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SHARE TRADING POLICY

1. INTRODUCTION

This securities trading policy (**Trading Policy**) is a policy of Strategic Elements Limited and of all its subsidiaries (**Company**).

This Trading Policy applies to all of the securities of the Company, whether on ASX or another stock exchange (**Company Securities**).

This Trading Policy applies to dealings in Company Securities by the Company's Key Management Personnel.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

The Company has determined that its Key Management Personnel are its Directors and those employees directly reporting to a Director.

Key Management Personnel are encouraged to be long-term holders of Company Securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.

The purpose of these guidelines is to assist Key Management Personnel to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act 2001 (Cth).

2. WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?

This policy applies to dealings in any Company Securities and its subsidiaries on issue from time to time.

3. WHAT IS INSIDER TRADING?

3.1 Prohibition

Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of Company Securities (**Price Sensitive Information**); and
- (b) that person:
 - (i) buys or sells securities in the Company; or
 - (ii) procures someone else to buy or sell securities in the Company; or
 - (iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

3.2 Examples

To illustrate the prohibition described above, the following are possible examples of Price Sensitive Information which, if made available to the market, may be likely to materially affect the price of Company Securities:

- (a) the Company considering a major acquisition;
- (b) the threat of major litigation against the Company;
- (c) the Company's revenue and profit or loss results materially exceeding (or falling short of) the market's expectations;
- (d) a material change in debt, liquidity or cash flow;
- (e) a significant new development proposal (e.g. new product or technology);
- (f) the grant or loss or a major contract;
- (g) a management or business restructuring proposal;
- (h) a share issue proposal;
- (i) an agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement; and
- (j) significant discoveries, exploration results, or changes in reserve/resource estimates from mining tenements in which the Company has an interest.

3.3 Dealing through third parties

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "Associates" in these guidelines).

3.4 Information however obtained

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

3.5 Employee share schemes

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

4. GUIDELINES FOR TRADING IN COMPANY SECURITIES

4.1 General rule

Key Management Personnel must not, except in exceptional circumstances deal in Company Securities during the following periods:

- (a) two weeks prior to, and until the commencement of trading on the first trading day after the day of the release of the Company's Annual Financial Report;
- (b) two weeks prior to, and until the commencement of trading on the first trading day after the day of the release of the Consolidated Interim Financial Report of the Company;
- (c) two weeks prior to, and until the commencement of trading on the first trading day after the day of the release of the Company's quarterly report; and
- (d) other periods as decided by the Company from time to time,

(together the **Closed Periods**).

The Company may at its discretion vary this rule in relation to a particular Closed Period by general announcement to all Key Management Personnel either before or during the Closed Period. However, if a Key Management Personnel is in possession of Price Sensitive Information which is not generally available to the market, then he or she must not deal in Company Securities at any time.

4.2 No short-term trading in Company Securities

Key Management Personnel should never engage in short-term trading of Company Securities except for the exercise of options where the shares will be sold shortly thereafter.

4.3 Securities in other companies

Dealing in the securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is price sensitive. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

4.4 Exceptions

- (a) Key Management Personnel may at any time:
 - (i) acquire Company Securities under a bonus issue made to all holders of securities of the same class;
 - (ii) acquire Company Securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
 - (iii) acquire, agree to acquire, or exercise options under an employee incentive scheme (as that term is defined in the ASX Listing Rules);
 - (iv) withdraw ordinary shares in the Company held on behalf of the Key Management Personnel in an employee incentive scheme (as that term is defined in the ASX Listing Rules) where the withdrawal is permitted by the rules of that scheme;
 - (v) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
 - (vi) transfer Securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
 - (vii) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
 - (viii) where a restricted person is a trustee, trade in Company Securities by that trust, provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
 - (ix) undertake to accept, or accept, a takeover offer;
 - (x) trade 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 and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
 - (xi) dispose of Company Securities resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
 - (xii) exercise (but not sell Company Securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion

of the security, falls during a prohibited period or the Company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so; or

(xiii) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.

