

1. INTRODUCTION

1.1 Purpose

The purpose of this policy is to:

- (a) provide a brief summary of the law on insider trading, and other relevant laws;
- (b) set out the restrictions on dealing in securities by people who work for or are associated with IMX Resources Limited and its subsidiary companies (**IMX or the Company**); and
- (c) assist in maintaining market confidence in the integrity of dealings in IMX securities.

If you do not understand any part of this policy or how it applies to you, you should discuss the matter with the Company Secretary before dealing in any IMX securities.

1.2 Statement of policy

Whenever you have inside information which may affect the value of securities, you must not:

- (a) deal in the securities; or
- (b) communicate the information to anyone else.

This prohibition applies regardless of how you learned the information. It applies not only to IMX securities, but also to securities of other companies such as IMX's Joint Venture partners. Securities is defined in section 2.2 below.

The concepts of "**inside information**", "**securities**", "**dealings**" and "**communicating information**" are explained below.

- 1.3 A copy of this policy will be provided to all IMX Personnel.

2. APPLICATION

2.1 Who is covered by this policy

This policy applies to all:

- (a) executive and non-executive directors;
- (b) full-time, part-time and casual employees; and
- (c) contractors and consultants,

of IMX and IMX group companies ("**IMX Personnel**").

To avoid any doubts, any reference in this policy to a director includes an alternate director.



2.2 What securities are covered by this policy?

This policy applies to the following securities:

- (a) IMX shares;
- (b) any other securities which may be issued by IMX such as options and convertible notes;
- (c) derivatives (such as exchange-traded options and warrants) and other financial products issued by third parties in relation to IMX shares and options; and
- (d) securities of any other company or entity that may be affected by inside information (such as a IMX joint venture partner, another party involved in a corporate transaction with IMX or a IMX contractor or shareholder).

2.3 What is dealing?

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

- (a) trading in securities (ie 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, family company or family trust) to trade in securities.

2.4 What is communicating information?

Communicating information includes passing it on to another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust).

3. CONCEPTS AND PROHIBITED CONDUCT

3.1 What is insider trading?

In broad terms, you will commit insider trading if you:

- (a) deal in IMX securities or securities of another entity while you have inside information; or
- (b) communicate inside information to another person knowing (or where you should have reasonably known) that the other person would, or would be likely to use that information to deal in, or procure someone else to deal in, securities. This is commonly known as "tipping".

Individuals who contravene the insider trading provisions of the Corporations Act are liable to prosecution or to civil penalty action by the Australian Securities and Investments Commission. In a criminal prosecution, the maximum penalty for an individual is \$220,000 and/or 5 years' imprisonment. In a civil penalty proceeding, a penalty of up to \$200,000 may be imposed. In both cases, the offender may be ordered to pay compensation to anyone who suffered loss as a result of the insider trading.

Separately, someone who engages in insider trading may be sued by another party or IMX in a civil action, for any loss suffered as a result of the insider trading.

3.2 What is inside information?

Inside information is information that:

- (a) is not generally available to people who commonly invest in securities; and
- (b) if it was generally available, would (or would be likely to) influence experienced investors in deciding whether or not to subscribe for, purchase or sell IMX securities or securities of another entity.

It does not matter now you come to have the inside information - for example, whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in the lift or at a dinner party.

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 IMX) and information which is not definite enough to warrant public disclosure.

3.3 What are some examples of inside information?

The following list is illustrative only. Inside information about IMX could include:

- (a) information relating to IMX drilling exploration results or reserve statements;
- (b) information on the outcome of any economic studies, such as Pre-Feasibility Studies and Definitive Feasibility Studies;
- (c) information on changes in production or production forecasts;
- (d) information relating to IMX's financial results or forecast results;
- (e) a possible sale or acquisition of assets by IMX;
- (f) a possible change in IMX's capital structure (for example, a new issue of capital/equity to raising monies or a buy-back of shares);
- (g) a proposed dividend or change in dividend policy;
- (h) board or senior management changes;
- (i) an event which could have a material impact (either positively or negatively) on production or profits (for example, disconnection or shut-in of production, a significant safety or environmental incident);
- (j) a proposed change in the nature of IMX's business;
- (k) a proposed takeover or merger involving IMX;
- (l) a notification to ASX of a substantial shareholding in IMX;
- (m) any information required to be disclosed to ASX under its continuous disclosure rules; and
- (n) any possible claim against IMX or other unexpected liability.



