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## SECURITIES TRADING POLICY

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Please find attached a copy of the Jabiru Metals Limited Securities Trading Policy.

### **Jabiru Metals Limited**

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## 1 Introduction

The rules set out in this policy are designed to assist in preventing breaches of the insider trading provisions of the Corporations Act and to enable the Company to satisfy the disclosure requirements of ASX Listing Rules. Ultimately it is the responsibility of the individual to ensure that none of his or her Dealings could constitute insider trading.

For the purpose of this policy:

“Applicant” is defined in paragraph 3.10.3(ii) of this policy.

“Application” is defined in paragraph 3.10.3(ii) of this policy.

“ASX” means ASX Limited ABN 98 008 624 691, and where the context requires, the Australian Securities Exchange operated by ASX Limited.

“ASX Listing Rules” means the Official Listing Rules of ASX.

“Board” means the board of directors of the Company.

“Business Day” means a day that is not a Saturday, Sunday or gazetted public holiday in Perth, Western Australia.

“Chairperson” means the chairperson of the Board.

“Closed Period” is defined in paragraph 3.10.1 of this policy.

“Corporations Act” means the Corporations Act 2001 (Cth).

“Dealing” or “Deal” means buying or selling a security holding in Jabiru or entering into a margin loan, scrip lending or hedging arrangement which involves a security holding in Jabiru;

“Designated Officer” means the Chairperson (or the Managing Director where that Restricted Person is the Chairperson).and can not be delegated to another person.

“Directors” mean the directors of the Company.

“Excluded Dealing” is defined in paragraph 3.10.2(i) of this policy.

“Excluded Dealing Notice” is defined in paragraph 3.10.2(i) of this policy.

“Prior Written Clearance” is defined in paragraph 3.10.3 of this policy.

“Related Party” has the meaning in the ASX Listing Rules.

“Restricted Person” is defined in paragraph 3.8 of this policy.

“Schedule” means a schedule to this policy.

“Security” has the meaning in the ASX Listing Rules.

## 2 Purpose

The purpose of this Policy is:

- To explain the type of conduct in relation to Dealings in Securities of the Company that is prohibited under the Corporations Act which is applicable to all employees of and contractors to Jabiru and its controlled entities and to all employees and contractors of any joint venture companies, operations or arrangements to which Jabiru Group is a party.
- To establish a best practice procedure relating to Dealing in Securities that provides protection to both Jabiru and employees against the misuse of unpublished information which could materially affect the value of securities.

## 3 Insider Trading Prohibition

### **3.1 *The Nature of the Prohibition***

Section 1043A (of Part 7.10, Division 3) of the Corporations Act makes it an offence for a person in possession of information that is not generally available but which, if generally available, might materially impact the price or value of a financial product to:

- trade in (i.e. apply for, acquire or dispose of, or enter into an agreement to do any of these things); or
- procure another person to trade in,

financial products (collectively referred to as “Dealing in financial products”).

It is also an offence to “tip” the information to another person with the knowledge that the person could Deal in financial products. Accordingly, the effect of this section cannot be avoided by simply getting another person to Deal on your behalf.

### **3.2 *It is irrelevant how a person becomes aware of information***

It is irrelevant how or in what capacity the person came into possession of the information. This means that Section 1043A will apply to any employee or director who acquires “inside information” in relation to a financial product, no matter in which capacity, and is prohibited from Dealing in that financial product.

### **3.3 *Information which might affect price value***

The prohibition referred to in The Nature of the Prohibition refers to unpublished information which, if generally available, might materially impact the price or value of financial products.

### **3.4 *What does information include?***

“Information” includes matters of supposition or speculation and matters relating to the intentions or likely intentions of a person.

### **3.5 What information might materially affect price or value?**

This means information that a reasonable person would expect to have a material effect on the price or value of financial products. A reasonable person would be taken to expect information to have a material effect on price or value if the information would be likely to influence persons who commonly invest in financial products whether or not to do so.

