



Securities

Trading

Policy

FerrAus Limited

ABN 86 097 422 529

Adopted by the Board 24 December 2010



SECURITIES TRADING POLICY

1. The Insider Trading Prohibition

The Corporations Act states that it is an offence for a person who possesses information that is not generally available and knows or ought reasonably to know that it is not generally available and that if it were it would have a material impact on the price or value of a security (including an Option) issued by the Company, to:

- (a) trade in (i.e. apply for, acquire or dispose of, or enter into an agreement to do any of these things) securities issued by the Company;
- (b) procure another person (e.g. a family member, friend or family company, superannuation fund or trust) to trade in securities issued by the Company; or
- (c) communicate the information to another person if you know or ought reasonably to know that the person may use the information to trade in or procure another person to trade in securities issued by the Company.

It is the responsibility of each Representative to ensure that they do not breach the insider trading prohibition. Breaches of the insider trading prohibition are considered serious and will result in disciplinary action being taken by the Company.

2. Prohibited Periods

Subject to clauses 1, 3, 5 and 6, Representatives who are:

- (a) Directors;
- (b) Company Secretaries; or
- (c) employees of or contractors or consultants to, the Company and have access to

the Company's financial, technical or other price sensitive information are permitted to trade in the Company's securities (trading windows) throughout the year, except during the following blackout periods:

- **Quarterly Results:** The ten (10) trading days prior to the anticipated date of release of the Company's Quarterly Results and 24 hours after the relevant announcement is made;
- **Half Yearly Results:** The ten (10) trading days prior to the anticipated date of release of the Company's Half Yearly Results and 24 hours after the relevant announcement is made;
- **Annual Report:** The ten (10) trading days prior to the anticipated date of release of the Company's Annual Report and 24 hours after the relevant announcement is made; and
- **Drilling results:** The ten (10) trading days prior to the anticipated date of release of any announcement containing drilling results of the Company and 24 hours after the relevant announcement is made.

3. Written Consent

Representatives other than the Chairman must obtain written or email consent from the Chairman prior to trading in the Company's securities. The Chairman must obtain written or email consent from the other members of the Board prior to trading in the Company's securities. The consent will apply for a period of five (5) business days from the date of grant or such other period specified in the consent.

4. Changes in Directors' Shareholdings

Directors must advise the Company Secretary of changes to their shareholdings in the Company and any of its related bodies corporate within three (3) business days of the change.

5. Waivers

In exceptional circumstances the Board may waive the requirements of this Share Trading Policy to allow Representatives to trade in the shares of the Company, provided to do so would not be illegal. Exceptional circumstances may include, without limitation, the following:

- A Representative in severe financial hardship where the Representative has a pressing financial commitment which cannot be satisfied otherwise than by selling the relevant securities of the Company.

- A Representative is the subject of a court order or there are enforceable undertakings, to transfer or sell the securities of the Company or there is some other overriding legal or regulatory requirement for them to do so.

The Board recognises that by the nature of exceptional circumstances, there may be other circumstances which have not been identified in this policy that may be deemed exceptional by the Board.

Representatives who apply for a waiver under exceptional circumstances must obtain written or email consent from the Chairman prior to trading in the Company's securities. The consent will apply for a period of five (5) business days from the date of grant or such other period specified in the consent.

6. Exception to blackout periods

Other trading that may be done in a blackout period, provided that such trading is not illegal, is as follows:

- Transfers of securities of the Company already held in a superannuation fund or other saving scheme in which the Representative is a beneficiary.
- An investment in, or trading 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.
- Where a Representative is a trustee, trading in securities of the Company by that trust provided the Representative is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by other trustees or by the investment managers independently of the Representative.
- Undertakings to accept or the acceptance of, a takeover offer.
- Trading 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 rights to entitlements under a renounceable pro rata issue.
- 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 prohibited period.

7. Financial arrangements

Representatives are prohibited from entering into financial arrangements such as margin loans, stock lending or any other arrangements involving equity of the Company where the lender or other third party is granted a right to sell or compel the sale of all or part of the Representative's securities held in the Company. Where such arrangements were entered into on or before 1 January 2011, the above prohibition does not apply. However, the details of such arrangements must be promptly notified in writing to the Company Secretary if notification has not previously been given, in order to assess whether the existence of such arrangements must be disclosed to the market.

8. Dealing in securities of other companies

Representatives must not deal in securities of other companies if they possess "inside information" in relation to the relevant company.

9. Definitions

In this Share Trading Policy, unless the context otherwise requires, the following expressions have the following meanings respectively:

ASX means the Australian Securities Exchange.

Board means the Board of Directors.

Chairman means the Chairman of the Board.

Company means FerrAus Limited (ACN 097 422 529).

Company Secretary means the Company Secretary of the Company;

Corporations Act means the Corporations Act 2001 (Cth).

Director means a Director of the Company.

Listing Rules means the official listing rules of ASX.

Representatives mean the Company's officers, employees and contractors and consultants to the Company, while engaged in work for the Company.

10. Implementation

Adopted by the Board on 24 December 2010 and will be reviewed by the Board on an annual basis.