

Share Trading Policy

Introduction

This Share Trading Policy sets out the policy of Echo Resources Limited (**Company**) regarding trading in the Company's securities. This Policy is separate from and additional to the legal constraints imposed by the common law, the Corporations Act and the ASX Listing Rules.

Subject to the Overriding Prohibition below, this Policy applies to all directors, key management personnel (**KMP**) (and their immediate family members) and associated employees of the Company and their related parties that work with, or in close proximity to, the KMP (**Relevant Persons**).

The Company has determined that its KMP are its directors and those employees directly reporting to the Managing Director.

The purpose of this policy is to assist Relevant Persons to avoid conduct known as 'insider trading'. In some respects this policy extends beyond the strict requirements of the Corporations Act 2001 (Cth).

What is Insider Trading?

It is illegal to trade in the Company's securities while in possession of unpublished price sensitive information concerning the Company. Under the Corporations Act a person with inside information must not, and must not procure another person, to deal in the securities of a body corporate or enter into an agreement to deal in the securities of a body corporate. Inside information is defined in the Corporations Act as information 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 the securities of the body corporate.

General Prohibition on Insider Trading

All persons are prohibited from trading in the Company's securities while in possession of unpublished price sensitive information concerning the Company (**Overriding Prohibition**). In addition, while in possession of unpublished price sensitive information persons must not advise others to trade in the Company's securities or communicate the information to another person knowing that the person may use the information to trade in, or procure someone else to trade in, the Company's securities (also part of the **Overriding Prohibition**).

Examples of Inside Information

Unpublished price sensitive information is information which the market is not aware of and that a reasonable person would expect to have a material effect on the price or value of the Company's securities, and includes without limitation:

- a proposed major acquisition or disposition;
- a significant business development or a proposed change in the nature of the Company's business;

- reserve and resource compilation;
- exploration drilling results;
- details of material contracts that are being negotiated by the Company or a grant or loss of a major contract;
- potential litigation that would have a substantial effect on the Company;
- a proposed change to the share capital structure of the Company;
- a material change in debt liquidity or cash flow; and
- a major change to the Board or senior management.

Dealing through third parties

The Overriding Prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies.

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.

Employee share schemes

The Overriding 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.

Restrictions on Short-Term Trading

The Company encourages Relevant Persons to adopt a long-term attitude to their investment in the Company's securities. Consequently, Relevant Persons should not engage in short-term or speculative trading of the Company's securities.

Trading in other companies

Buying and selling 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. In such circumstances all persons are prohibit from trading in the Company and the other company.

Trading in Derivative Products and Margin Lending Arrangements

Relevant Persons are prohibited from trading outside Trading Windows, as defined by this Policy, in financial products issued or created over or in respect of the Company's securities.

Relevant Persons are prohibited, without prior written Board approval which shall not be unreasonably withheld, from entering into Margin Lending arrangements whereby lenders are provided with rights over their interests in the Company's securities.

GUIDELINES FOR DEALING IN COMPANY SECURITIES

Trading Windows

Subject to the Overriding Prohibition, the trading window in which Relevant Persons (including directors for which additional notification requirements are applicable – see above) may trade in the Company's securities on the ASX, providing clearance has first been obtained, is the period of ten (10) business days commencing twenty-four (24) hours following:

- the holding of the Annual General Meeting or any other General Meeting;
- the announcement of annual or half year results;
- the announcement of Quarterly Reports; and
- any other public announcement on the ASX,

(Trading Window).

Clearance Procedures Prior to Trading

All Relevant Persons (excluding directors who require clearance from the full Board (excluding any Relevant Person seeking clearance)) must receive written clearance for the proposed trading of the Company's securities during a Trading Window from the Chairman (or if unavailable, the Chief Executive Officer/Managing Director) prior to undertaking a transaction.

Requests must be made in writing and include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.

Clearance to trade will apply for a period of two (2) business days from the communication to the Relevant Person of the clearance to trade subject always to the Overriding Prohibition, and management will endeavour to provide written decision within two (2) business days of the request being submitted by the Relevant Person. Clearance may be revoked at any time prior to the trade where to trade may cause a breach of the Corporations Act.

