



**ABN 63 009 193 980**

# **BLACKTHORN RESOURCES LIMITED**

## **SECURITIES TRADING POLICY**

**August 2011**

## **BLACKTHORN RESOURCES LIMITED**

### **SECURITIES TRADING POLICY**

#### **1. Purpose**

- 1.1 This Policy sets out the requirements for directors, employees, consultants and contractors (collectively 'Blackthorn Resources People') of Blackthorn Resources Limited ('Blackthorn Resources' or 'the Company') and its related entities in relation to dealing in securities of Blackthorn Resources.
- 1.2 This Policy has important implications for all Blackthorn Resources People. If you do not understand the implications of this Policy or how it applies to you, you should raise the matter with the Chief Executive Officer or the Company Secretary before trading in any securities which may be affected by this Policy or the law.
- 1.3 This Policy only provides a summary of applicable legal and regulatory issues which are complex, and should therefore only be used as a general guide, not as legal advice.

#### **2. Insider Trading**

- 2.1 The Corporations Act 2001 prohibits insider trading.
- 2.2 A person ('the insider') who possesses inside information about a company must not apply for, acquire, or dispose of a company's securities or derivatives or procure someone else to do these things for them.
- 2.3 An insider is also prohibited from communicating inside information to another person if the insider knows or ought to know that this person will apply for, acquire, or dispose of a company's securities or derivatives or get someone else to do these things for the person.
- 2.4 Inside information, in general terms, is information that:
  - (i) is not generally available;
  - (ii) concerns a company's financial position, strategy or operations and any other information; and
  - (iii) which a reasonable person might consider, if it were generally available, would be likely to have a material effect on a decision to buy or sell a company's securities (or derivatives).
- 2.5 Insider trading is a criminal offence. If you are found guilty of insider trading, you could be liable to a fine or a jail term. You may also have to compensate others for their losses.

### **3. The Trading Policy**

- 3.1 As a general rule Blackthorn Resources People must not:
- (i) buy, sell or otherwise deal in Blackthorn Resources securities while in possession of price sensitive information;
  - (ii) advise, procure or encourage any other person to buy, sell or otherwise deal in Blackthorn Resources securities while in possession of price sensitive information;
  - (iii) pass on information to any person, if you know or ought to reasonably know that the person may use the information to buy, sell or otherwise deal (or procure another person to buy, sell or otherwise deal) in Blackthorn Resources securities.
- 3.2 Blackthorn Resources People should not buy, sell or otherwise deal in Blackthorn Resources securities during a prohibited period. A prohibited period is:
- (i) the period from Blackthorn Resources' financial year end ( 30 June) to the time Blackthorn Resources' annual results are announced;
  - (ii) the period from Blackthorn Resources' financial half-year end (31 December) to the time Blackthorn Resources' half-year financial results are announced;
  - (iii) the period of one month immediately preceding the announcement of Blackthorn Resources' quarterly results or, if shorter, the period from the relevant end of quarter up to and including the time Blackthorn Resources' quarterly results are announced;
  - (iv) any period when Blackthorn Resources is in possession of unpublished price sensitive information;
  - (v) any other period notified by the Company, when Blackthorn Resources People are prohibited from trading, which may be imposed by the Company from time to time when the Company is considering matters which are subject to Listing Rule 3.1A (exceptions to Continuous Disclosure).
- 3.3 The dealing in financial products issued or granted over or in respect of Blackthorn Resources securities which have the effect of limiting the economic risk of participating in unvested entitlements is prohibited at all times.
- 3.4 If you have price sensitive information relating to a company other than Blackthorn Resources which is not generally available, the same insider trading rules apply.
- 3.5 Dealing in Blackthorn Resources securities by a family member is to be discouraged, except outside a prohibited period.