Examples of this type of information which might affect the price or value of Jabiru shares include:

- Proposed changes in the capital structure, capital returns and buy backs of financial products
- Information relating to Jabiru's financial results
- A material acquisition, divestment or realisation of assets
- Proposed dividends and share issues
- Changes to the Board
- Possible events which could have a material impact on profits (negatively or positively), eg loss of a major customer
- Proposed changes in the nature of the business of Jabiru
- Notification to Jabiru of a substantial shareholding
- Any information required to be announced to the market pursuant to ASX Listing Rule 3.1.

### **3.6 What does “unpublished” mean?**

“Unpublished” for this purpose means that the information is not generally available. Information is generally available if it consists of readily observable matter, or it has been disseminated in a manner likely to bring it to the attention of investors and a reasonable period has elapsed. Jabiru publishes information to the market by releasing Jabiru announcements through the ASX Company Announcements Platform. All announcements by Jabiru are available on the ASX website [www.asx.com.au](http://www.asx.com.au) and the Company's website [www.jabirumetals.com.au](http://www.jabirumetals.com.au)

### **3.7 Insider Trading Prohibition is Prohibited at all times**

Notwithstanding any other provision of this policy, if you possess inside information, you must not Deal, advise or get others to do so or pass on the inside information to others. This prohibition applies regardless of how you learn the information.

The prohibition on insider trading is not restricted to information concerning the Company's Securities. If a person has inside information in relation to Securities of another company, that person must not Deal in those Securities.

### **3.8 Additional Dealing Restrictions for Directors and Some Employees**

Additional restrictions on Dealing in the Company's Securities apply to the following people in the Company and its related companies ("Restricted Persons"):

- (i) all directors, spouses and related parties (as defined in the Corporations Act ); and
- (ii) any executive employee or contractor considered necessary or appropriate by the Managing Director and Company Secretary from time to time.

The Managing Director will notify those persons in (i) and (ii) above that they are considered Restricted Persons for the purposes of this policy and therefore bound by the additional restrictions in Dealings in Shares by Restricted Persons, Requirements before Dealing and Notification of Dealing below. The Managing Director will also notify any Restricted Person if the Board decides that the person should no longer be considered a Restricted Person under this policy.

### **3.9 Reasons for the Additional Trading Restrictions**

Restricted Persons are in positions where it may be assumed that they have inside information and, as a result, any Dealing by Restricted Persons may embarrass or reflect badly on them or on the Company (even if they have no actual inside information at the time).

This policy is designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise.

### **3.10 Dealing in Securities by Restricted Persons**

#### **3.10.1 Dealing Prohibited During a Closed Period**

Subject to the exceptions in paragraphs 3.10.2 and 3.10.3, a Restricted Person must not Deal in the Company's Securities during the following periods (each a "Closed Period"):

- (i) during the period from 1 January until two trading days following the release of the Company's half-year results;
- (ii) during the period from 1 July until two trading days following the release of the Company's full-year results; and
- (iii) during the period before price sensitive announcements until two trading days following the release of the information.

#### **3.10.2 Notification of Excluded Dealing During a Closed Period**

- (i) During a Closed Period, a Restricted Person who is not in possession of inside information in relation to the Company may Deal in the Company's Securities in the circumstances set out in the Schedule ("Excluded Dealing"), subject to a notice in writing of the proposed Excluded Dealing ("Excluded Dealing Notice") being provided by the Restricted Person to the Designated Officer, at the registered address of the Company at least 10 Business Days prior to the date of the proposed Excluded Dealing, setting out details of:

- (A) the name of the Restricted Person;

- (B) whether the interest in the Company's Securities held by the Restricted Person is direct or indirect (and if it is indirect, the circumstances giving rise to the interest);
  - (C) a description of the proposed Excluded Dealing;
  - (D) the proposed date of the Excluded Dealing;
  - (E) the number of Securities to be sold or disposed of by the Excluded Dealing;
  - (F) the amount to be paid or received for the Securities; and
  - (G) the number of Securities held by the Restricted Person, directly and indirectly, before and after the Excluded Dealing.
- (ii) The Designated Officer may notify the relevant Restricted Person within 5 Business Days of receipt of the Excluded Dealing Notice that the proposed Excluded Dealing must not proceed (without giving any reasons) and if so notified, the relevant Restricted Person must not proceed with the proposed Excluded Dealing.
  - (iii) For the purpose of notifying the relevant Restricted Person in accordance with paragraph 3.10.2(ii), the Designated Officer may provide written or verbal notification, including notification by email to an email address specified by the relevant Restricted Person in his or her Excluded Dealing Notice.

