

REY RESOURCES LIMITED

ACN: 108 003 890

SHARE TRADING POLICY

1. Introduction

This Share Trading Policy deals with the sale and purchase of securities in Rey Resources Limited (Company) by its directors and employees, full and part time contractors, advisers, as well as their Related Third Parties (hereinafter singularly or jointly referred to as "Affected Parties")

The purpose is to assist Affected Parties to avoid conduct known as "insider trading".

This document provides a basic explanation of what constitutes insider trading and the Company's policy to prevent it, including: a description of what conduct may constitute insider trading; a description of the safest times for Affected Parties to buy or sell securities in the Company in order to minimise the risk of insider trading; and the steps for Affected Parties to take when buying or selling securities in the Company.

2. Insider Trading Provisions

Division 3 of Part 7.10 of the Corporations Act 2001 contains the provisions relating to insider trading. Under these provisions, a person is prohibited from dealing in "Division 3 Financial Products" where:

- (1) the person possesses information that is not generally available which would, if it were generally available, have a "material effect" on the share price of the relevant entity; or
- (2) the person knows, or ought reasonably to have known, that the information is not generally available and that, if it were, might have a material effect on the share price of the relevant entity.

The Corporations Act 2001 provides that a reasonable person would be taken to expect information to have a "material effect" on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, the first mentioned securities (section 677). The prohibition does not apply to the exercise of options to subscribe for shares in the Company made by a participant in an Employee Option Plan.

The key components of the insider trading provisions are summarised below:

(a) Division 3 Financial Products

The definition of 'Division 3 Financial Products' (contained in section 1042A of the Corporations Act 2001) includes:

- securities;
- derivatives;
- interests in managed investment schemes;
- debentures, stocks or bonds issued or proposed to be issued by a government; and
- any other financial products that is able to be traded on a financial market.

At the date of issue of this policy, "securities" includes all securities issued by the Company.

(b) Personal Capacity

An officer/employee could be deemed to be acting in a personal capacity where the officer/employee, their spouse or financial dependents may exercise control. This will apply to any account in the name of a corporation, trust or personal superannuation fund in which the officer/employee, their spouse or financial dependents have the power to place an order for securities on behalf of that entity.

An officer/employee would not normally be deemed to have control where fully discretionary arrangements are in place with professional fund managers (i.e. most superannuation funds and investment portfolios would normally fall outside these restrictions).

An officer/employee could also be deemed to be acting in a personal capacity where the officer/employee, their spouse or their financial dependents can substantially influence the investment decision, irrespective of the person or entity in whose name the account is maintained.

3. Inside Information

(a) Information

Section 1042A of the Corporations Act 2001 provides that "information" includes:

- information obtained both verbally as well as in writing;
- matters of supposition and other matters that are sufficiently definite to warrant being made known to the public; and
- matters relating to the intentions or likely intentions of a person.

(b) Inside Information

Section 1042A of the Corporations Act 2001 also provides that "inside information" is information where the following are satisfied:

- the information 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 particular securities.

Examples of "inside information" may include:

- merger and takeover discussions;
- a change in the Company's financial forecast or expectation;
- the appointment of a receiver;
- the likely discovery of a major orebody;
- the Company considering the acquisition or disposal of an interest in a major project;
- the threat of major litigation against the Company;
- a recommendation or declaration of a dividend or distribution;
- giving or receiving a notice of intention to make a takeover;
- possible departure of key members of staff; and
- a change in accounting policy.

(c) Information which is generally available

Pursuant to Section 1042C of the Corporations Act 2001, information is generally available if:

- it consists of readily observable matter; or
- it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in "securities" of a kind whose price might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- it consists of deductions, conclusions or inferences made or drawn from either of the above sources.

4. Prohibited conduct by a person with "inside information"

There are a number of insider trading offences that officers and employees may expose themselves and others to, including spouses and dependent relatives.

An officer or employee who possesses "inside information" about a particular security, which is not generally available, must not:

- apply for, purchase or sell (or agree to subscribe for, purchase or sell) those securities;
- procure another person to do so; or
- directly or indirectly communicate the information or cause the information to be communicated to another person if the officer or employee knows, or ought reasonably to know, that the other person would or would be likely to deal in the securities (or procure another person to do so).

5. Guidelines for Trading in Rey Resources Limited's Securities

5.1 General Rule

Affected Parties should not buy or sell securities in the Company when they are in possession of inside information.

5.2 Safest Times to Deal in the Company's Securities

Strictly speaking, 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, an individual 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 Affected Parties to deal in securities in the Company.

- in the four weeks following the day after the release of the annual accounts;
- in the four weeks following the day after the release of the half-yearly results;
- in the four weeks following the day after the release of the quarterly results; and
- in the four weeks following the day after a general meeting.

Even within these periods, it is important to be aware that there may be occasions when it is improper or even illegal for Affected Parties 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 faced with an event which is potentially market sensitive (such of those referred to in paragraph 3(b) above) and will not advise the market of this until the occurrence of the event is more certain and the continuous disclosure requirements have been fulfilled.

5. Disclosure Policy

Any Affected Party wishing to buy or sell the Company's securities **MUST** advise the Chairman (in the case of directors), or another non-executive director (in the case of the Chairman), or the Managing Director or Company Secretary (in the case of employees, full and part time contractors and advisers) of their intention or the intention of their Related Third Parties to do so **BEFORE** buying or selling the securities.

This notification obligation operates at all times (even during the periods specified in paragraph 5.2 above).

Affected Parties must not buy or sell the Company's securities until approval has been given by the Chairman, Managing Director or Company Secretary.

6. ASX Notification of Directors' Interests

It is a requirement of the Company, under the Listing Rules of the Australian Stock Exchange Limited ("ASX") to disclose details of directors' interests in securities of the Company and in contracts relevant to securities of the Company. The Company is also required to enter into an agreement with each of its directors to ensure that this requirement is met.