



Malachite Resources Limited

ABN 86 075 613 268

Policy & Procedure on Dealings in MAR Securities

Background – Insider Trading:

The insider trading provisions of Australian Law work on the basis that a person must not (whether as principal or agent) subscribe for, purchase or sell, or “engage in dealings” of any shares in MAR if;

- a) The person possesses information that a reasonable person would expect to have a material effect on the price of the shares if the information were generally available;
and
- b) The person knows, or ought reasonably to know, that:
 - i. The information is not generally available; and
 - ii. If it were generally available, it might have a material effect on the price of the shares.

A person does not need to be directly associated with the Company to be guilty of insider trading in relation to securities of the Company. The prohibition extends to dealings through nominees, agents or their associates, such as family members, family trusts or family companies (“Related Third Parties”).

Policy:

1. Directors, officers and employees of MAR and its subsidiary companies **shall not** engage in any dealings in the shares of MAR without giving prior notice as follows:

<i>Party seeking to deal in shares:</i>	<i>Prior Notice to be Given to:</i>
Employees of MAR or subsidiary companies and consultants and advisors involved in the management of projects for and on behalf of MAR (or their Related Third Parties)	The Company Secretary of MAR
Directors of MAR or subsidiary companies (or their Related Third Parties)	The Company Secretary of MAR who shall provide details to the Chairman of MAR

2. The Board should be advised of all dealings by directors, officers and employees at periodic Board meetings. Details to be advised shall include: Type of dealing, Date of dealing, Number of shares, Seller, Purchaser and Price;
3. Directors, officers and employees *shall not* engage in any dealings in MAR shares during the period:
 - a) **two weeks prior** to and within **24 hours after** the date of the announcement to the ASX of the Company's annual or half year results;
 - b) **two weeks prior** to and within **24 hours after** the date of the announcement to the ASX of the Company's quarterly activities reports;
 - c) notwithstanding a) or b), **at any time** while in *possession of inside information*.

Procedure:

Directors, officers and employees of MAR and its subsidiary companies shall notify the Company of any intention to engage in any dealings in shares of MAR by:

1. Written notification of such intention (including details of proposed Type of dealing, Date of dealing, Number of shares, Seller, Purchaser and Price as may be applicable in the circumstances) to:

Company Secretary
Malachite Resources Limited
Fax: (61 2) 9411 6066

2. In all cases the Company Secretary shall submit details of the proposed dealings together with any relevant comments regarding compliance with Insider Trading provisions (and any other relevant matter) to the Managing Director (and to the Chairman in the case of Directors notifying of an intention to deal in securities);
3. If the Company Secretary, Managing Director or Chairman shall have a conflict of interest or be the party proposing to engage in dealings then such person give notice of the relevant circumstances to the Chairman or in the alternative to the full Board of Directors via the Company Secretary.