### **3.10.3 Prior Written Clearance in Exceptional Circumstances During a Closed Period**

- (i) A Restricted Person who is not in possession of inside information in relation to the Company may be given prior written clearance by the Board ("Prior Written Clearance") to sell or otherwise dispose of the Company's Securities during a Closed Period where the Restricted Person is:
  - (A) in severe financial hardship, as described in paragraph 3.10.4; or
  - (B) there are other exceptional circumstances, as described in paragraph 3.10.5.
- (ii) To apply for Prior Written Clearance under paragraph 3.10.3(i), a Restricted Person (the "Applicant") must apply to the Designated Officer by sending an application in writing to the registered address of the Company ("Application") at least 10 Business Days prior to the date of the proposed Dealing, setting out details of:
  - (A) the name of the Applicant;
  - (B) whether the interest in the Company's Securities held by the Applicant is direct or indirect (and if it is indirect, the circumstances giving rise to the interest);
  - (C) a description of the Dealing;
  - (D) the proposed date of the Dealing;

- (E) the number of Securities to be sold or disposed of by the Dealing;
  - (F) the amount to be paid or received for the Securities; and
  - (G) the number of Securities held by the Applicant, directly and indirectly, before and after the Dealing.
- (iii) The Designated Officer will consider the Application and respond in writing to the Applicant within 5 Business Days of receipt of the Application, either:
- (A) approving the Application (which may or may not be subject to conditions in the Designated Officer's absolute discretion); or
  - (B) rejecting the Application (without giving any reasons).

For the purpose of responding to the Applicant in accordance with this paragraph, the Designated Officer may provide a written or verbal response, including a response by email to an email address specified by the Applicant in his or her Application.

- (iv) Any Prior Written Clearance will specify the duration of that clearance to Deal in the Company's Securities during a Closed Period.

#### **3.10.4 What constitutes Severe Financial Hardship**

- (i) For the purposes of paragraph 3.10.3(i), the Designated Officer may consider a Restricted Person to be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Securities of the Company.
- (i) A tax liability of a Restricted Person will not normally constitute severe financial hardship unless the Restricted Person has no other means of satisfying the liability.
- (ii) A tax liability relating to Securities received under an employee incentive scheme will not normally constitute severe financial hardship or otherwise be considered an exceptional circumstance under paragraph 3.10.5 for the purpose of obtaining Prior Written Clearance to sell or otherwise dispose of Securities during a Closed Period.

#### **3.10.5 What constitutes Exceptional Circumstances**

- (i) For the purposes of paragraph 3.10.4, the Designated Officer may consider the proposed transfer or sale of the Company's Securities by a Restricted Person in accordance with:
- (A) a court order;
  - (B) a court enforceable undertaking; or
  - (C) some other overriding legal or regulatory requirement for the Restricted Person to do so,
- to be exceptional circumstances.

- (ii) The Designated Officer may consider other circumstances to be exceptional circumstances for the purposes of paragraph 3.10.3(i), if the Designated Officer is satisfied that the proposed Dealing in the relevant Securities of the Company is the only reasonable course of action available to the Restricted Person.

### **3.10.6 Dealing outside a Closed Period**

Subject to compliance with the Requirements Before Dealing in paragraph 3.11, where a Restricted Person proposes to Deal in the Company's Securities outside a Closed Period, there should be no objection to Dealing in the Securities, if the following factors are satisfied:

- (i) the Company is currently in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1;
- (ii) the Company is not withholding any material information from disclosure by reason of the exceptions to ASX Listing Rule 3.1 (namely, under ASX Listing Rule 3.1A); and
- (iii) the Restricted Person does not otherwise possess any inside information.

