



## **Securities Dealing Policy**

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## **1.0 Purpose**

### 1.1 Introduction

- (a) The purpose of this policy is to:
  - (i) provide a brief and high-level summary of the law on insider trading;
  - (ii) set out the restrictions on dealing in securities by people who work for or are associated with the Company; and assist in maintaining market confidence in the integrity of dealings in the Company securities.
- (b) If an employee, advisor, consultant or contractor does not understand any part of this policy or how it applies to the employee, advisors, consultant or contractor, the employee, advisor, consultant or contractor should discuss the matter with a member of the Company before dealing in any securities.
- (c) Contravention of this policy will be regarded as a serious matter by the Company and may also give rise to criminal or civil actions.

### 1.2 Persons covered by this policy

This policy applies to:

- (i) executive and non-executive directors of AKORA Resources Limited;
- (ii) full-time, part-time and casual employees of AKORA Resources Limited and its controlled entities, comprising Iron Ore Corporation of Madagascar sarl and Universal Exploration Madagascar sarl; and  
  
(collectively referred to in this Policy as employees)
- (iii) advisors, contractors and consultants to AKORA Resources Limited and its controlled entities, comprising Iron Ore Corporation of Madagascar sarl and Universal Exploration Madagascar sarl.

### 1.3 Securities covered by this policy

- (a) This policy applies to the following securities:
  - (i) the Company shares;
  - (ii) any other securities which may be issued by the Company, such as options;
  - (iii) securities of any other company or entity that may be affected by inside information (such as a joint venture participant, another party involved in a corporate transaction with the Company or advisor, consultant and contractor or shareholder).

- (b) This policy extends to all securities owned or controlled by a person covered by the policy, whether those securities are held in the name of that person, in a company, through a trust, by a family member, by a friend or in some other entity or arrangement. Persons covered by this policy must inform their brokers or financial advisers who have discretion to trade on their behalf that they are restricted from trading securities under this policy.

#### 1.4 Definition of dealing in securities

For the purposes of this policy, dealing in securities includes:

- (a) trading in securities (i.e. subscribing for, buying, selling or entering into an agreement to do any of those things); and
- (b) advising, procuring or encouraging another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust) to trade in securities.

#### 1.5 Definition of inside information

- (a) Inside information is information that:
  - (i) is not generally available to people who commonly invest in securities; and
  - (ii) if it were generally available, would (or would be likely to) influence investors who commonly invest in securities in deciding whether or not to subscribe for, purchase or sell the Company securities or securities of another entity.
- (b) It does not matter how an employee, advisor, consultant or contractor comes to have the inside information.
- (c) The financial impact of the information is important, but strategic and other implications can be equally important in determining what amounts to inside information. The definition of "information" is broad enough to include rumours, matters of supposition, intentions of a person (including the Company) and information which is not definite enough to warrant public disclosure.
- (d) In the course of performing duties as an employee, adviser, consultant or contractor of the Company or a controlled entity, the employee, advisor, consultant or contractor may obtain inside information in relation to another company. For example:
  - (i) In the course of negotiating a transaction with the Company, another company might provide confidential information about itself, or a third party.

- (ii) Information concerning a proposed transaction or other action by the Company might have a material effect on a third party.
- (e) The prohibition on insider trading is not restricted to information affecting the Company securities. Accordingly, if an employee, advisor, consultant or contractor possesses inside information in relation to securities of another company or entity the employee, advisor, consultant or contractor must not deal in those securities.
- (f) For illustrative purposes examples of inside information about the Company, include:
  - (i) information relating to the Company's resources and reserves and/or financial results;
  - (ii) a possible material sale or acquisition of assets by the Company;
  - (iii) the entry into or termination of a material contract;
  - (iv) a possible share issue;
  - (v) a possible borrowing;
  - (vi) an event which could have a material impact (an operational incident or successful drilling exploration results);
  - (vii) any possible claim against the Company or other unexpected liability; and
  - (viii) any information required to be disclosed to ASX under its continuous disclosure rules.

