

## TODD RIVER RESOURCES POLICY

<b>Document Title</b>	Trading in Company Securities Policy
<b>Policy Number</b>	3.0
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## 1 INTRODUCTION

The Directors, the Company Secretary and employees of Todd River Resources Limited ("Todd River") may have in their possession sensitive commercial information which could materially affect the value of Todd River securities. The Corporations Act 2001 (CA) prohibits insider trading in relation to financial products including securities. The provisions are wide ranging and breaches are serious offences.

This document:

- (a) provides an outline of the insider trading and other relevant provisions of the Corporations Act;
- (b) sets out the procedures relating to dealings by Directors, the Company Secretary and employees in securities issued by Todd River;

This policy is designed to assist in preventing breaches of the insider trading provisions of the Corporations Act.

**Ultimately it is the responsibility of the employee and Director to ensure that none of his or her dealings could constitute insider trading.**

## 2 INSIDER TRADING

### 2.1 The Nature of the Prohibition

Under the Corporations Act, a person is prohibited from dealing in securities where:

- (a) the person possesses information which is not generally available to the public; and
- (b) that information may have a material effect on the price or value of securities of the relevant entity; and
- (c) the person knows or ought reasonably to know that the information is not generally available and if it were it might have a material effect on the price of securities.

In addition, a person with inside information must not procure another person to deal in securities nor communicate the information (directly or indirectly) to another person who the person believes may deal (or procure someone else to deal) in securities.

## 2.2 How You Become Aware of the Information is Irrelevant

It is irrelevant how, or in what capacity, the person comes into possession of the information. The insider trading provisions will apply to any person who acquires "inside information" in relation to Todd River securities no matter how, or in what capacity, the information came into their possession and dealing in Todd River securities is prohibited.

## 2.3 What Does Information Include?

For the purposes of the insider trading provisions of the *Corporations Act*, information is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public. It also includes matters relating to the intentions of a person.

## 2.4 Information that might Materially affect Price or Value?

Means information that a reasonable person would expect to have a material effect on the price or value of Todd River securities. A reasonable person would be taken to expect information to have a material effect on price or value if the information would be likely to influence persons who commonly invest in securities whether or not to do so.

Examples of this type of information which might affect the price or value of Todd River securities include:

- (a) information relating to Todd River's tenements or exploration results;
- (d) proposed changes in capital structure, capital returns and buy backs;
- (e) information relating to Todd River's financial results;
- (f) the entering into or withdrawal from a joint venture, partnership, collaboration or other such arrangement;
- (g) a material acquisition, divestment or realisation of assets;
- (h) proposed dividends and share issues;
- (i) changes to the board;
- (j) proposed changes in the nature of the business of Todd River;
- (k) notification to Todd River of a substantial shareholding; and
- (l) any information required to be announced to the market pursuant to Listing Rule 3.1.

### 3.03 DEALING IN SECURITIES ISSUED BY TODD RIVER

#### 3.1 When Dealing may occur

- (b) the Chairman must inform and receive approval from the Managing Director (or if not available or appointed, from another Director), prior to any dealing in Todd River's securities;
- (c) the Managing Director if appointed must inform and receive approval from the Chairman (or if not available, from another Director), prior to any dealing in Todd River's securities;
- (d) a Director, (other than the Chairman and Managing Director), must inform and receive approval from the Chairman (or, if not available, the Managing Director, or, if neither are available, another director) prior to any dealing in Todd River's securities; and
- (e) Employees must inform and receive approval from the Managing Director (or, if not appointed or available the Chairman) prior to any dealing in Todd River's securities.

#### 3.2 When Dealing may not Occur

- (f) Dealing must not occur if Directors, the Company Secretary or employees are in possession of price sensitive information, or where Todd River is in possession of price sensitive information, or if Todd River has notified the Director, the Company Secretary or employee that they may not buy or sell securities; and
- (m) Directors, the Company Secretary or employees may not buy or sell Todd River securities within the period commencing 5 days prior to and ending at close of trading on the day of release of:
  - (a) the half-yearly financial report to ASX;
  - (b) the annual financial report to ASX; and
  - (c) a prospectus for the offer of equity securities in or other capital raising by Todd River.

