

SECURITIES TRADING POLICY

1. INTRODUCTION

1.1 Purpose

The purpose of this policy is to:

- (a) provide a summary of the law on insider trading, and other relevant laws; and
- (b) set out the restrictions on dealing in securities by people who work for or are associated with Rey Resources Limited and its subsidiary companies (**Rey Resources** or **the Company**).

If you do not understand any part of this policy or how it applies to you, you should discuss the matter with the Company Secretary before dealing in any Rey Resources securities.

1.2 Statement of policy

Whenever you have inside information which may affect the value of securities, you must not:

- (a) deal in the securities; or
- (b) communicate the information to anyone else.

This prohibition applies regardless of how you learned the information. It applies not only to Rey Resources securities, but also to securities of other companies as defined in section 2.2 below.

The concepts of "**inside information**", "**securities**", "**dealings**" and "**communicating information**" are explained below.

2. APPLICATION

2.1 Who is covered by this policy?

This policy applies to all:

- (a) executive and non-executive directors and related parties;
- (b) full-time and part-time employees and their relatives (spouses, parents and children); and
- (c) casual employees, consultants and contractors where their terms and conditions incorporate compliance with this policy or where they have access to inside information,

of Rey Resources and Rey Resources group companies ("**Rey Resources Personnel**").

To avoid any doubts, any reference in this policy to a director includes an alternate director.

2.2 What securities are covered by this policy?

This policy applies to the following securities:

- (a) Rey Resources shares;
- (b) any other securities which may be issued by Rey Resources such as options and performance rights;

- (c) derivatives (such as exchange-traded options and warrants) and other financial products issued by third parties in relation to Rey Resources shares and options; and
- (d) securities of any other company or entity that may be affected by inside information (such as a Rey Resources joint venture partner, another party involved in a corporate transaction with Rey Resources or a Rey Resources contractor or shareholder).

2.3 What is dealing?

For the purposes of this policy, dealing in securities includes:

- (a) trading in securities (i.e. subscribing for, buying, selling or entering into an agreement to do any of those things); and
- (b) advising, procuring or encouraging another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust) to trade in securities.

2.4 What is communicating information?

Communicating information includes passing it on to another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust).

3. PROHIBITED CONDUCT

3.1 What is insider trading?

In broad terms, you will commit insider trading if you:

- (a) deal in Rey Resources securities or securities of another entity while you have inside information; or
- (b) communicate inside information to another person knowing (or where you should have reasonably known) that the other person would, or would be likely to use that information to deal in, or procure someone else to deal in, securities. This is commonly known as "tipping".

Individuals who contravene the insider trading provisions of the Corporations Act are liable to prosecution or to civil penalty action by the Australian Securities and Investments Commission. In both cases, the offender may be ordered to pay compensation to anyone who suffered loss as a result of the insider trading.

Separately, someone who engages in insider trading may be sued by another party or by Rey Resources in a civil action, for any loss suffered as a result of the insider trading.

3.2 What is inside information?

Inside information is information that:

- (a) is not generally available to people who commonly invest in securities; and
- (b) if it was generally available, it would (or would be likely to) influence experienced investors in deciding whether or not to subscribe for, purchase or sell Rey Resources securities or securities of another entity.

It does not matter how you obtain the inside information - for example, whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in the lift or at a party.

The financial impact of the information is important, but strategic and other implications can be equally important in determining what amounts to inside information. The definition of "information" is broad enough to include rumours, matters of supposition, intentions of a person (including Rey Resources) and information which is not definite enough to warrant public disclosure.

3.3 Examples of inside information

The following list is illustrative only. Inside information about Rey Resources could include:

- (a) information relating to drilling and exploration results or resource or reserve statements of Rey Resources;
- (b) information on the outcome of any economic studies, such as Pre-Feasibility Studies and Definitive Feasibility Studies;
- (c) information on changes in production or production forecasts;
- (d) information relating to the financial results or forecast results of Rey Resources;
- (e) a possible sale or acquisition of assets by Rey Resources;
- (f) a possible change in the capital structure of Rey Resources;
- (g) board or senior management changes;
- (h) an event which could have a material impact (either positively or negatively) on production or profits (for example, disconnection or shut-in of production, or a significant safety or environmental incident);
- (i) a proposed change in the nature of the business of Rey Resources;
- (j) a proposed takeover or merger involving Rey Resources; and
- (k) any possible claim against Rey Resources or other unexpected liability.

3.4 Securities of other companies

The prohibition on insider trading is not restricted to information affecting Rey Resources securities. If you possess inside information in relation to securities of another company or entity, you must not deal in those securities.

3.5 Do I have any other obligations to Rey Resources?

In addition to the insider trading and other restrictions in this policy, you also owe a duty of confidentiality to Rey Resources. You must not reveal any confidential information concerning Rey Resources, use that information in any way which may injure or cause loss to Rey Resources, or use that information to gain an advantage.

