



## **Securities Trading Policy**

### **1. General**

Subject to the terms of this policy and to the additional restrictions on Key Management personnel hereunder, employees are permitted to deal in Ark Mines Ltd ('Ark') shares throughout the year.

Directors of Ark and its subsidiaries and other Key Management personnel nominated by the Chairman as persons to whom this policy applies (and who are notified accordingly) ("Key Personnel") are permitted to deal in Ark shares throughout the year except during the Trading Embargo periods identified in this policy.

More generally this policy provides information to all employees, directors, contractors and consultants ("Persons") as to the insider trading provisions of the Corporations Act. It sets out certain rules relating to the dealings by Persons in Ark Shares. Ultimately it is the responsibility of the Person to ensure that none of his or her dealings could constitute insider trading.

Except where otherwise indicated AHK complies with the principles incorporated in the 4<sup>th</sup> Edition of the ASX Corporate Governance Guidelines.

Dealing in Ark Shares includes:

- a) subscribing for, purchasing or selling Ark Shares or entering into an agreement to do any of those things;
- b) advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Ark Shares; and
- c) entering into agreements or transactions which operate to limit the economic risk of a person's holdings in Ark Shares.

### **2. Outline of Corporations Act requirements**

- (a) A person is in possession of inside information in relation to Ark in circumstances where:
  - i. the person possesses information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of Ark Shares; and
  - ii. the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Ark Shares.

- (b) A reasonable person would be taken to expect information to have a material effect on the price or value of Ark Shares if the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to deal in Ark Shares in any way. It does not matter how the such person came to have the inside information.
- (c) If a person possesses inside information in relation to Ark, the person must not:
  - i. deal in Ark Shares in any way; nor
  - ii. directly or indirectly communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in Ark Shares in any way or procure a third person to deal in Ark Shares in any way.
- (d) A person may obtain inside information in relation to another company. For example, in the course of negotiating a transaction with Ark, another company might provide confidential information about itself. The prohibition on insider trading is not restricted to information affecting Ark Shares. Persons in possession of inside information must not deal in securities of those other companies.
- (e) A person who deals in Ark Shares while in possession of inside information or communicates that information in the circumstances described in paragraph 2(b) above will be liable to both civil and criminal penalties. The penalties are:
  - i. In the case of an individual:
    - a criminal penalty of a fine of up to \$220,000 and/or imprisonment for 5 years; and
    - a civil penalty of up to \$200,000;
  - ii. in the case of a company:
    - a criminal penalty of a fine of up to \$1.1 million; and
    - a civil penalty of up to \$1 million; and
  - iii. unlimited civil liability equivalent to the damages caused.

### **3. Examples of inside information**

Examples of information which may be considered to be inside information include the details relating to the items listed below:

- a) prospective financial information;
- b) unpublished announcements;
- c) proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
- d) impending mergers, acquisitions, reconstructions or takeovers.
- e) significant litigation and disputes;

- f) significant changes in operations or proposed changes in the general character or nature of the business of Ark or its subsidiaries;
- g) cashflow information;
- h) management restructuring or Board changes;
- i) an entity proposing to buy, or a security holder proposing to sell, a substantial number of Ark Shares;
- j) industry issues that may have a material impact on Ark;
- k) decisions on significant issues affecting Ark by regulatory bodies in Australia or other relevant jurisdictions;
- l) allegations of any breach of the law or other regulatory requirements by Ark;
- m) major or material purchases or sales of assets; and
- n) proposed or new significant contracts.

#### **4. Company policy on dealing with Ark Shares**

Persons should note the following general principles:

- a) Persons must comply with the insider trading provisions of the Corporations Act at all times.
- b) Persons who possess inside information must not deal or procure dealing in Ark Shares.
- c) Persons must avoid, and be seen to avoid, actual or potential conflict between their personal interest and the interests of Ark and other security holders in a manner which is in breach of the Corporations Act, ASX Listing Rules or other legal obligations.
- d) Persons must not derive personal advantage from information which is not generally available and which has been obtained by reason of their connection with Ark in a manner which is in breach of the Corporations Act, ASX Listing Rules or other legal obligations.

