

Securities Trading Policy

PepinNini Minerals Limited
(ACN 101 714 989)

December 2010

1. INTRODUCTION AND PURPOSE

Securities of the Company are listed on the ASX.

This policy sets out:

- a) when Directors, Key Management Personnel (as defined in the ASX Listing Rules) and all other employees may not deal in shares in the Company, options over those shares and any other financial products of the Company (further example of which are included below) traded on ASX from time to time (**Securities**);
- b) when Directors, Key Management Personnel and all other employees may not deal in listed securities of another entity (because they may obtain inside information about another entity's securities while performing their duties for the Company and/or its subsidiaries);
- c) the procedure for obtaining prior clearance in exceptional circumstances for trading that would otherwise be contrary to this Securities Trading Policy; and
- d) procedures to reduce the risk of insider trading.

2. APPLICATION OF THE POLICY

This Securities Trading Policy applies to all Directors, Key Management Personnel and all other employees of the Company and its subsidiaries from time to time with access to, and who are in possession of, inside information.

3. NOTIFICATION

A Director must notify the ASX if he or she has a 'relevant interest' in securities of the Company.

A 'relevant interest' may arise:

- a) as a consequence of holding securities; or
- b) having the power to control the voting or the disposal of securities.

Control may be exercised either formally or informally, directly or indirectly through a trust or agreement. Control may also be exercised through a body corporate where a Director has direct or indirect control over at least 20% of the voting power of the Company.

A Director must notify the ASX if there is a change in his or her 'relevant interest' including whether the change occurred during a Closed Period, as defined in paragraph 7 of this Securities Trading Policy, where prior written clearance was required and, if so, whether prior written clearance was provided.

4. THE INSIDER TRADING PROHIBITION

If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is likely to be illegal for the person to:

- a) deal in the securities;
- b) procure another person to deal in the securities; or
- c) give the information to another person who the person knows, or ought reasonably to know, is likely to:
 - (i) deal in the securities; or
 - (ii) procure someone else to deal in the securities.

Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if a director, key management personnel or employee engages in insider trading.

Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

Insider trading is prohibited irrespective of whether the trading occurs outside the Closed Period as defined in paragraph 7 of this Securities Trading Policy or is a Permitted Exclusion as set out in paragraph 9 of this Securities Trading Policy.

It is the responsibility of each Director, Key Management Personnel and all other employees to ensure that they do not do any of the things prohibited by the insider trading law.

5. INSIDE INFORMATION

Inside information is information that:

- a) is not generally available; and
- b) if it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.

Information is generally available if it:

- a) is readily observable;
- b) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
- c) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs (a) and (b) above.

6. DEALING IN SECURITIES

Dealing in securities includes:

- a) applying for, acquiring or disposing of, securities;
- b) entering into an agreement to apply for, acquire or dispose of, securities; and

- c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.

A decision to join, or subscribe for shares under, any dividend reinvestment plan is not dealing in Securities.

The Securities include shares and options, debentures (including bonds and notes), interests in managed investment schemes, trusts and other financial products and derivatives of any of the aforementioned (including equity swaps, future hedges and exchange-traded or over-the-counter options) whether settled by cash or otherwise.

7. WHEN A DIRECTOR, KEY MANAGEMENT PERSONNEL AND ALL OTHER EMPLOYEES MAY NOT DEAL

A Director, Key Management Personnel and all other employees may not deal or procure another person to deal in Securities if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Securities.

A Director, Key Management Personnel and all other employees may not deal or procure another person to deal in the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is insider information in relation to those securities.

Subject to the Permitted Exclusions set out in paragraph 9 of this Securities Trading Policy, a Director, Key Management Personnel and all other employees may not deal in Securities during the following periods:

- a) the period from 1 July each year until midday Australian Eastern Standard Time (AEST) on the business day after the day on which the Company releases its annual financial report to the ASX; and
- b) the period from 1 January each year until midday AEST on the business day after the day on which the Company releases its half yearly financial report to the ASX,

(Closed Period).

The Company may from time to time prohibit the Directors, Key Management Personnel and all other employees from dealing in Securities during other periods while the Company considers matters which are exempt from immediate disclosure to ASX under the continuous disclosure rules pursuant to Listing Rule 3.1A.

A Director, Key Management Personnel and all other employees may not deal in Securities in a manner which involves frequent and regular trading activity, with a view to deriving a profit related income from that activity.

A Director, Key Management Personnel and all other employees may not trade in financial products issued or created over or in respect of the Securities during the Closed Period.

