

## **SECURITIES TRADING POLICY**

### **1. Introduction**

This Securities Trading Policy (“STP”) sets out the Company’s policy regarding the sale and purchase of Company securities by its Directors, officers, employees and Associates.

A reference in this STP to ‘securities’ includes shares, options, warrants and any other security the Company has on issue from time to time. This STP is separate from, and additional to, the legal constraints imposed by the common law, Corporations Act and ASX Listing Rules. Individuals have a responsibility to understand these legal constraints.

Associate is as defined in the ASX Listing Rules and the Corporations Act 2001 (Cth)

Directors, officers, employees and Associates are encouraged to be long term holders of the Company’s securities. However, it is important that care is taken in the timing of any acquisition or sale of such securities.

The purpose of this STP is to assist Directors, officers, employees and Associates to avoid trading when it’s not permitted, conduct known as ‘insider trading’ and to avoid any adverse inference being drawn of unfair dealings by Directors, officers, employees and Associates.

This STP provides:

- a description of what conduct may constitute insider trading;
- a description of the safest times for Directors, officers, employees and Associates to buy or sell securities in the Company in order to minimize the risk of insider trading;
- a description of the times when Company policy may prohibit trading in the Company’s securities; and
- the steps for Directors, officers, employees, Associates and Restricted Employees to take when buying or selling securities in the Company.

### **2. What is Insider Trading?**

#### **2.1 Prohibition**

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 a company’s securities (i.e. information that is ‘price sensitive’); and

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(b) that person:

- (i) buys or sells securities in the Company;
- (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.

Information is 'generally available' where information is:

- readily observable; or
- made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in the Company's securities or securities of a kind similar to the company's securities, and a reasonable period has elapsed to allow the information to be disseminated; or
- able to be deduced, concluded or inferred from those types of information.

### 2.2 Penalties

Insider trading is a criminal offence.

The criminal penalties for a breach of the insider trading prohibition include:

- For an **individual** a fine of up to \$220,000 and a jail term of up to 5 years; and
- For a **corporation** a fine of up to \$1,100,000.

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

### 2.3 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 affect materially the price of the Company's securities:

- a proposed major acquisition, divestment or disposition;
- a significant business development or a proposed change in the nature of the Company's business;
- details of potential litigation that would have a substantial effect on the Company;

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- significant field discovery, mineralised drill intersections, highly anomalous assay results or receipt of drilling assays;
- new or revised resource or reserve estimates calculations or yet to be released reports of resource or reserve estimates;
- the likely discovery of a major ore body;
- details of potential significant or material changes to the Company's financial affairs, assets, balance sheet, investments or tenement holdings;
- the actual or proposed divestment or acquisition of a significant quantity of shares by a substantial security holder; and
- corporate activity including merger, takeover or acquisition discussions and advice that could have a substantial effect on the Company.

### **2.4 Dealing Through Third Parties**

A person does not need to be a Director, officer or employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by Directors, officers, employees and Associates through nominees, agents or other associates, such as family members, family trusts and family companies.

### **2.5 Information However Obtained**

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

### **2.6 Employee Share Plan**

The prohibition does not apply to subscriptions for shares by employees made under an Employee Share Plan. However, the prohibition will apply to the disposal of shares acquired under an Employee Share Plan.

## **3. Policy for Trading in the Company's Securities**

### **3.1 General Rule**

Directors, officers, employees and Associates of the Company must not buy or sell securities in the Company when they are in possession of price sensitive information which is not generally available to the market.

### **3.2 No Short Term Trading in the Company's Securities**

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It is also contrary to Company policy for Directors, officers, employees and Associates to be engaged in short term trading of the Company's securities (i.e. buy and sell within a 12 month period).

### **3.3 Trading in Products Relating to the Company's Securities**

Directors, officers, employees and Associates are prohibited from:

- Trading in financial products issued or created over the Company's securities by third parties, or trading in associated products; or
- Entering into transactions which operate to limit the economic risk of their security holdings in the Company; except
- Subject to disclosing to the Company, Directors, officers, employees and Associates are permitted to enter into collar arrangements with recognised financial institutions to hold exercised options or shares.

### **3.4 Margin Loans, Credit Facilities and Debt Instruments**

Directors, officers, employees and Associates must declare and detail the terms in writing to the Company:

- Any margin loans, credit facilities or debt instruments entered into or obtained for the purpose of trading, holding, acquiring or disposing of the Company's securities; or
- Any mortgage, bank loans, facilities or credit card loans being utilised mainly for the purpose of trading, holding, acquiring or disposing of the Company's securities.

### **3.5 No Trading in a Close Period by Directors, Officers, Employees, Associates and Restricted Employees**

In addition, to avoid any adverse inference being drawn of unfair dealings, Directors, officers, employees, Associates and "Restricted Employees" must not deal in the Company's securities during a Close Period. A Close Period is the week prior to or twenty four hours after:

- the release of Rubicon's Quarterly Report;
- the release of Rubicon's Half Year or full Financial Year results; and
- the Company's Annual General meeting.

