional legal advice before dealing in the Company's Securities.

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