

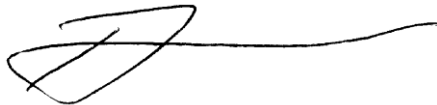
December 22, 2010

Unit 441 Skyline Apartments  
30 Macrossan Street  
Brisbane Qld 4000 Australia  
GPO Box 3249  
Brisbane Qld 4001 Australia  
Tel +61 7 3333 2722  
Email: [enquiries@auzex.com](mailto:enquiries@auzex.com)  
[www.auzex.com](http://www.auzex.com)

**ASX RELEASE**

## **SHARE TRADING POLICY**

Attached is the Auzex Resources Limited Trading Policy, provided in compliance with ASX Listing Rule 12.9 when it comes into effect on 1 January 2011.



Paul Frederiks  
**Company Secretary**

# AUZEX RESOURCES LIMITED SHARE TRADING POLICY

Adopted by the Board on 22 December 2010

## 1 Policy objectives

- 1.1 Directors, employees and other shareholders are encouraged to be long term holders of Auzex Resources Limited (Company) shares. Care must be taken however in the timing of any acquisition or disposal of securities of the Company.
- 1.2 The objective of this Policy is:
  - 1.2.1 to ensure that the Directors and employees are aware of and do not inadvertently breach the insider trading provision of the Corporations Act 2001 when dealing in securities in the Company (including shares and options); and
  - 1.2.2 to assist in maintaining market confidence in the trading of the Company's securities.

## 2 Who does this Policy apply to?

### People covered

- 2.1 This Policy applies to all Directors, the Company Secretary, and to all executives and employees of the Company and their associates.
- 2.2 In this Policy, **Senior Management** means the Company Secretary, and all senior executives.
- 2.3 Persons covered by this Policy must not trade through any member of their family, or through a trust or company over which they have influence or control, in circumstances where they would have been prohibited from trading in their own name.

### Securities covered

- 2.4 This Policy applies to all securities issued by the Company from time to time including ordinary shares and options.

## **Exclusions**

- 2.5 This Policy does not apply to any acquisition of securities as part of:
- 2.5.1 a new issue where the issue is available pro rata to all holders of securities of the relevant class; or
  - 2.5.2 a share purchase plan; or
  - 2.5.3 an executive or employee share or option plan.
- 2.6 This Policy will apply however to any subsequent disposals of securities acquired under any of the above.

## **3 What is insider trading?**

### **Insider trading**

- 3.1 If a person covered by this Policy has Inside Information relating to the Company it is illegal for the person to:
- 3.1.1 Buy, sell or otherwise deal in securities in the Company;
  - 3.1.2 Advise, procure or encourage another person (for example, a family member, a friend, a family company or trust) to buy or sell the Company's securities; or
  - 3.1.3 Pass on information to any other person, if you know or ought to reasonably know that the person may use the information to buy or sell (or procure another person to buy or sell) the Company's securities.

### **Inside Information**

- 3.2 Inside Information is information which is not generally available to the market and, if it were generally available to the market, would be likely to:
- 3.2.1 have a material effect on the price or value of any company's securities (not just the Company's securities); or
  - 3.2.2 influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.
- 3.3 Information is generally available if:
- 3.3.1 It consists of readily observable matter;
  - 3.3.2 It has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or

value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed;

3.3.3 It is derived from information which has been made public; or

3.3.4 It consists of observations, deductions, conclusions or inferences made or drawn from the other generally available information.

3.4 It does not matter how or where you obtain inside Information – it does not have to be from the Company or about the Company to constitute Inside Information.

### **Penalties for non-compliance**

3.5 Insider trading is a criminal offence punishable by significant fines or jail terms or both.

3.6 In addition, the insider trader and any other person involved in the contravention may be liable to compensate third parties for any resulting loss.

3.7 Non-compliances will be treated seriously by the Company and breaches of this Policy, whether or not they result in a breach of the law, may result in disciplinary action including dismissal.

