



ADMIRALTY RESOURCES

# Share Trading Policy

Admiralty Resources NL

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## 1. INTRODUCTION

Admiralty Resources NL (“Admiralty”) is an Australian incorporated public company whose securities are quoted on ASX Limited (“ASX”) under the code “ADY”.

In this policy, a reference to Admiralty is a reference to Admiralty and any one or more of its controlled or related entities.

This policy uses a number of defined terms which are set out in section 3.8 of this policy.

This policy summarises the law relating to insider trading and is designed to prevent breaches of those provisions and outlines mechanisms for disclosure of any breaches of those provisions.

Division 3 of Part 7.10 of the Corporations Act prohibits insider trading in relation to securities. The Corporations Act and the Listing Rules of the ASX also require disclosure of any trading undertaken by directors or their related entities in securities.

Admiralty has developed this policy to encourage compliance with the law and in the interests of maintaining investor confidence.

This policy applies to all directors, officers, senior management and other employees of Admiralty (“Employees”), whether trading:

- on their own account;
- on behalf of another person including family members, friends, associates or related entities; or
- on behalf of an Admiralty Group company.

This policy restricts when Employees may trade in Securities. The policy also outlines the procedures that must be followed by Employees before they may trade in Securities.

## 2. INSIDER TRADING

### 2.1 GENERAL POLICY

This policy provides a general overview of the Insider Trading prohibitions under the Corporations Act. Application of the Insider Trading provisions of the Corporations Act to Employees is not limited to Inside Information about Admiralty. Breach of the Insider Trading provisions of the Corporations Act could result in civil or criminal penalties. Employees must ensure they comply with the law at all times regardless of whether the information is related to Admiralty or not.

### 2.2 THE INSIDER TRADING PROHIBITIONS UNDER THE CORPORATIONS ACT

Under the Corporations Act, if a person (“insider”) possesses ‘inside information’ and the insider knows or ought reasonably to know that the matters specified in Section 2.3 are satisfied in relation to that information, it is illegal for that insider to:

- (i) deal in (ie, apply for, acquire or dispose of) the relevant securities or enter into an agreement to do so;
- (ii) procure another person to apply for, acquire or dispose of the relevant securities or enter into an agreement to do so; or
- (iii) directly or indirectly communicate, or cause to be communicated, that information to any other person if the insider knows, or ought reasonably to know, that the person would or would be likely to use the information to engage in the activities specified above.

### 2.3 INSIDE INFORMATION

“Inside Information” means information that is:

- (a) not generally available; and
- (b) if the information was generally available, a reasonable person would expect it to have a material effect on the price or value of the securities.

Information is regarded as being likely to have a ‘material effect’ if a reasonable person would be taken to expect that such information would, or would be likely to, influence persons who commonly invest in the Securities or other traded securities in deciding whether or not to deal in the Securities.

Information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.

Examples of inside information include, but are not limited to, information regarding:

- the financial performance of a company including reaching or failure to meet forecast earnings;
- a major acquisition or disposal;
- an actual or proposed takeover, merger or sale;
- entering into or terminating a material contract;
- an actual or proposed change to capital structure;
- a material claim or other unexpected liability; and
- preliminary exploration results.

## **2.4 INFORMATION THAT IS GENERALLY AVAILABLE**

Information is usually considered to be 'generally available' if:

- (a)** it consists of a readily observable matter; or
- (b)** it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of Securities issued by Admiralty and a reasonable period for it to be disseminated among such persons has elapsed; or
- (c)** it consists of deductions, conclusions or inferences made or drawn from other information that is generally available.

## **2.5 CONSEQUENCES OF BREACHING THE INSIDER TRADING LAWS**

A breach of the Insider Trading laws can result in:

- (a)** criminal liability - penalties include heavy fines and imprisonment; and
- (b)** civil liability - a person who breaches the Insider Trading laws can be sued by another party (including Admiralty) for any loss suffered as a result of illegal trading activities.

### 3. SHARE TRADING POLICY

#### 3.1 GENERAL POLICY AND PROHIBITIONS

- (a) If an Employee possesses Inside Information relating to an Admiralty Group Company, that person must not:
  - (i) deal in Securities in Admiralty or the relevant Admiralty Group Company or enter into an agreement to do so;
  - (ii) procure a Related Party or other person to deal in those Securities or enter into an agreement to do so; or
  - (iii) pass on that information to anyone who is likely to engage in the activities specified in paragraphs (a)(i) or (a)(ii).
- (b) These general prohibitions are overriding obligations and apply at all times despite any other term of this policy.
- (c) These prohibitions apply equally to the application for, grant, exercise or transfer of options over any Securities.
- (d) It does not matter how or in what capacity an Employee becomes aware of the Inside Information. Information does not have to be obtained from Admiralty to constitute Inside Information.
- (e) An Employee cannot avoid the insider trading prohibition by arranging for a Related Party or a friend to deal in Securities, nor may any Employee give 'tips' to others concerning Inside Information relating to an Admiralty Group Company.

#### 3.2 ADDITIONAL RESTRICTIONS

##### *Short term and derivatives trading*

At all times, Employees and their Related Parties are prohibited from Trading in Securities in the following situations:

- (a) where the Trading is directed at limiting the economic or financial risk associated with that Employee's holding of Securities (including options over Securities);
- (b) where such Trading would otherwise enable that Employee to profit from or limit the economic or financial risk of a decrease in the market price of the Securities.