4. OTHER PROHIBITED CONDUCT

4.1 Short term dealing

Rey Resources Personnel are encouraged to be long term investors in Rey Resources and act to promote growth in long term returns for all holders of Rey Resources securities. Accordingly, speculation in short term fluctuations in the value of Rey Resources securities is prohibited.

4.2 Hedging

If you are a director or employee of Rey Resources who participates in a Rey Resources equity-based incentive plan (for example, a share or option or performance rights plan), you must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in Rey Resources securities. An unvested entitlement is a Rey Resources share or option or performance right which is still subject to time and/or performance hurdles.

4.3 Margin loans

Rey Resources Personnel are not permitted to enter into a margin loan or other financing arrangement where there is a risk that Rey Resources securities will be traded pursuant to the terms of the margin loan or financing arrangement (together a **Margin Loan**), unless you have obtained prior written consent of the Chairman to enter into the Margin Loan and disclose to the Chairman the following information regarding the Margin Loan (**Loan Information**):

- (a) key terms;
- (b) number of Rey Resources securities involved;
- (c) the trigger points;
- (d) the right of the lender to sell the securities unilaterally; and
- (e) any other material details.

If you are the Chairman of Rey Resources and you intend to enter into a Margin Loan, you must obtain the prior written consent of the Chairman of the Audit and Risk Committee or, in the absence of such,, the prior written consent of an independent non-executive director of Rey Resources to enter into the Margin Loan. Further, you must disclose to the Chairman of the Audit and Risk Committee (or independent non-executive director if applicable) the Loan Information.

4.4 Blackout periods

Unless otherwise approved by the Board in exceptional circumstances (for example of exceptional circumstances, refer 4.5 below), you are not permitted to deal in Rey Resources securities during the following blackout periods:

- (a) the period commencing on the 14 days prior to the day the Company releases its half yearly report and ending one day after the lodgement of that half yearly report;
- (b) the period commencing on the 14 days prior to the day the Company releases its year end results and ending one day after the lodgement of those year end results; and
- (c) such other periods advised from time to time by the Board and/or Managing Director (such as prior to the announcement to ASX of a significant matter or event).

Rey Resources Personnel wishing to trade during a blackout period may seek written approval from the Chairman. The Chairman, in his or her ultimate discretion, will decide whether exceptional circumstances exist and his or her decision will be final.

All requests to trade during a blackout period must be accompanied by a Securities Trading Request Notice (Annexure 1) and must contain adequate details of the exceptional circumstances for consideration by the Chairman. Requests to trade during a blackout period may be directed to the Chairman via the Company Secretary. Any trading approved by the Chairman during a blackout period is valid for five (5) clear business days from the date of written clearance. Written clearance in the form of email is acceptable.

4.5 **Exceptional circumstances**

In exceptional circumstances, where it is the only reasonable course available to a director, officer, employee, consultant or contractor, clearance may be given to sell (but not to purchase) Rey Resources securities when such Rey Resources Personnel would otherwise be prohibited from doing so but not while there exists any matter which constitutes inside information in relation to Rey Resources securities. Such clearance may be obtained by following the steps set out in section 5 below.

Examples of the type of circumstances which may be considered exceptional for these purposes are:

- (a) severe financial hardship;
- (b) in order to comply with an undertaking given to, or an order by, a court; or
- (c) such other exceptional circumstances as may from time to time be determined by the Chairman or, in his absence, the Chairman of the Audit Committee or the Managing Director.

5. **PERMITTED CONDUCT**

5.1 **When is dealing permitted if you are an Employee, Contractor or Consultant?**

If you are an employee, contractor or consultant of Rey Resources, the following rules apply:

- (a) subject to the rules of any applicable Rey Resources equity-based plan (for example, a share or option or performance rights plan) you can deal in Rey Resources securities at any time provided:
 - (i) you obtain the prior written consent (which shall not be unreasonably withheld and which may be provided by email) of the Managing Director (Refer to Annexure 1 – “Securities Trading Request Notice”);
 - (ii) you confirm to the Managing Director that you do not have inside information;
 - (iii) the dealing does not occur during a blackout period (refer to 4.4 above);
 - (iv) you are not involved in short term or speculative dealing;
 - (v) you are not hedging the risk of any fluctuation in value of any unvested entitlement in Rey Resources securities; and
 - (vi) if applicable, one of the exceptions to the policy in 5.3 below applies;
- (b) if you subsequently deal in those securities – you must confirm the dealing in writing to the Managing Director and Company Secretary within two business days after the dealing. The confirmation must include:
 - (i) your name;
 - (ii) the name of any person who dealt on your behalf;
 - (iii) details of your interest (direct or indirect) in the Rey Resources securities the subject of the dealing;
 - (iv) the date of the dealing;
 - (v) the number of Rey Resources securities subscribed for, bought or sold;

- (vi) the amount paid or received for those securities; and
- (vii) the number of Rey Resources securities held by you (directly or indirectly) before and after the dealing.