(b) In respect of any share or option plans adopted by the Company, it should be noted that it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the periods specified in paragraph 4.1.

Were this is to occur at a time when the person possessed inside information, then the sale of Company Securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale. Where Company Securities are provided to a lender as security by way of mortgage or charge, a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

4.5 Notification of periods when Key Management Personnel are not permitted to trade

The Company Secretary will endeavour to notify all Key Management Personnel of the times when they are not permitted to buy or sell Company Securities as set out in paragraph 4.1.

5. APPROVAL AND NOTIFICATION REQUIREMENTS

5.1 Notification outside Closed Periods

Key Management Personnel who are not in possession of inside information in relation to the Company may deal in Company Securities outside of the Closed Periods providing the person has notified the Managing Director (or, in the case of the Managing Director, the Chairman) prior to dealing in Company Securities.

Upon notification, either the Managing Director or Chairman as the case may be, should immediately advise the Key Management Personnel proposing to deal if they believe that the Key Management Personnel is in possession of Price Sensitive Information. The Key Management Personnel receiving such advice is prohibited from dealing in Company Securities until such time as the advice is withdrawn in writing by the person who gave the advice or otherwise by written confirmation by any two directors other than the Key Management Personnel proposing to deal.

Subsequent to notification, any Key Management Personnel who (or through his or her Associates) deals in relation to Company Securities must notify the Company Secretary in writing of the details of the transaction within four (4) business days of the transaction occurring.

This notification obligation operates at all times but does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.

5.2 Exemption from Closed Periods restrictions due to exceptional circumstance

Key Management Personnel who are not in possession of Price Sensitive Information in relation to the Company, may be given prior written clearance by the Managing Director (or in the case of the Managing Director, by the Chairman) to sell or otherwise dispose of Company Securities in a Closed Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

Any clearance to trade can be given or refused by the Company in its discretion, without giving reasons.

A clearance to trade can be withdrawn if new information comes to light or there is a change in circumstances.

The Company's decision to refuse clearance is final and binding on the Key Management Personnel seeking the clearance.

If clearance to trade is refused, the Key Management Personnel seeking the clearance must keep that information confidential and not disclose it to anyone.

5.3 Severe financial hardship or exceptional circumstances

The determination of whether a Key Management Personnel is in severe financial hardship will be made by the Managing Director (or in the case of the Managing Director, by the Chairman).

A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

5.4 Severe Financial hardship

Key Management Personnel may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the Company Securities.

In the interests of an expedient and informed determination by the Managing Director (or the Chairman as the context requires), any application for an exemption allowing the sale of Company Securities in a Closed Period based on financial hardship must be made in writing stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions (where applicable).

Any exemption, if issued, will be in writing and shall contain a specified time period (usually a period of 5 trading days or such longer period as determined appropriate in all of the circumstances) during which the sale of Company Securities can be made.

5.5 Exceptional circumstances

Exceptional circumstances may apply to the disposal of Company Securities by a Key Management Personnel if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell Company Securities, or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Company Securities in a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation (where applicable).

Any exemption, if issued, will be in writing and shall contain a specified time period (usually a period of 5 trading days or such longer period as determined appropriate in all of the circumstances) during which the sale of Company Securities can be made.

6. ASX NOTIFICATION FOR DIRECTORS

The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in Company Securities (either personally or through an Associate) which results in a change in the relevant interests of a Director in Company Securities. The Company has made arrangements with each Director to ensure that the Director is aware of their obligation to promptly disclose to the Company Secretary all the information required by the ASX.

7. SUBSTANTIAL HOLDING NOTICES

The Corporations Act requires substantial holders to give a notice to the Company and to ASX within 2 business days if they begin to have, or cease to have a substantial holding in the Company or if they have a substantial holding in the Company and there is a movement of at least 1% in their holding. The Company has made arrangements with each Key Management Personnel to ensure that this requirement is met.

8. EFFECT OF COMPLIANCE WITH THIS POLICY

Compliance with these guidelines for trading in Company Securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in Company Securities.