## 1.6 Policy Statements

- (a) This policy:
  - (i) prohibits insider trading in the Company securities and securities of any other company (Paragraph 2);
  - (ii) prohibits short-term or speculative dealing in the Company securities (Paragraph 3);
  - (iii) prohibits directors and Key Management Personnel (as defined by AASB 124 Related Parties) from dealing in the Company securities within a blackout period or other prohibited periods (Paragraph 4);
  - (iv) prohibits directors, and executives participating in an equity-based executive incentive plan, from hedging the value of any unvested entitlement in the Company securities (Paragraph 5);

- (v) requires directors to complete Compliance Certificates and, in the case of directors to obtain approval, before dealing in the Company securities (Paragraph 6);
  - (vi) excludes certain types of dealings from the operation of this policy (Paragraph 7); and
  - (vii) requires directors and Key Management Personnel to complete Compliance Certificates and, in the case of directors, to obtain approval before pledging the Company securities (Paragraph 8).
- (b) The Company will interpret any transaction by way of a substance over form approach and will have regard to the intent and spirit of this policy when applying and enforcing it.

## **2.0 Inside trading prohibition**

- 2.1 Insider trading is a serious offence under the Corporations Act 2001 (Cth).
- 2.2. If an employee, consultant or contractor have inside information. the employee, consultant or contractor must not:
- (i) deal in securities; or
  - (ii) communicate the inside information to anyone else.
- 2.3 This prohibition is an overriding obligation and applies despite anything else in this policy (including whether the dealing or communication of inside information occurs outside a black-out period) and regardless of how the employee, consultant or contractor learned the inside information. It applies not only to the Company securities, but also to the securities of other companies.
- 2.4 Insider trading is a criminal offence attracting substantial fines and/or significant periods of imprisonment. In addition, there is potential for significant civil penalties to be imposed. In both cases, an employee, consultant or contractor may also be ordered to pay compensation to anyone who suffered loss as a result of the insider trading.
- 2.5 In the course of an employee, consultant or contractor performing their duties, an employee, advisor, consultant or contractor may obtain inside information in relation to another company through:
- (i) the negotiation of a transaction with the Company; or
  - (ii) the disclosure by another entity of confidential information about itself to the Company as part of establishing relationships; or
  - (iii) the provision of information concerning a proposed transaction that may have a material impact on an entity that is a competitor, contractor or a supplier

In such circumstances, an employee, advisor, consultant or a contractor to the Company must not use this inside information to deal in competitors, contractors or suppliers securities if those competitors, contractors or suppliers are entities that securities are traded on securities exchanges.

- 2.6 This policy does not restrict participation by an employee in the Long-term Incentive Plan of the Company but does apply to the dealing in the securities of the Company awarded/granted to an employee under the plan where the employee has inside information.
- 2.7 It is also important for employees to note that under the Code of Conduct of the Company that an employee is required to ensure that confidential information concerning the Company and its controlled entities is kept confidential. A breach of the Code Conduct may result in the appointment or employment of the employee being terminated.
- 2.8 The obligation to ensure the confidential information is kept confidential is a requirement under the Corporations Act and where the Australian Securities and Investments Commission may, if it conducts an investigation to an improper disclosure of inside confidential information that has been brought to its attention by the Company or a third party, determine that the employee has committed a civil or criminal breach of the provisions of the Corporations Act.

### **3.0 Speculative trading prohibition**

- 3.1 Speculating in short-term fluctuations in the securities of the Company does not promote shareholder or market confidence in the integrity of the Company.
- 3.2 No employee, consultant or contractor can engage, directly or indirectly, in short-term or speculative dealing in the securities of the Company.
- 3.3 Sale of securities acquired under the Long-term Incentive Plan is not considered to be a short term or speculative dealing.

### **4.0 Prohibition of dealing during black-out periods**

- 4.1 A black-out period refers to specific periods during the course of the financial where employees, advisors, consultants or contractors are prevented from dealing in the securities of the Company.
- 4.2 The black-out periods are:
- (i) 14 business days prior to the release of quarterly reports to the Australian Securities Exchange;
  - (ii) 21 business days prior to the release of the half-year report to the ASX; and
  - (iii) 28 business days prior to the release of the annual report to the ASX

- 4.3 A black period can be determined from time to time by the board of directors due to matters under consideration by the board of directors or the pending announcement of Exploration Results or Mineral Resources or Ore Resources by the Company as necessitating the written notification to employees, advisors, consultants and contractors to cease any form of dealing in securities of the Company until such time as a market announcement has been uploaded to the ASX platform and/or the Company's website.
- 4.4 An employee, advisor, consultant or contractor, who is not in possession of inside information, may be given clearance to dispose of (but not acquire) securities in the Company where they would otherwise be prohibited, if the employee, advisor, consultant or contractor is:
- (i) in severe financial difficulty;
  - (ii) the disposal is required under a court order; or
  - (iii) there are other exceptional circumstances.