**("Closed Period");**

#### 3.3 Excluded Trading

This Policy does not prohibit the following trading by a Director, the Company Secretary or employee:

- (g) transfers of securities already held into a superannuation fund or other saving scheme in which the Director, the Company Secretary or

employee is a beneficiary;

- (h) transfers of securities where there is no change in beneficial ownership;
- (i) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (j) where a Director, the Company Secretary or employee is a trustee, trading in securities by that trust provided the Director, the Company Secretary or employee is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Director, the Company Secretary or employee;
- (k) undertakings to accept, or acceptance of, a takeover offer;
- (l) 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;
- (m) the exercise (but not the sale of securities following exercise) of an option or a right, including 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 Closed Period; and
- (n) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
  - i. the Director, the Company Secretary or employee did not enter into the plan or amend the plan during a Closed Period;
  - ii. the trading plan does not permit the Director, the Company Secretary or employee to exercise any influence or discretion over how, when, or whether to trade; and
  - iii. the entity's trading policy does not allow for the cancellation of a trading plan during a Closed Period other than in exceptional circumstances.
- (o) the issue of grant of securities by Todd River to a Director, the Company Secretary or employee where shareholder approval for the issue of the securities has been obtained and if inside information exists both Todd River and Director, the Company Secretary or employee are fully aware of the inside information.

#### 3.4 Director Requirement to Report to the Market

Directors are required to provide details of all changes to their relevant interest in Todd River securities registered in the name of the Director or held

on behalf of the Director, directly or indirectly. The details must be provided as soon as reasonably possible after the date of the change and in any event no later than three business days after the change or another time frame agreed with Company Secretary which allows for compliance with the listing rule obligations.

#### 4 RELATED PARTIES AND RELEVANT INTERESTS

The restrictions on dealings by Directors, the Company Secretary and employees are equally applicable to any dealings:

- (a) by their spouses or de facto spouses;
- (b) by or on behalf of any dependant under 18 years of age; and
- (c) any other dealings in which, for the purposes of the Corporations Act, he or she is, or is to be treated as, interested. For example, if a Director, the Company Secretary or employee is a trustee of a trust and is also a beneficiary of the trust, the Director, the Company Secretary or employee must not trade in Todd River securities on behalf of the trust without reference to this policy.

It is the duty of the Director, the Company Secretary or employee to seek to avoid any such dealing at a time when he or she is himself or herself prohibited from dealing.

#### 5 DEALING WITH COMPANY SECURITIES

Whilst dealing in securities in other listed companies is allowable, the prohibited conduct under the *Corporations Act* includes dealings in securities of Todd River as well as of other listed companies with which Todd River may be dealing (such as Todd Rivers joint venture partners, contractors or customers) where a Director, the Company Secretary or employee possesses "inside information" in relation to that other company.

That is, if you are aware of information that is not generally available but which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a security, you should not deal in the securities of the companies that it affects. For example, where you are aware that Todd River is about to sign a major agreement with another company, you should not buy securities in either Todd River or the other company.

## **6 BREACHING SECURITY TRADING POLICY**

A breach of the Securities Trading Policy by an employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law. Insider trading is a criminal offence which is punishable by fines, imprisonment, or both, and may also lead to civil actions which may result in substantial penalties or compensation being awarded to persons suffering loss or damage due to the insider trading.

## **7 EXCEPTIONAL CIRCUMSTANCES**

Except where there is a matter about which there is inside information in relation to Todd River's securities, the Chairman (or 2 Directors in the case of the Chairman) may give clearance during a Closed Period for a Director, the Company Secretary or employee to sell (but not buy) securities in exceptional circumstances.

## **8 FURTHER INFORMATION**

Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in Todd River securities or securities of another entity, should contact the Company Secretary