



# METEORIC RESOURCES

**METEORIC RESOURCES NL  
(COMPANY)  
ACN 107 985 651**

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**SECURITIES TRADING POLICY AND RULES  
LAST REVIEWED AND UPDATED 23 DECEMBER 2010**

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# SECURITIES TRADING POLICY

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## 1. PREAMBLE

This is the Company's policy and procedure regarding dealing in the Company's securities by directors, officers, employees<sup>1</sup> and contractors. It prohibits dealing in the Company's securities by persons who possess inside information. It also provides that any share transaction undertaken by directors must be notified to the Company Secretary within 3 days of such transaction.

## 2. POLICY

Directors, officers, employees and contractors who wish to trade in Company securities must first have regard to the statutory provisions of the Corporations Act dealing with insider trading.

Insider trading is the practice of dealing in a company's securities (e.g. shares or options) by a person with some connection with a company (e.g. an employee) in possession of information that is generally not available to the public but which may be relevant to the value of the Company's securities. It may also include the passing on of this information to another. Insider trading is an offence which carries severe penalties, including imprisonment.

## 3. COMPANY SECURITIES LISTED ON ASX

In summary, directors, officers employees and contractors of the Company must not, whether in their own capacity or as an agent for another, subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any securities (i.e. shares or options) in the Company, or procure another person to do so:

- 3.1. if that director, officer, employee or contractor possesses information that a reasonable person would expect to have a material effect on the price or value of the securities if the information was generally available;
- 3.2. if the director, officer, employee or contractor knows or ought reasonably to know, that:
  - 3.2.1. the information is not generally available; and
  - 3.2.2. if it were generally available, it might have a material effect on the price or value of the securities in the Company.

Any share transaction undertaken by Directors must be notified to the Company Secretary within 3 days of such transaction, for release to the ASX.

Further, directors, officers, employees and contractors must not either directly or indirectly pass on this kind of information to another person if they know, or ought reasonably to know, that this other person is likely to deal in the securities of the Company or procure another person to do so.

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<sup>1</sup> In this Policy and the accompanying Securities Trading Rules, references to "Designated Officer, directors, officers, key management personnel, employees and contractors" extends to a reference to their respective parents, children, spouses (including de facto) and entities that are controlled by any of them (**Associates**).

# SECURITIES TRADING RULES

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## 1. INTRODUCTION

These rules outline:

- 1.1. when key management personnel, employees and contractors to the Company may deal in Company Securities or in listed securities of another entity (because they may obtain inside information about another entity's securities while performing their duties for the Company);
- 1.2. procedures to reduce the risk of insider trading; and
- 1.3. some allied matters, including margin borrowing (and like facilities).

## 2. DEFINED TERMS

In these rules:

- 2.1. **ASX Business Day** has the same meaning as the term 'business day' as defined in the ASX Listing Rules;
- 2.2. **Company Securities** includes shares in the Company, options over those shares and any other financial products of the Company traded on ASX;
- 2.3. **Designated Officer** means a director or person engaged in the management of the Company, whether as an employee or consultant;
- 2.4. **Disclosure Officer** means the person appointed to act as Disclosure Officer under the Company's Continuous Disclosure Policy and in the absence of such appointment the Managing Director shall fill that role.

## 3. INSIDER TRADING

- 3.1. If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is likely to be illegal for the person to:
  - 3.1.1. deal in the securities;
  - 3.1.2. procure another person to deal in the securities; or
  - 3.1.3. give the information to another person who the person knows, or ought reasonably to know, is likely to:
    - 3.1.3.1 deal in the securities; or
    - 3.1.3.2 procure someone else to deal in the securities.
- 3.2. Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or director engages in insider trading.
- 3.3. Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

## **SECURITIES TRADING RULES**

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### **4. WHAT IS INSIDE INFORMATION?**

- 4.1. Inside information is information that:
  - 4.1.1. is not generally available; and
  - 4.1.2. if it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.
- 4.2. Information is generally available if it:
  - 4.2.1. is readily observable;
  - 4.2.2. has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
  - 4.2.3. consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs 4.2.1 or 4.2.2.

### **5. WHAT IS DEALING IN SECURITIES?**

- 5.1. Dealing in securities includes:
  - 5.1.1. applying for, acquiring or disposing of, securities;
  - 5.1.2. entering into an agreement to apply for, acquire or dispose of, securities; and
  - 5.1.3. granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.
- 5.2. A decision to join, or subscribe for shares under, any dividend reinvestment plan is not dealing in Company Securities.

### **6. WHEN A DESIGNATED OFFICER MAY DEAL**

- 6.1. Subject to paragraph 7, a Designated Officer may only deal in Company Securities or the listed securities of another entity if he or she:
  - 6.1.1. does not have information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or the securities of another entity;
  - 6.1.2. does not have any reasonable basis to suspect that the Company is in possession of inside information;
  - 6.1.3. has complied with paragraph 10.