An employee, advisor, consultant or contractor may be in severe financial difficulty if the employee, advisor, consultant or contractor has a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.

An application for clearance should be made in writing to the Company Secretary, who will discuss with the Chairman the reasons for the application and Chairman will determine whether the application is valid, and the sale of securities can proceed. Where the Chairman of the Board is the applicant, the CEO will be the person that the Company Secretary will discuss the reasons for the application and the CEO will determine whether the application is valid and the sale of the securities can proceed.

## **5.0 Prohibition on hedging unvested securities awarded/granted under Long-term Incentive Plan**

- 5.1 Securities awarded or granted under the Long-term Incentive Plan of the Company are subject to the achievement of performance hurdles and/or time (ie., continuation of employment).
- 5.2 Hedging can result in the transfer of the risk and rewards of the value of the securities awarded or granted under the Long-term Incentive Plan and therefore breakdown the underlying rationale of the award or grant of the securities to an employee to be aligned to the goals of the Company.
- 5.3 Employees are prohibited from entering into any hedging arrangement. .

## **6.0 Permitted dealings in securities**

- 6.1 An employee, advisor, consultant or contractor can deal in securities of the Company at any time other than those set out in Paragraph 2.



- 6.2 It is important for every employee to notify their superior of any intended dealing in securities and in the case of the Chairman that notification should be sent to the CEO and Company Secretary and in the case of non-executive directors and the CEO that notification should be sent to the Chairman and the Company Secretary.
- 6.3 A director is not permitted to undertaking any dealings in securities until such time as the approval of the Chairman or the CEO has been granted in writing and the director proposing to undertaking dealings submits a Compliance Certificate that the director is not aware of any inside information.
- 6.4 Once approval has been received the director will be entitled to undertake dealings in securities for a period of 5 business days and at the end of that period immediately provide the Company Secretary with details of dealings (both acquisition of securities and disposal of securities).
- 6.5 The Company Secretary is responsible for informing the market of any dealings in securities of directors and specifically the submission of the ASX Appendix 3Y within the timeframe specified under the ASX Listing Rules.
- 6.6 Each director is reminded that any dealings of their spouse, partner, child or other immediate family member or trust or other entity that the director controls will require the approval and certification set out in this Paragraph 6.
- 6.7 The form of the Certificate of Compliance can be obtained from the Company Secretary.
- 6.8 Notwithstanding any clause under this Paragraph 6, the Chairman or the CEO are entitled to impose conditions, revoke approval or refuse approval if the Chairman or the CEO believes inside information or confidential information may emerge in the period the Chairman, CEO or director wishes to undertake dealings in securities.

## **7.0 Excluded dealings in securities**

The following dealings in securities by an employee are excluded from the operation of this policy:

- (i) undertakings or elections to take up entitlements under a rights issue or other offer;
- (ii) allowing entitlements to lapse under a rights issue or other offer;
- (iii) dealing under an offer or invitation made to all security holders, such as a security purchase plan or equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board;
- (iv) undertakings to accept, or the acceptance of, a takeover offer;
- (v) dealing where the beneficial interest in the Company securities does not change;

- (vi) transferring securities already held in the Company into a superannuation fund or other scheme provided the employee has control over the trustee or entity controlling the superannuation fund or scheme.

Notwithstanding that the above dealings are excluded from the operation of this policy; the dealings remain subject to the insider trading prohibitions under the Corporations Act.

## **8.0 Pledging securities**

- 8.1 Before a director enters into any financial arrangement by which, through a pledge, mortgage, lien, charge or other encumbrance, securities of the Company are used as collateral for any purpose, including to fund the purchase of the securities (financial arrangement) must submit a notification to the Company Secretary of the proposed transaction outlining the terms and conditions of the arrangement.
- 8.2 In the case of the Chairman that notification should be sent to the CEO and Company Secretary and in the case of non-executive directors and the CEO that notification should be sent to the Chairman and the Company Secretary.
- 8.3 A director is not permitted to enter into the pledge until such time as the approval of the Chairman or the CEO has been granted in writing and the director proposing to enter into a pledge submits a Compliance Certificate that the director is not aware of any inside information.

## **9.0 Consequence of this breach**

This policy is mandatory to all employees, advisors, consultants or contractors will result in disciplinary action and may result in termination of employment or contractual arrangements.

## **10.0 Review**

This policy will be reviewed on a biannual basis.