#### **5. Trading Embargo**

A trading embargo exists in respect of which Key Personnel must refrain from dealing in Ark Shares during the period being 2 weeks prior to the release of the annual accounts and one day thereafter, 1 week prior to company announcements and one day thereafter and 2 weeks prior to the release of ASX quarterly reports and one day thereafter.

Key Persons may request the Chairman in writing to grant special circumstances relief from the limitations referred to above after first presenting to the Chairman an opinion from an approved Australian legal practitioner, that the Key Person is not at that time in possession of any inside information relating to Ark or its shares that is not generally available and if it were generally available, a reasonable person would expect it to have a material effect on the price

or value of Ark Shares. Special circumstances relief may include but not be limited to severe financial hardship, necessity to exercise employee share options or Court Order. If the Chairman approves of special circumstances relief he will so advise the applicant for such relief in writing whereupon the trading embargo will be lifted in respect of such trade by such key person.

## **6. Explanation for restrictions on trading of Company's shares**

Because of the nature of the Company's activities as a mining exploration Company, it is not appropriate for the Company to adopt a 'trading windows' approach to Share Trading Policy as reportable events such as mineral discoveries or exploration results may occur unexpectedly or at very short notice at any time throughout the year.

The Company has therefore chosen to adopt a 'black out period' approach to Share Trading Policy which is specifically designed to ensure that all reportable events in relation to its exploration activities are included in those periods within which the Directors and Key Management Personnel may not trade the securities of the Company.

These restrictions on trading are in addition to those listed in paragraphs 3 and 5 of this Policy and the Corporations Act requirements relating to insider trading.

## **7. Chairman**

The Chairman must not deal in Ark Shares without the prior approval of the Managing Director before commencing the transaction. The Chairman must notify the Managing Director and the Company Secretary of the Chairman's intention to trade and must subsequently notify the Company Secretary of any trade that has occurred.

## **8. Directors**

Directors (other than the Chairman) must not deal in Ark Shares without prior written notification to the Chairman before commencing the transaction. The person intending to trade must also notify the Company Secretary of the person's intention to trade and must subsequently notify the Company Secretary in writing, of any trade that has occurred.

## **9. Other Key Personnel**

Persons other than those identified in Sections 7 and 8 above, must not deal in Ark Shares without the prior written notification to the Company Secretary before commencing the transaction.

## **10. Exercise of options, participation in employee share option plans or share plans**

Subject to the insider trading provisions of the Corporations Act, directors and employees of Ark may at any time:

- a) subscribe for securities offered under a disclosure document (e.g. a prospectus);
- b) acquire Ark 's ordinary shares by conversion of securities giving a right of conversion to ordinary shares - but may not deal with any of the shares received upon conversion other than in accordance with this policy and the insider trading provisions;

- c) acquire Ark Shares under a bonus issue made to all holders of shares of the same class;
- d) acquire Ark Shares under a dividend reinvestment, that is available to all holders of securities of the same class;
- e) acquire Ark Shares under a Company sponsored share plan where such shares are purchased by an independent Trustee and on an agreed period purchase basis.
- f) acquire, or agree to acquire, options under a Ark share option plan; and
- g) exercise options acquired under a Ark share option plan (but may not sell all or part of the shares received upon exercise of the options other than in accordance with these procedures).

## **11. Notification by directors**

A director is required to notify the Company Secretary if there is any change in the director's relevant interest in securities of Ark or a related body corporate of Ark.

A director must notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to ASIC and ASX of the change as required by the Corporations Act and the ASX Listing Rules. The director must provide the Company Secretary with the written notification as soon as possible after the change occurs and, in any event, to allow the Company Secretary to make the necessary notifications within 5 business days after the change occurs.

## **12. Consequences of breach**

Breaches of this policy may damage Ark's reputation in the investment community and undermine confidence in the market for Ark Shares. Accordingly breaches will be taken seriously by Ark.