## **3.11 Requirements Before Dealing**

### **3.11.1 Chairperson**

Before Dealing, or giving instructions for Dealing or causing anyone else to Deal, in the Company's Securities, the Chairperson must:

- (i) notify the Board of the Chairperson's intention to Deal (or cause someone else to Deal) in the Company's Securities;
- (ii) confirm that the Chairperson does not hold any inside information;
- (iii) have been advised by the Board that there is no known reason to preclude the Chairperson from Dealing in the Company's Securities as notified; and
- (iv) have complied with any conditions on Dealing imposed by the Board (including, for example, any time limits applicable to the clearance).

### **3.11.2 Director (other than the Chairperson)**

Before Dealing or giving instructions for Dealing or causing anyone else to Deal, in the Company's Securities, a Director (other than the Chairperson) must:

- (i) notify the Chairperson of the Director's intention to Deal (or cause someone else to Deal) in the Company's Securities;
- (ii) confirm that the Director does not hold any inside information;
- (iii) have been advised by the Chairperson that there is no known reason to preclude him/her from Dealing in the Company's Securities as notified; and
- (iv) have complied with any conditions on Dealing imposed by the Chairperson (including, for example, any time limits applicable to the clearance).

### 3.11.3 Restricted Persons (other than the Chairperson or Directors)

Before Dealing, or giving instructions for trading or causing anyone else to trade, in the Company's Securities, Restricted Persons (other than the Chairperson or Directors) must:

- (i) notify the Managing Director or their delegated representative of their intention to Deal (or cause someone else to Deal) in the Company's Securities;
- (ii) confirm that they do not hold any inside information;
- (iii) have been advised by the Managing Director or their delegated representative that there is no known reason to preclude them from Dealing in the Company's Securities as notified; and
- (iv) have complied with any conditions on Dealing imposed by the Managing Director or their delegated representative (including, for example, any time limits applicable to the clearance).

The Board, Chairperson or Company Secretary may seek appropriate legal advice to ensure the proper provision or otherwise of a clearance under Requirements Before Dealing, and the cost of such advice shall be borne by the Company.

### **3.12 Notification of Dealing**

A Restricted Person must also notify the Managing Director or their delegated representative of any Dealing in the Company's Securities by the Restricted Person or any Related Party of the Restricted Person within two Business Days of such Dealing having taken place.

The above notification should include:

- (i) the name of the Restricted Person and Related Party (if applicable);
- (ii) whether the interest in the Company's Securities held by the Restricted Person was direct or indirect (and if it was indirect, the circumstances giving rise to the interest);
- (iii) the date of the Dealing, and the number of Securities bought or sold;
- (iv) the amount paid or received for the Securities; and
- (v) the number of Securities held by the Restricted Person, directly and indirectly, before and after the trading in Securities.

### **3.13 Speculative Dealing**

At no time may Restricted Persons engage in short-term speculative Dealing in the Company's Securities.

### **3.14 Granting interests in Securities to Lenders**

Without limiting any other provision of this policy, a Restricted Person must not enter into any Dealing or arrangement that provides lenders with rights over their interests in the Company's Securities without first obtaining the prior written consent of the Designated Officer.

### **3.15 Restrictions Extend to all Securities**

This policy covers Dealing not only in the Company's shares, but also in other Securities of the Company including options and warrant contracts and any debentures or notes issued by the Company.

### **3.16 Breaches of Policy**

Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action which may include termination of employment.

**Last Updated:**

14 December 2010

# Securities Dealing Policy

## **SCHEDULE**

### **Excluded Dealings (paragraph 3.10.2)**

The following are Excluded Dealings for the purposes of paragraph 3.10.2:

- (i) transfers of the Company's Securities by the Restricted Person into a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- (ii) an investment in, or trading 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;
- (iii) where a Restricted Person is a trustee, trading 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;
- (iv) undertakings to accept, or the acceptance of, a takeover offer;
- (v) accepting an offer or invitation made by the Company to all or most of its 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, including 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;
- (vi) the exercise (but not the sale of the Company's 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;
- (vii) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with paragraph 3.10.3 and where:
  - (A) the Restricted Person did not enter into the plan or amend the plan during a Closed Period;
  - (B) the trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade; and
  - (C) the Restricted Person may not cancel the trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan during a Closed Period other than in exceptional circumstances; and
- (viii) a Dealing which results in no change in the beneficial interest in the Company's Securities.