3.4 **Securities of other companies**

The prohibition on insider trading is not restricted to information affecting IMX securities. If you possess inside information in relation to securities of another company or entity, you must not deal in those securities. In the course of your duties as an employee, director, adviser, consultant or contractor of IMX or a IMX group company, you may obtain inside information in relation to another company. For example:

- (a) in the course of negotiating a transaction with IMX, another company might provide confidential information about itself;
- (b) in the course of negotiating a transaction with IMX, another company might provide confidential information about a third party; or
- (c) information concerning a proposed transaction or other action by IMX might have a material effect on a third party.

4. **WHAT OTHER CONDUCT IS PROHIBITED?**

4.1 **Short term dealing**

You must not engage in short term or speculative dealing in IMX securities.

4.2 **Hedging**

If you are a director or employee of IMX who participates in a IMX equity-based incentive plan (for example, a share or option plan), you must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in IMX securities.

An unvested entitlement is a IMX share or option which is still subject to time and/or performance hurdles.

4.3 **Margin loans**

If you are a director (other than the Chairman) of IMX and you intend to enter into a margin loan or other financing arrangement where there is a risk that IMX securities will be traded pursuant to the terms of the margin loan or financing arrangement (together a **Margin Loan**), you must obtain the prior written consent of the Chairman to enter into the Margin Loan and disclose to the Chairman the following information regarding the Margin Loan (**Loan Information**):

- (a) key terms;
- (b) number of IMX securities involved;
- (c) the trigger points;
- (d) the right of the lender to sell the securities unilaterally; and
- (e) any other material details.

If you are the Chairman of IMX and you intend to enter into a Margin Loan, you must obtain the prior written consent of two of the other directors / the Board to enter into the Margin Loan and disclose to those directors / the Board the Loan Information.

4.4 Blackout periods

Unless otherwise approved by the Board in exceptional circumstances (for example, genuine and pressing need), you are not permitted to deal in IMX securities during the blackout periods comprising 2 weeks immediately leading up to and including each of the following days:

- (a) the day the quarterly report is announced;
- (b) the day half year results are announced;
- (c) the day full year results are announced; and
- (d) the day of IMX's annual general meeting.

IMX Personnel should also wait at least 2 business days after the relevant release before dealing in securities so that the market has had time to absorb the information.

The Board and/or Managing Director may also declare a blackout period for a specified period at other times (such as prior to the announcement to ASX of a significant matter or event).

5. PERMITTED CONDUCT

5.1 When is dealing permitted if you are an Employee, Contractor or Consultant?

If you are a employee, contractor or consultant of IMX, the following rules apply:

- (a) subject to the rules of any applicable IMX equity-based plan (for example, a share incentive plan or option incentive plan) you can deal in IMX securities at any time provided:
 - (i) you obtain the prior written consent of the Chief Executive Officer (Refer to Annexure 1 – Securities Trading Request Notice”);
 - (ii) you confirm to the Chief Executive Officer that you do not have inside information;
 - (iii) the dealing does not occur during an blackout period (refer to 4.4 above);
 - (iv) you are not involved in short term or speculative dealing; and
 - (v) you are not hedging the risk of any fluctuation in value of any unvested entitlement in IMX securities;
- (b) if you subsequently deal in those securities – you must confirm the dealing in writing to the Chief Executive Officer and Company Secretary within two business days after the dealing. The confirmation must include:
 - (i) your name;
 - (ii) the name of any person who dealt on your behalf;
 - (iii) details of your interest (direct or indirect) in the IMX securities the subject of the dealing;
 - (iv) the date of the dealing;



- (v) the number of IMX securities subscribed for, bought or sold;
- (vi) the amount paid or received for those securities; and
- (vii) the number of IMX securities held by you (directly or indirectly) before and after the dealing.