#### **4. Excluded Trading**

- 4.1 For the purpose of this trading policy, the following dealing in securities are permitted during a prohibited period:
- (i) transfers of securities where the beneficial ownership of the securities does not change, eg. the transfer of securities already held into a superannuation fund where the Blackthorn Resources People is a beneficiary;
  - (ii) the exercise of an option or a right, or the conversion of a convertible security, where the final date to exercise the option or right, or convert the security, falls during a prohibited period;
  - (iii) undertakings to accept, or acceptance of, takeover offers;
  - (iv) trading under an offer or invitation made to all or most of the Company's security holders, such as a rights issue, security purchase plan, a dividend reinvestment plan or securities buy-back.
- 4.2 Blackthorn Resources People, who are not in the possession of price sensitive information, may be given prior written clearance by the Board to sell or otherwise dispose of Blackthorn Resources during a prohibited period, where the Blackthorn Resources People is in severe financial difficulties or other exceptional circumstances determined by the Board, such as required under a court order, in a bona fide family settlement, or some other overriding legal or regulatory requirement to do so.

#### **5. Definitions**

##### *5.1 What are securities?*

For the purpose of this Policy, securities are any listed or unlisted class of share, right, option, warrant, convertible note, bond, debenture, or any financial products issued or created over or in respect of Blackthorn Resources securities.

##### *5.2 What is dealing in securities?*

For the purpose of this Policy, dealing includes buying, selling, subscribing for any Blackthorn Resources securities, whether on your own account or on behalf of another person.

Legally there are many forms of dealing such as granting options over shares, entering conditional contracts to buy or sell securities and so on. If you are considering any transaction whatsoever involving Blackthorn Resources securities, you should only do so in consideration of this Policy.

##### *5.3 What is price sensitive information?*

For the purpose of this Policy, price sensitive information means any information relating to Blackthorn Resources that would, if the information were publicly known, be likely to:

- (i) have a material effect on the price or value of Blackthorn Resources securities; or
- (ii) influence persons who commonly invest in securities in deciding whether or not to buy, sell or otherwise deal in Blackthorn Resources securities.

#### 5.4 *What is insider trading?*

For the purpose of this Policy, insider trading arises when you buy, sell or otherwise deal in securities whilst in the possession of price sensitive information which has not been published or which is not otherwise generally available.

#### 5.5 *Who is a family member?*

For the purpose of this Policy, a family member is your spouse or partner, your parents or parents-in-law (including parents of partners), your children/stepchildren (including children of partners) and the spouse/partners of any of those people.

### **6. Consequence**

- 6.1 Compliance with this Policy is a condition of employment. Failure to comply with this Policy, whether or not involving actual insider trading as a matter of law, could result in disciplinary action being taken against you by Blackthorn Resources or your dismissal from employment.
- 6.2 Compliance with this Policy is a condition of contracting with Blackthorn Resources. Failure to comply with this Policy, whether or not involving actual insider trading as a matter of law, could result in the termination of your contract with Blackthorn Resources.

### **7. Procedures**

- 7.1 You can deal in Blackthorn Resources securities outside of the prohibited periods, unless you hold price sensitive information. Once you have completed a transaction you must report details of the transaction to the Company Secretary.
- 7.2 All Directors and senior managers of Blackthorn Resources are required seek approval as follows prior to dealing in the securities of the Company:
  - (i) Directors must notify the Chairman;
  - (ii) Senior managers must notify their immediate leader.

The approval to allow dealing in the securities of the Company must be forwarded to the Company Secretary.

- 7.2 Directors of Blackthorn Resources are required to notify the Company Secretary details of:

- (i) all Blackthorn Resources securities they hold directly or indirectly at the time they are appointed as a director;
- (ii) all changes Blackthorn Resources securities they hold directly or indirectly within 2 days of the transaction occurring.

#### **8. Publication of Charter**

This Policy will be made available to Blackthorn Resources' shareholders on request.

A copy of this Policy will be made available on Blackthorn Resources' website [www.blackthornresources.com.au](http://www.blackthornresources.com.au)

**Approved and adopted by the Board of Blackthorn Resources Limited on  
30 August 2011**