

# AVOCA RESOURCES LIMITED

ABN 30 097 083 282

## SHARE TRADING POLICY

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This share trading policy sets out the Company's policy regarding the trading in the Company's securities. This policy is separate from and additional to the legal constraints imposed by the common law, the *Corporations Act* and the *ASX Listing Rules*.

This policy applies to all Directors and employees of the Company and their associates (including spouses, children, family trust and family companies) as well as contractors, consultants, advisers and auditors of the Company ("relevant persons").

It is illegal to trade in the Company's securities while in possession of unpublished price sensitive information concerning the Company. Under the *Corporations Act* a person with inside information must not, and must not procure another person, to deal in the securities of a body corporate or enter into an agreement to deal in the securities of a body corporate.

Inside information is defined in the *Corporations Act* as information that:

- is not generally available; and
- if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the securities of the body corporate.

### General Prohibition on Insider Trading

All relevant persons are prohibited from trading in the Company's securities while in possession of unpublished price sensitive information concerning the Company. In addition, while in possession of unpublished price sensitive information designated relevant persons must not advise others to trade in the Company's securities or communicate the information to another person knowing that the person may use the information to trade in, or procure someone else to trade in, the Company's securities.

Unpublished price sensitive information is information which the market is not aware and that a reasonable person would expect to have a material effect on the price or value of the Company's securities, and includes:

- a proposed major acquisition or disposition;
- a significant business development or a proposed change in the nature of the Company's business;
- details of material contracts that are being negotiated by the Company;
- potential litigation that would have a substantial effect on the Company;
- a proposed change to the share capital structure of the Company; and
- a major change to the Board or senior management.

The prohibition discussed above extends to unpublished price sensitive information about any ASX listed company. Regard should be had to the prohibition when considering trading in the securities of any listed company if the relevant person is aware of unpublished price sensitive information.

### Guidelines for Dealing in Securities

#### *Trading Window*

Relevant persons (other than Directors, for which see below) may trade in the Company's securities on ASX in the period of 7 calendar days commencing 24 hours following:

- the holding of the Annual General Meeting;
- the holding of any general meeting;
- the announcement of the annual results;
- the announcement of the half-year results;
- the announcement of the quarterly report;
- any other public announcement on ASX,

EXCEPT where the relevant person is in possession of unpublished price sensitive information or the Company is in possession of unpublished price sensitive information and notifies the relevant person they may not trade during all or part of the trading window.

A relevant person may also trade in the company's securities during the period that the Company has a disclosure document on issue pursuant to which a person may subscribe for shares.

#### *Outside Trading Window*

Outside of the trading window, all relevant persons must receive clearance for the proposed trading in the Company's securities on ASX by informing and receiving approval from the Managing Director (or, if unavailable, the Chairman) prior to undertaking a transaction.

#### *Directors*

At all times prior to trading in the Company's securities, Directors must notify the Chairman (or in the case of the Chairman he must notify the Managing Director) of their intention to trade and confirm that they are not in possession of any unpublished price sensitive information.

#### *Time for Clearance*

It is expected that clearance requests will be answered in 24 hours.

### **Option Plans**

The requirement to provide notice of an intention to trade in the Company's securities does not apply to the acquisition of securities through the Avoca Resources Limited Directors, Employees and Officers Option Plan. However the requirement does apply to the trading of the securities once they have been acquired.

### **Notification of trade in Company Securities**

Directors must also notify the Company Secretary of any trade in the Company's securities within 5 days of such trade occurring so that the Company Secretary can comply with the ASX Listing Rule 3.19A requirement to notify the ASX of any change in a notifiable interest held by a Director.

### **Short-Term Trading**

The Company encourages Directors and employees to adopt a long-term attitude to their investment in the Company's securities. Consequently, relevant persons should not engage in short-term or speculative trading of the Company's securities.

### **Breach of Policy**

Breaches of this policy will be subject to disciplinary action, which may include termination of employment. If relevant persons are unsure of whether they are able to trade in the Company's securities at a particular time, please consult with the Managing Director or Chairman.

*This Policy was adopted by the Avoca Resources Board on 27 September 2004. This Policy was reviewed by the Board and updated in March 2009.*