## **4 Policy**

### **No trading when in possession of Inside Information**

4.1 No person to whom this Policy applies may deal in any security at any time if they have Inside Information.

### **Black Out Periods**

4.2 A person covered by this Policy may trade in securities at any time but only if:

4.2.1 There is no black out period in place; and

4.2.2 they have no Inside Information; and

4.2.3 The trading is not for short term or speculative gain.

The Board, the Managing Director or the Company Secretary may implement a black out period with immediate effect via written notification (generally distributed by email) from the Company Secretary. When a black out period is implemented, no one covered by this policy is permitted to trade in the securities of the Company. The Company Secretary will communicate in writing the lifting of a black out period.

In addition to the above, there are designated black out Periods each year as follows:

- 4.2.4 1 January up to and including the day on which the Company releases its December quarterly cash flow report;
- 4.2.5 1 April up to and including the day on which the Company released its March quarterly cash flow report;
- 4.2.6 1 July up to and including the day on which the Company released its June quarterly cash flow report; and
- 4.2.7 1 October up to and including the day on which the Company released its September quarterly cash flow report.

### **Excluded Trading**

- 4.3 A person covered by this Policy may trade in securities during a black out period if that trading falls within one of the following categories of “excluded trading”:
  - 4.3.1 Transfers of securities already held from a person’s own name into a superannuation fund to which that person is a beneficiary;
  - 4.3.2 An investment in, or trading in 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;
  - 4.3.3 Undertakings to accept, or the acceptance of, a takeover offer;
  - 4.3.4 Trading under an offer or invitation made to all or most members such as a rights issue or a share purchase plan;
  - 4.3.5 A disposal of Company shares that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
  - 4.3.6 Trading under any employee incentive scheme in accordance with the rules of a Board approved Incentive Plan.

### **Other authorised trades**

- 4.4 A person covered by this Policy may trade in securities outside of blackout periods only if:
  - 4.4.1 They are personally satisfied that they are not in possession of Inside Information;
  - 4.4.2 In the case of Directors – they have obtained the approval of the Chairman or in the case of any proposed trade by the Chairman, of another non-executive Director nominated by the Board for the purpose;

- 4.4.3 In the case of Senior Management – they have obtained the approval of the Managing Director; and
- 4.4.4 In the case of others - they have obtained the approval of the Company Secretary.
- 4.5 Approval to trade during a black out period may only be given where:
  - 4.5.1 The person is in severe financial hardship or other exceptional circumstances exist; and
  - 4.5.2 The approvers are satisfied that there is no inside information which has not been disclosed to ASX Limited.
- 4.6 The following are examples of situations of severe financial hardship or other exceptional circumstances which the approvers may consider sufficient to warrant approval under the previous paragraph:
  - 4.6.1 “severe financial hardship” could include (but is not limited to) the applicant having a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company shares; and
  - 4.6.2 “exceptional circumstances” could include (but is not limited to) where the applicant is required by a court order, or there are court enforceable undertakings, for example, in a bona fide family settlement, to transfer or sell Company shares or there is some other overriding legal or regulatory requirement for him or her to do so.
- 4.7 An applicant seeking clearance to trade must satisfy the approvers that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant Company shares is the only reasonable course of action available.
- 4.8 Determination as to whether the applicant is in severe financial hardship or whether a particular set of circumstances exist may only be made by the approving person.
- 4.9 Permission will be given for trading pursuant to this section 4 only after a written request for approval is provided (whether by letter, facsimile, electronic or other form of visible communication) and only if the approving person is satisfied that the transaction would not be:
  - 4.9.1 contrary to law;
  - 4.9.2 for speculative gain;
  - 4.9.3 to take advantage of inside knowledge; or

4.9.4 seen by the public, press, other shareholders or ASX as unfair.

4.10 If approval is given, the trade must be executed within 2 business days of the approval.

**Disclosure to the Company**

4.11 Senior Management must advise the Company Secretary in writing of the details of completed transactions within 3 business days following each transaction. Details required include the name of the shareholder, the date of transaction, type of transaction (purchase, sale, etc.), number of securities and price per security. Notification is necessary whether or not prior authority has been required.

4.12 The Company Secretary must maintain a register of securities transactions for the purposes of this Policy.

4.13 The Company must comply with its obligations to notify ASX in writing of any changes in the holdings of securities or interest in securities by Directors.