8. EXCEPTIONAL CIRCUMSTANCES

Subject to the rules of a Company equity based executive or employee incentive plan, if a Director, Key Management Personnel or other employee wishes to deal in Securities during the Closed Period or contrary to another part of this Securities Trading Policy, the Director, Key Management Personnel or other employee must first inform the Approving Officer (in

writing by email or facsimile transmission) and obtain clearance. The Approving Officer means:

- a) for Directors (except the Chairperson of the Board of Directors of the Company (Board)), the Chairperson of the Board;
- b) for the Chairperson of the Board, the Company Secretary or another independent director;
- c) for Key Management Personnel, the Chairperson and the Company Secretary; and
- d) for other employees, the Chairperson and the Company Secretary.

The Approving Officer may give clearance for a Director, Key Management Personnel and other employee to sell (but not buy) Securities in exceptional circumstances where the Director, Key Management Personnel and other employee would otherwise not be able to do so under this Securities Trading Policy. For example, if the Director, Key Management Personnel or other employee has a pressing financial commitment that cannot otherwise be satisfied or if the Director, Key Management Personnel or other employee is required by a court order to sell Securities.

The Approving Officer may not give clearance under the exception in the paragraph above if there is a matter about which there is inside information in relation to Securities (whether or not the Director, Key Management Personnel or other employee knows about the matter) when the Director, Key Management Personnel or other employee requests clearance or proposes to deal in Securities.

The Approving Officer will decide if circumstances are exceptional having regard to the ASX Listing Rules.

Approvals to trade in exceptional circumstances will be in writing from the Chairperson, including email authority, and will be for a period of five business days. The Chairperson will use his or her best endeavours to advise in writing in a timely way if the dealing is permitted.

If a Director, Key Management Personnel or other employee subsequently deals in Securities, the Director, Key Management Personnel or other employee must confirm the dealing and relevant details of the dealing in writing to the Approving Officer who was given the prior notice, within two business days after the dealing.

The Approving Officer must:

- a) keep a written record of:
 - (i) any information received from a Director, Key Management Personnel or employee in connection with this Securities Trading Policy; and
 - (ii) any clearance given under this Securities Trading Policy; and
- b) send a copy of the written record to the Company Secretary for keeping.

The Company Secretary must keep a file of any written record referred to in the paragraph above.

9. PERMITTED EXCLUSIONS

The following dealings by a Director, Key Management Personnel or other employee are permitted notwithstanding that they may occur during a Closed Period:

- a) the Director, Key Management Personnel or other employee transfers Securities already held by the Director, Key Management Personnel or other employee into a superannuation fund or other saving scheme in which the Director, Key Management Personnel or other employee is a beneficiary;
- b) the Director, Key Management Personnel or employee invests in or trades in units of, a fund or other scheme (other than a scheme that only invests in Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- c) where the Director, Key Management Personnel or other employee is one of the trustees of a trust dealing in Securities and any decision to deal during the Closed Period is taken by other trustees or by investment managers independently of the Director, Key Management Personnel or other employee;
- d) undertakings to accept, or the acceptance of, a takeover offer;
- e) dealing under an offer or invitation made to all or most of the holders of Securities such as a rights issue (including taking up the entitlements and the sale of entitlements under a renounceable pro rata issue), a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the timing and structure of the offer has been approved by the Board;
- f) a disposal of Securities that is the result of a secured lender exercising rights (for example, under a margin lending arrangement);
- g) the exercise (but not the sale of securities following exercise) of an option or a right 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 the Company has been in an exceptionally long Closed Period or the Company has had a number of consecutive Closed Periods and the Director, Key Management Personnel or other employee could not reasonably have been expected to exercise it at a time when free to do so; and
- h) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in paragraph 8 of this Securities Trading Policy and where:
 - (i) the Director, Key Management Personnel or other employee did not enter into the plan or amend the plan during a Closed Period; and
 - (ii) the trading plan does not permit the Director, Key Management Personnel or other employee to exercise any influence or discretion over how, when, or whether to trade.

NOTE: this Securities Trading Policy does not allow the Director, Key Management Personnel or other employee to cancel any such trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan during a Closed Period other than in exceptional circumstances.

Any change in shareholding must be notified to the Company Secretary within 24 hours of the change.

10. WHEN A DIRECTOR, KEY MANAGEMENT PERSONNEL AND ALL OTHER EMPLOYEES MAY DEAL

Notwithstanding the circumstances set out in parts 8 and 9 of this Securities Trading Policy, the Board may resolve that there are specific periods when Directors, Key Management Personnel and employees can deal in Securities. Employees will be notified of these periods by the Managing Director, Chairperson or Company Secretary by email or facsimile transmission. Directors, Key Management Personnel and employees must still ensure that they do not engage in insider trading during a period designated for trading by the Board.