5.2 When is dealing permitted if you are a Director?

If you are a director of IMX, the following rules apply:

- (a) you can only deal in IMX securities (or financial products issued by third parties in relation to IMX securities which operate to limit the economic risk of a vested holding in IMX securities) provided:
 - (i) you obtain the prior written consent of the Chairman (or two of the other directors / the Board if you are the Chairman) and Company Secretary prior to any trade (Refer to Annexure 1 – Securities Trading Request Notice”);
 - (ii) you confirm that you are not in possession of any inside information;
 - (iii) the dealing does not occur during an blackout period (refer to 4.4 above);
 - (iv) the dealing must occur within 3 trading days after approval is received from the Company Secretary;
 - (v) you are not involved in short term or speculative dealing; and
 - (vi) you are not hedging the risk of any fluctuation in value of any unvested entitlement in IMX securities;
- (b) if you subsequently deal in those securities – you must confirm the dealing in writing to the person to whom your prior notice was given and the Company Secretary within two business days after the dealing. The confirmation must include:
 - (i) your name;
 - (ii) the name of any person who dealt on your behalf;
 - (iii) details of your relevant interest (direct or indirect) in the IMX securities the subject of the dealing;
 - (iv) the date of the dealing;
 - (v) the number of IMX securities subscribed for, bought or sold;
 - (vi) the amount paid or received for those securities;
 - (vii) the number of IMX securities held by you (directly or indirectly) before and after the dealing, including where the securities are held indirectly, the names of the holder of securities on the Company’s share register and the name of any underlying beneficiary; and
 - (viii) sufficient information to enable IMX to comply with the requirements to notify a change of interests to ASX.

5.3 Do I have any other obligations to IMX?

In addition to the insider trading and other restrictions in this policy, you also owe a duty of confidentiality to IMX and the IMX group companies. You must not reveal any confidential information concerning IMX or any of the IMX group companies, use that information in any way which may injure or cause loss to IMX or any of the IMX group companies, or use that information to gain an advantage for yourself.

Under the Corporations Act, breach of these duties may result in:

- (a) liability for a civil penalty;
- (b) criminal liability, if recklessness or dishonesty is involved; and/or
- (c) liability to compensate IMX for any damage it suffers as a result of the disclosure.

6. CONSEQUENCES OF BREACH

6.1 What if I breach this policy?

Strict compliance with this policy is mandatory for all IMX Personnel covered by this policy.

Contravention of the Corporations Act is a serious matter which may result in criminal or civil liability.

In addition, breaches of this policy may damage IMX's reputation in the investment community and undermine confidence in the market for IMX securities. Accordingly, breaches will be taken very seriously by IMX and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

7. PUBLICATION

7.1 Where can I find this policy?

- (a) A copy of this policy will be available on the IMX internet website for all persons covered by this policy.
- (b) A copy of this policy will be provided to all new directors and employees of IMX and IMX group companies as part of IMX's induction procedures.

7.2 Will I receive any training on this policy?

If you do not understand this policy or wish to receive training on how to comply with this policy, please contact the Company Secretary.

8. REVIEW

This policy will be reviewed annually to ensure that it continues to comply with all applicable laws and good corporate governance practices.

9. EXPLANATION OF TERMS

For the purposes of this policy:

“deal in securities” means buy or sell shares, options or other securities, or enter into transactions in relation to shares, options or other securities, either directly or through a family trust, superannuation fund, company or in any other manner.

“director” means a director of IMX Petroleum Limited and includes any related party of the director.

“Insider Trading” includes:-

- dealing in securities whilst in possession of inside information; or
- communicating inside information to another person knowing that the other person would, or would be likely to, use that information to deal in or procure someone else to deal in securities (known as “tipping”).

Individuals who contravene the insider trading provisions of the Corporations Act are liable to prosecution or to civil penalty action by the Australian Securities Commission. In a criminal prosecution, the maximum penalty for an individual is \$220,000 and/or 5 years imprisonment. In a civil penalty proceeding, a penalty of up to \$200,000 may be imposed. In both cases the offender may be ordered to pay compensation to anyone who suffered loss as a result of insider trading.