### **3.6 Restricted Employees**

"Restricted Employees" are:

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- all Key Management Personnel as included in the Company's Annual Report; and
- employees involved in preparing the Company's statutory financial information, and quarterly cash flow reports and exploration staff involved in mineral exploration; and
- any other employee or consultant determined by the Board from time to time.

### **3.7 Safest Times to Deal in the Company's Securities**

There is no particular time during which it is safe to deal in the Company's securities. The sole test is whether, at the particular time, a Director, officer, employee or Associate is in possession of price sensitive information which is not generally available in the market.

As a matter of practice, however, the following periods are the most appropriate times for Directors, officers, employees and Associates to deal in securities in the Company:

- in the four weeks following the release the Company's quarterly cashflow and activities reports;
- in the four weeks following the release of the Company's annual financial statements and results;
- in the four weeks following the release of the Company's half yearly financial statements and results; and
- in the four weeks following the Annual Meeting.

Even at these times, it is important to be aware that there may be occasions when it is not proper for Directors, officers, employees and Associates to deal in the Company's securities because of their knowledge of impending or actual developments which are not known in the market place. There are, of course, times when a company is considering a major event and will not advise the market of this until the occurrence of the event is more certain.

### **3.8 Exceptions to the STP**

Subject to the insider trading provisions of the Corporations Act, Restricted Employees may at any time:

- acquire the Company's ordinary shares by conversion of securities giving a right of conversion to ordinary shares;
- acquire the Company's securities under any pro-rata bonus issue, rights issue, share purchase or similar plan that is available to all holders of securities of the same class;
- exercise options acquired under a Company share option plan (but may not sell all or part of the shares received upon exercise of the options other than in accordance with the STP); and

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- accept a takeover offer.

### **3.9 Exceptional circumstances**

Exceptional circumstances will include:

- Severe financial hardship;
- An undertaking given to, or an order by a court; and
- Such other exceptional circumstances as may from time to time be determined by the Chairman or, in his absence, the Managing Director.

### **4. Disclosure Policy for Directors, Officers, Employees, Associates and Senior Executives**

Prior to trading in the Company's securities, Directors, officers, employees, Associates and Restricted Employees must notify the Chairman of their intention to trade and confirm to the Chairman that they are not in possession of price sensitive information that is not generally available to the market.

Prior to trading in the Company's securities, the Chairman must notify at least two other Directors of his intention to trade and confirm to the Directors that he is not in possession of price sensitive information that is not generally available to the market.

A request by the Chairman, any Director, officer, employee, Associate or Restricted Employee to trade in the Company's securities must be in writing or by email and state the number of securities currently held, the number to be acquired or disposed of, the nature of the proposed transaction (i.e. on market trade, exercise of options, off market trade, loan of securities, short selling etc), the time period for the transaction to be completed, the intended price range (e.g. prevailing market price, agreed price, no consideration, etc) and disclosure of any other relevant commercial information relating to the proposed transaction(s).

Further, Directors, officers, employees, Associates and Restricted Employees must not trade in the Company's securities until approval has been given by the Chairman (or trading by the Chairman approval by at least two other Directors).

Such approval, or restriction, on trading in the Company's securities must be notified in a timely manner and outline the key reasons and enquiries made to either approve, or restrict, the proposed trading in the Company's securities and the time frame and terms of such approval, or restriction, on trading in the Company's securities.

Approval would generally not be given to trade in the Company's securities during:

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- any period when there exists any matter which constitutes unpublished price sensitive information;
- any closed period; and
- any period when the proposed dealing is in breach of this STP.

or when:

- The Director, officer, employee Associate or Restricted Employee's employment, contract or engagement is under review or being terminated; or
- The Director, officer, employee Associate or Restricted Employee fails to provide the information required in clauses 3 and 4 of the STP or is in breach of the STP;

unless exceptional circumstances existed.

This procedure should prevent potential embarrassment and adverse publicity concerning trading the Company's shares when, for example, there may be important corporate information (whether or not material in a legal context) not publicly released, or when projected financial results may deviate from market expectation.

### **5. ASX Notification by Directors**

The Corporations Act obliges a Director to notify the ASX within 14 days after any dealing in the Company's shares (either personally or through a third party) which results in a change in the relevant interests of the director in the Company's shares.

In addition, under the ASX Listing Rules the Company is required to notify the ASX of such dealings within 5 business days of such dealings taking place. Directors have agreed with the Company to provide notice of such dealings to the Company as soon as possible after such dealings to enable the Company to comply with its obligations under the Listing Rules. A notice given by the Company to the ASX under the ASX Listing Rules satisfies the Director's obligations to notify the ASIC under the Corporation Act.

Any Director requiring assistance in this regard should contact the Company Secretary.

### **6. Responsibilities**

The Chairman and Company Secretary are responsible for maintaining this STP, a register of notifications to trade, approvals, restrictions and compliance with such notifications and, approvals and restrictions and ensuring that the STP is communicated to Directors, officers, employees, Associates and, from time to time, Restricted Employees.