#### 3.3 APPROVAL PROCESS FOR TRADING

An Employee or Related Party wishing to:

- (a) Trade in ADY Securities; or
- (b) procure on behalf of that person, another person to Trade in ADY Securities,

**MUST** first obtain written approval from the Company Secretary of Admiralty.

Approval for an Employee or Related Party to Trade in Securities will not be given pursuant to this Section 3.3 where non-public, price sensitive information exists in relation to a matter, even though such party may not be aware of it.

Where approval is given to Trade Securities, the Employee or Related Party must undertake the Trade within 10 business days of approval being granted, unless specifically approved for some other time period at the time of approval. If the Trade is not undertaken within that period of time, the Employee or Related Party must re-submit their application to Trade if they still wish to Trade.

The Employee or Related Party must notify Admiralty's company secretary that the Trade has been executed and details of the transaction on completion of the Trade.

### **3.4 CLOSED PERIODS**

Subject to the terms of Section 3.6 of this policy, Employees and Related Parties are excluded from Trading in Securities at the following times (each a "Closed Period"):

- (a) the day any price sensitive information is released to the ASX; or
- (b) fourteen days prior to the day of the Annual General Meeting and the day of the Annual General Meeting;
- (c) fourteen days prior to the release of the quarterly activities report and Appendix 5b; or
- (d) such other period determined by the Board, in their sole discretion, as a blackout period.

### **3.5 TRADING UNDER EXCEPTIONAL CIRCUMSTANCES DURING CLOSED PERIOD**

An Employee or Related Party may be permitted to Trade during a Closed Period under Exceptional Circumstances. An Employee seeking an exception to trade will need to provide all relevant information to the Company Secretary in accordance with Section 3.3 of this Policy.

An exception will not be granted if the Employee or Related Party is in possession of Inside Information under any circumstances.

### **3.6 EXCEPTIONS TO THE GENERAL RULE IN THIS POLICY**

This policy does not apply in the following circumstances:

- where the Trade does not result in a change in beneficial interest in the Securities;
- Trading of Securities is through a fund or scheme (other than a fund or scheme only investing in Securities) where the assets of the fund or scheme are invested at the discretion of a third party;
- where the Employee or Related Party is a trustee, trading in Securities by that trust provided the Employee or Related Party 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 manager independent of the Employee or Related Party;
- undertakings to accept, or the acceptance of, a takeover offer;

- Trading under an offer or invitation made to all or most of ADY'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 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;
- a disposal of Securities that is the result of a secured lender exercising their rights; and
- 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 Admiralty has had an exceptionally long Closed Period or Admiralty has had a number of Closed Periods and the Employee or Related Party could not reasonably have been expected to exercise it at a time when free to do so.

### 3.7 COMPULSORY NOTIFICATIONS OF DIRECTORS

- (a) Each director of Admiralty must notify the company secretary of Admiralty and the ASX of:
  - (i) any change to their holding of relevant interests in financial products of Admiralty; and
  - (ii) whether the change to their holding occurred during a Closed Period.
- (b) While the Corporations Act requires directors to notify the ASX of any changes to their holdings within 14 days, Admiralty is required under the ASX Listing Rules to notify these changes to the ASX within five business days of the change.
- (c) To enable Admiralty to comply with the above obligation, Admiralty directors must provide the relevant information within three business days to the company secretary of Admiralty, who will facilitate the transmission of these notifications to the ASX.
- (d) All notifications will also be tabled at the next scheduled meeting of the Board.

### 3.8 DEFINITIONS

**Admiralty Group Company** means Admiralty or a Related body Corporate of Admiralty.

**Board** means the board of directors of Admiralty.

**Closed Period** has the meaning given in Section 3.4.

**Corporations Act** means the Corporations Act 2001 (Cth)

**Exceptional Circumstances** means severe financial hardship that cannot be satisfied otherwise than by Trading the ADY Securities. The burden of proof of severe financial hardship rests with the person seeking the approval, and determination of the matter will be made the Company Secretary. Matters that may be considered severe financial hardship include, but are not limited to, a court order or court imposed undertakings that the Employee or Related Party cannot meet without Trading the ADY Securities (eg a bona fide family settlement).

**Inside Information** has the meaning given to it in Section 2.3 of this Policy.

**Insider Trading** means conduct in contravention of Division 3 of Part 7.10 of the Corporations Act, as outlined in Section 2.

**Related Body Corporate** has the meaning given to it in section 50 of the Corporations Act.

**Related Party** means, when in relation to an Employee:

- that person's spouse or de-facto spouse;
- a child of that person;
- an entity controlled by that person, or their family;
- a trust of which that person, any member of their family, or any family controlled company, is a trustee or beneficiary; and
- a person in partnership with the person, or any of their connected persons mentioned above.

**Securities** means any of the financial products included in the definition of 'Division 3 financial products' in section 1042A of the Corporations Act that are issued by ADY and includes:

- ordinary shares in Admiralty;
- options to acquire, by way of issue, ordinary shares in Admiralty; and
- any listed derivatives (including future contracts listed on an authorised futures exchange) in respect of shares in Admiralty from time to time.

**Trade/Trading** includes, but is not limited to, subscribing for, buying, selling or otherwise transferring the beneficial or legal interest in ADY Securities.