5.2 When is dealing permitted if you are a Director?

If you are a director of Rey Resources, the following rules apply:

- (a) you can only deal in Rey Resources securities (or financial products issued by third parties in relation to Rey Resources securities which operate to limit the economic risk of a vested holding in Rey Resources securities) provided:
 - (i) you obtain the prior written consent (which shall not be unreasonably withheld and which may be provided by email) of the Chairman (or the Chairman of the Audit and Risk Committee or alternative as per clause 4.3 if you are the Chairman) (Refer to Annexure 1 – “Securities Trading Request Notice”);
 - (ii) you confirm that you are not in possession of any inside information;
 - (iii) the dealing does not occur during an blackout period (refer to 4.4 above);
 - (iv) you are not involved in short term or speculative dealing; and
 - (v) you are not hedging the risk of any fluctuation in value of any unvested entitlement in Rey Resources securities; and
 - (vi) if applicable, one of the exceptions to the policy in 5.3 below applies;
- (b) if you subsequently deal in those securities – you must confirm the dealing in writing to the person to whom your prior notice was given and the Company Secretary within two business days after the dealing. The confirmation must include:
 - (i) your name;
 - (ii) the name of any person who dealt on your behalf;
 - (iii) details of your relevant interest (direct or indirect) in the Rey Resources securities the subject of the dealing;
 - (iv) the date of the dealing;
 - (v) the number of Rey Resources securities subscribed for, bought or sold;
 - (vi) the amount paid or received for those securities;
 - (vii) the number of Rey Resources securities held by you (directly or indirectly) before and after the dealing, including where the securities are held indirectly, the names of the holder of securities on the Company’s share register and the name of any underlying beneficiary; and
 - (viii) sufficient information to enable Rey Resources to comply with the requirements to notify a change of interests to ASX.

5.3 Exceptions to the policy

Rey Resources Personnel may at any time:

- (a) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares (but may not sell all or any of the shares received upon exercise of the options other than in accordance with this policy);
- (b) acquire Rey Resources securities under a bonus issue made to all holders of securities of the same class;
- (c) acquire Rey Resources securities in accordance with an incentive bonus agreed under an employment contract;
- (d) acquire Rey Resources securities under a dividend reinvestment plan, a rights issue or a share purchase plan that is available to all holders of securities of the same class;
- (e) acquire, or agree to acquire, options or share rights under a Company incentive plan;
- (f) exercise options or convert shares acquired under a Company incentive plan (but may not sell all or any of the shares received upon exercise of the options or conversion of the rights other than in accordance with this policy);
- (g) transfer Rey Resources securities already held into a superannuation fund or other saving scheme in which the relevant Rey Resources person is a beneficiary, subject to ensuring the transfer does not contravene the laws prohibiting insider trading;
- (h) invest in, or trade units of, a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party; or
- (i) provide undertakings to accept, or accept, a full or partial takeover offer.

6. CONSEQUENCES OF BREACH

6.1 What if I breach this policy?

Strict compliance with this policy is mandatory for all Rey Resources Personnel covered by this policy. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

7. PUBLICATION

7.1 Where can I find this policy?

A copy of this policy will be made available on the Rey Resources website.

7.2 Will I receive any training on this policy?

If you do not understand this policy or wish to receive training on how to comply with this policy, please contact the Company Secretary.

8. REVIEW

This policy will be reviewed periodically to ensure that it continues to comply with applicable laws and good corporate governance practices.

9. EXPLANATION OF TERMS

For the purposes of this policy:

“ASX” means Australian Securities Exchange.

“deal in securities” means buy or sell shares, options or other securities, or enter into transactions in relation to shares, options or other securities, either directly or through a family trust, superannuation fund, company or in any other manner.

“director” means a director of Rey Resources and includes any related party of the director.

“Insider Trading” includes:

- dealing in securities whilst in possession of inside information; or
- communicating inside information to another person knowing that the other person would, or would be likely to, use that information to deal in or procure someone else to deal in securities (known as “tipping”).

ANNEXURE A

SECURITIES TRADING REQUEST NOTICE

Date: _____

The Board of Directors

BUYING/SELLING OF SHARES IN REY RESOURCES LIMITED

This notice seeks approval for the named Rey Resources personnel/director below to trade in the securities of Rey Resources Limited in accordance with the Company's Securities Trading Policy.

I confirm that;

- I am not in possession of, or aware of, any information that may be considered "inside information";
- I am not involved in any short term or speculative trading in the securities of Rey Resources;
- I am not hedging the risk of any fluctuation in value of any unvested entitlement in the securities of Rey Resources; and
- I will not deal in the securities during any blackout period.

I acknowledge that this approval to trade is only valid for five (5) clear business days from the date indicated below, unless otherwise revoked earlier by notice in writing.

Estimated number *shares/options to be *purchased/sold
*Delete as appropriate.

Name and signature of Employee/ Director

Approved:

Managing Director / Chairman

Date: _____