The following statements apply to clearances to trade:

- any clearance to trade can be given or refused by the Company in its discretion, without giving any reasons;
- a clearance to trade can be withdrawn if new information comes to light or there is a change in circumstances;
- a decision to refuse clearance is final and binding on the person seeking the clearance; and
- if clearance to trade is refused, the person seeking the clearance must keep that information confidential and not disclose it to anyone.

Directors

At all times prior to trading in the Company's securities, directors must notify the whole Board of their intention to trade and confirm that they are not in possession of any unpublished price sensitive information.

Notification

Subsequent to obtaining clearance, any Relevant Person who buys, sells, or exercises rights in relation to Company **securities must notify** the Company Secretary in writing of the details of the transaction within two (2) business days of the transaction occurring. This notification obligation operates **at all times** and includes applications for acquisitions of shares or options by employees made under employee share or option schemes and also applies to the acquisition of shares as a result of the exercise of options under an employee option scheme.

Closed Period

Any period that is not within a Trading Window is a 'Closed Period' for the purposes of this policy.

No Relevant Person may trade during a Closed Period without clearance and subject always to the Overriding Prohibition.

However, the Company may at its discretion vary this rule in relation to a particular Closed Periods by general announcement to all KMP either before or during the Closed Periods. However, if a KMP is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at any time.

Clearance to trade in the Company's securities during a Closed Period may be granted in exceptional circumstances at the discretion of the Chairman (or if unavailable, the Chief Executive Officer/Managing Director). Exceptional circumstances would include, but not be limited to cases of severe financial hardship, where court orders exist or other overriding legal or statutory circumstance requiring the sale or transfer of the securities.

Clearance to trade during a Closed Period will apply for a period of two (2) business days from the communication to the Relevant Person of the clearance to trade and is subject to the Relevant Person not being in possession of price sensitive information about the Company.

The determination of whether a KMP is in severe financial hardship will be made by the Managing Director (or in the case of the Managing Director by all other members of the Board).

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.

A KMP may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.

In the interests of an expedient and informed determination by the Managing Director (or all other members of the Board 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).

Register of Written Clearance and Notifications of Trades

Management will maintain a register of written acknowledgments of clearance for the intention to trade given to Relevant Persons and notifications of trades provided by Relevant Persons.

Trades Excluded from the Share Trading Policy

The requirement to provide notice of an intention to trade in the Company's securities does not apply to and Relevant Persons may at any time:

- acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- acquire Company securities under a bonus issue made to all holders of securities of the same class;
- acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
- acquire, or agree to acquire or exercise options under an employee incentive scheme (as that term is defined in the ASX Listing Rules);
- 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;
- acquire ordinary shares in the Company as a result of the exercise of options granted under an employee option scheme;
- transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where a Relevant Person is a trustee, trade in the securities of the Company by that trust, provided the restricted person is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Relevant Person;
- undertake to accept, or accept, a takeover offer;
- 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;
- dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
- exercise (but not sell 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
- trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.

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 of the General Closed Period. Were this 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.

Breach of Policy

Breaches of this Policy will be subject to disciplinary action, which may include termination of employment or engagement (where permitted by the terms of employment or engagement). If Relevant Persons are unsure of whether they are able to trade in the Company's securities at a particular time, they are advised to consult with the Chief Executive Officer/Managing Director or Company Secretary.

Ad Hoc Restrictions

The Company reserves the right to impose ad hoc trading restrictions on securities during any period, including one that would otherwise fall within a permitted trading window, which it is considering a matter the subject of ASX Listing Rule 3.1A. Ad hoc trading restrictions may apply to individual KMP, KMP generally, or to anyone else affected by this policy. The communication of an ad hoc restriction is strictly limited to KMP and any other employees who are directly involved in, or have knowledge of, the matter being considered the subject of ASX Listing Rule 3.1.A.

Notification of Trade in Company Securities

Directors must also notify the Company Secretary of any trade in the Company's securities within three (3) business days of such trade occurring so that the Company Secretary can comply with the ASX Listing Rules 3.19A requirement to notify the ASX of any change in a notifiable interest held by a director.

The Appendix 3Y – Change of Directors Interest Notice lodged with the ASX must provide the following information:

- whether the trading occurred outside a Trading Window, when prior written clearance was required; and
- whether clearance was provided to allow the Trade to proceed; and on what date clearance was provided if granted.

Effect of compliance with this Policy

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