## **SECURITIES TRADING RULES**

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### **7. WHEN A DESIGNATED OFFICER MAY NOT DEAL**

- 7.1. A Designated Officer may not deal or procure another person to deal in Company Securities if:
- 7.1.1. he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities; or
  - 7.1.2. the Disclosure Officer has issued an instruction prohibiting dealing in Company Securities by a Designated Officer; or
  - 7.1.3. it is the day on which the Company has made, or is expected to make, an announcement to the ASX; or
  - 7.1.4. he or she has not complied with paragraph 10.
- 7.2. A Designated Officer may not deal or procure another person to deal in the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

### **8. WHEN EMPLOYEES MAY DEAL**

An employee (who is not a Designated Officer) may deal in Company Securities or the listed securities of another entity if he or she does not have:

- 8.1. information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity;
- 8.2. any reasonable basis to suspect that the Company is in possession of inside information.

### **9. WHEN EMPLOYEES MAY NOT DEAL**

An employee (who is not a Designated Officer) may not deal or procure another person to deal in Company Securities or the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity or has a reasonable basis to suspect that the Company is in the possession of inside information in relation to Company Securities or those securities of the other entity.

### **10. CLEARANCE FROM THE DISCLOSURE OFFICER**

- 10.1. Before dealing in Company Securities, a Designated Officer must first inform the Disclosure Officer and obtain clearance. Before such clearance is given, the Disclosure Officer is required to obtain advice from the exploration manager as to information not in the public domain but which may be significant from an exploration or market perspective. This advice must include all data possibly relevant to the decision to be made by the Disclosure Officer. The Disclosure Officer must compile a report (comprised in part by the exploration manager's advice ) as to the materiality of any information in the exploration manager's advice and address whether there be any other matters potentially enlivening the requirement to disclose information about the Company in accordance with the ASX Continuous Disclosure rules. The Disclosure Officer's report may be brief but must set out the basis upon which the decision

## **SECURITIES TRADING RULES**

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required was made (including what enquiries and investigations were made by the Disclosure Officer to determine what decision to make).

10.2. The Disclosure Officer may not give clearance if:

- 10.2.1. there is a matter about which there is inside information in relation to Company Securities (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Securities; and
- 10.2.2. the Disclosure Officer has any other reason to believe that the proposed dealing will breach this policy.

10.3. The Disclosure Officer must keep a written record of:

- 10.3.1. any information received from a Designated Officer in connection with this policy; and
- 10.3.2. any clearance given under this policy.

Where a Designated Officer is also the Disclosure Officer, that Designated Officer may not act for self as Disclosure Officer for the purpose of this rule but rather must confer with another Designated Officer who shall perform the function of the Disclosure Officer for first mentioned Designated Officer.

### **11. DEALINGS BY ASSOCIATED PERSONS AND INVESTMENT MANAGERS**

11.1. If a Designated Officer may not deal in the Company Securities, he or she must prohibit any dealing in the Company Securities by:

- 11.1.1. any associated person of that Designated Officer (including, without limitation, family or nominee companies and family trusts); or
- 11.1.2. any investment manager on that Designated Officer's behalf or on behalf of any associated person.

11.2. For the purposes of paragraph 11.1, a Designated Officer must:

- 11.2.1. inform any of that Designated Officer's investment manager/s or associated person/s of the periods during which that Designated Officer may and may not deal in Company Securities; and
- 11.2.2. request any of that Designated Officer's investment manager/s or associated person/s to inform that Designated Officer immediately after they have dealt in Company Securities.

11.3. A Designated Officer does not have to comply with paragraphs 11.1 and 11.2 to the extent that to do so would breach obligations of confidence to the Company.

### **12. COMMUNICATING INSIDE INFORMATION**

12.1. If an employee (including, without limitation, a Designated Officer) has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or the listed securities of another entity, the employee must not

## **SECURITIES TRADING RULES**

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directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:

12.1.1. deal in Company Securities or those securities of the other entity; or

12.1.2. procure another person to deal in Company Securities or the securities of the other entity.

12.2. An employee must not inform colleagues about inside information or its details except to immediately inform a Designated Officer or the Disclosure Officer of the same unless the employee knows that such information is already in the possession of a Designated Officer or the Disclosure Officer.

### **13. PROHIBITION OF CREDIT**

13.1. Broker credit (beyond T+3), margin lending or leveraged equity providers (by whatever name and under whatever guise) must not be used by any Designated Officer, employee, contractor or any of their associated persons or investment managers, without the fully informed consent of the Board.

13.2. A Designated Officer, employee or contractor must inform the Disclosure Officer of all details concerning any broker credit, margin lending or leveraged equity arrangements in place in respect of any dealings (including, without limitation, prospective dealings) in Company Securities.

### **14. BREACH OF POLICY**

14.1. A breach of this policy by an employee or a contractor can be expected to:

14.1.1. lead to disciplinary action, generally in the form of dismissal or termination of the relationship at first lawful instance;

14.1.2. be reported to the authorities for investigation if the circumstances warrant, in the view of the Company.

### **15. DISTRIBUTION OF POLICY**

15.1. This policy must be distributed to all affected parties or their attention must be drawn to it e.g. by emailing them a link to this policy or including the same in their contract of employment.

### **16. ASSISTANCE AND ADDITIONAL INFORMATION**

Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, must contact the Disclosure Officer.