11. CHANGES TO CLOSED PERIOD

- a) The Closed Period may be extended or shortened or another Closed Period may be introduced at any time by direction of the Board.
- b) Notice of any changes to the Closed Period in accordance with paragraph 10(a) will be communicated by the Company to a Director, Key Management Personnel and other employee by either email or facsimile transmission.
- c) Any changes to the Closed Period are effective immediately upon the giving of such notice by the Company.
- d) The Company may amend this Securities Trading Policy to include any changes made to the Closed Period in accordance with paragraph 11(a) of this Securities Trading Policy.
- e) Where the Company makes a material change to this Securities Trading Policy, the Company must give the amended Securities Trading Policy to the ASX company announcements office for release to the market within five business days of the material changes taking effect.

12. DEALINGS BY ASSOCIATED PERSONS AND INVESTMENT MANAGERS

- a) If a Director, Key Management Personnel or other employee may not deal in the Securities, he or she must prohibit any dealing in the Securities by:
 - (i) any associated person (including family (which includes a spouse, de facto spouse or dependent) nominee companies and family trusts) and any other person or entity over whom a Director, Key Management Personnel or other employee has investment control or influence; or
 - (ii) any investment manager on their behalf or on behalf of any associated person.
- b) For the purposes of paragraph 12(a) of this Securities Trading Policy, a Director, Key Management Personnel or other employee must:
 - (i) inform any investment manager or associated person of the periods during which the Director, Key Management Personnel or other employee may and may not deal in Securities; and

- (ii) request any investment manager or associated person to inform the Director, Key Management Personnel or other employee immediately after they have dealt in Securities.
- c) A Director, Key Management Personnel or other employee does not have to comply with paragraphs 12(a) and 12(b) to the extent that to do so would breach their obligations of confidence to the Company.

13. RESTRICTIONS ON "SHORT TERM" TRADING AND "HEDGING" OF SECURITIES

In order to prevent the unfair use of information, Directors, Key Management Personnel and other employees are prohibited from short-term trading at all times.

Short-term trading is a purchase and sale of the same securities within a six-month period.

Directors, Key Management Personnel and other employees are not permitted to enter into arrangements, such as margin loans or arrangements involving the Securities as collateral to secure repayment of a loan, where the lender is granted a right to sell, or compel the sale of, the Securities at any time when this policy may prohibit the Directors, Key Management Personnel and other employees from dealing with the Securities.

As a matter of good governance, Directors, Key Management Personnel and other employees are not permitted to enter into margin loans in respect of Securities at any time.

The use by Directors, Key Management Personnel and other employees of derivatives such as caps, collars, warrants or similar products in relation to Securities could undermine the objectives of this Securities Trading Policy, or distort the operation of performance hurdles applicable to vesting of Securities granted to Directors, Key Management Personnel and other employees as part of their remuneration, or result in public disclosure regarding holdings of Securities being misleading. Accordingly, derivatives and other products are not permitted to be used in relation to any Securities held by or on behalf of Directors, Key Management Personnel and other employees, regardless of how or when those Securities were acquired and whether those Securities are vested or unvested.

14. COMMUNICATING INSIDE INFORMATION

- a) If a Director, Key Management Personnel or other employee has information that he or she knows, or ought reasonably to know, is inside information in relation to Securities or the listed securities of another entity, the Director, Key Management Personnel or other employee must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:
 - (i) deal in Securities or other securities of the other entity; or
 - (ii) procure another person to deal in Securities or the securities of the other entity.
- b) A Director, Key Management Personnel or other employee must not inform colleagues about inside information or its details.

15. FURTHER INFORMATION

If you do not understand any part of this Securities Trading Policy, you should discuss the matter with the Chairperson of the Board or the Company Secretary before requesting

permission to trade in any securities which may be affected by the Securities Trading Policy or the law.

16. BREACHES OF THIS POLICY

Breaches of this Securities Trading Policy will be viewed seriously and may lead to disciplinary action being taken against the relevant Director, Key Management Personnel or employee. In serious cases, such action may include dismissal. Any Director, Key Management Personnel or other employee who becomes aware of a violation of this Securities Trading Policy should immediately report the violation to the Company Secretary.

It should also be noted that, in some circumstances, the Company may decide to, or be obliged to, notify regulatory and/or criminal authorities of a serious breach of this Securities Trading Policy.

17. APPROVED AND ADOPTED

This Securities Trading Policy was approved and adopted by the Board.



Norman Kennedy
Chairman
PepinNini Minerals Limited
29 December 2010