

FOCUS MINERALS LIMITED

SECURITY TRADING POLICY

Introduction

This document sets out the Focus Minerals Limited's (the Company) policy on trading of its securities by its Key Management Personnel.

The purpose of this policy is to:

- Define circumstances where Key Management Personnel can trade the Company's securities and meet the statutory requirements of the Corporations Act, the ASX Listing Rules ; and
- Impose "Black-out" periods at various times during the year, particularly in periods leading up to an announcement of results , during which trading of the Company's securities by Key Management Personnel is prohibited; and
- Set out procedures to reduce the risk of insider trading.

Key Management Personnel

In this policy references to Key Management Personnel is as defined in AASB Standard 124 - Related Party Disclosure, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly including any director of the Company (whether executive or otherwise).

Insider Trading

Prohibition

Insider trading is a criminal offence and any person will be guilty of insider trading if:

- a) That person possesses information in relation to a company which is not generally available to the market and if it were generally available to the market, would be likely to affect the price or value of that company's securities (i.e. information that is "price sensitive") and
- b) That person:
 - i. Buys or sells securities in that company;
 - ii. Procures someone else to buy or sell securities in that company; or
 - iii. Passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to deal in the securities or procure someone else to deal in the securities of that company.

Penalties for insider trading are severe and can include imprisonment.

Price Sensitive Information

Price sensitive information is information relating to the Company that, if the information were publicly known, would be likely to:

- Have a material effect on the price or value of the shares,
- Influence a person's decision to transact in a company's securities.

The following are examples of price sensitive information which, if made available to the market, would be likely to affect the price of the company's securities:

- The Company is considering a proposed takeover or merger,
- Exploration results indicating or confirming the existence of mineralization, or
- Acquisition or sale of tenements.

Key Management Personnel must not communicate price sensitive information to any person who may deal in securities of the company. In addition, Key Management Personnel should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) trading in the Company's securities.

Dealing through Third Parties

A person does not need to be a Key Management Person of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealing by anyone, including Directors' and employees' nominees, agents or other associates, such as family members, family trusts and family companies, as well as customers and suppliers.

Contractors and External advisers

Contractors employed by the Company shall be informed of this policy when they are appointed and are required to adhere to the policy while they are contracted to the company. Breach of the policy may lead to termination of contract arrangements.

The Company's staff dealing with external advisers need to ensure that the advisers are aware of the insider trading rules and where these dealings cover material matters, that the issue of insider trading is covered in confidentiality documents.

Securities

This Policy covers trading in shares in the Company, derivatives related to the Company's shares, whether issued by the Company or not and to any traded Company options. It also applies to the exercise of options, including vested employee options.

Related Companies

Key Management Personnel where they possess inside information, should also not deal in securities of other companies with which the Company might have an association or be about to enter such association such as joint ventures or as farm in partners.

Guidelines for Trading in the Company's Securities

Blackout Periods

Key Management Personnel must not deal in securities of the Company within the following periods.

- a) Within the period of 14 days prior to the release of annual, half yearly or quarterly results:
- b) Within the period of 14 days prior to the Annual General Meeting; and
- c) If there is in existence price sensitive information that has not been disclosed because of an ASX listing Rule Exception.

Directors and executives are also excluded from dealing in securities within the period from receipt of the Board Pack and the Directors' Meeting.

Key Management Personnel should wait at least 1 hour after the relevant release before dealing in securities so that the market has had time to absorb the released information.

Approval Process

Key Management Personnel may trade in the Company's securities within the above Blackout Period in the following exceptional circumstances and must:

- a) Contact the Chairman, or in his absence the Chair of the Audit Committee, and notified them of their intention to trade in the Company's securities and obtained prior written approval, and
- b) Satisfy the Chairman that the person seeking clearance is not in possession of any price sensitive information that is not generally available to the public, and
- c) Satisfy the Chairman that the person seeking clearance is in severe financial hardship or trading is required in compliance with a court order or other legal or regulatory requirement.

Where the Chairman wishes to trade in securities, he must contact the Chair of the Audit Committee and notify them of their intention to trade and obtained their prior written approval.

The approval obligation operates at all times and applies to trading in the Company's securities by family members and other associates of Key Management Personnel as well as to the personal dealings by Key Management Personnel.

Trading in Derivative Products

Key Management Personnel must not use derivatives and hedging arrangements in relation to unvested securities.

Margin Loans

Key Management Personnel intending to enter into a margin loan or other financing arrangement where there is a risk that the company's securities may be traded pursuant to the terms of a margin loan must obtain prior written approval from the Chairman or in his absence the Chairman of the Audit Committee.

The Chairman must be informed of the following information when applying for written approval for a margin loan:

- a) the number of the Company's securities involved;
- b) key terms and trigger points of the margin loan;
- c) the rights of the lender to sell securities; and
- d) any other material information.

Prohibited Transactions

Key Management Personnel must not enter into transactions or arrangements which operate to limit the economic risk of their security holdings in the Company without first seeking and obtaining prior written clearance in accordance with the Approval Process.

Key Management Personnel must not enter into arrangements that provide lenders with rights over their security holdings in the Company without first seeking and obtaining prior written clearance in accordance with the Approval Process.

Key Management Personnel are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration scheme.

Consequences of Breach of the Security Trading Policy

Breach of the Security Trading Policy by any of the Key Management Personnel or their family members could expose them to criminal and civil liability.

The company will regard breach of insider trading law or this Policy as serious misconduct which may lead to disciplinary action and/or dismissal.

This policy does not contain an exhaustive analysis of restrictions imposed on and the very serious ramifications of insider trading. Should Key Management Personnel wish to obtain further advice in this matter they are encouraged to contact the Company Secretary.

Trading which is not subject to this policy

The following trading by Key Management Personnel is excluded from this policy:

- a) Transfers of existing securities into a superannuation fund or other saving scheme in Key Management Personnel are a beneficiary;
- b) An investment in, or trading of, a fund or scheme (other than a scheme solely investing in the Company's securities) where the assets are invested at the discretion of a third party;
- c) Undertakings to accept or the acceptance of a takeover offer;
- d) Trading under an offer or initiation made to all or most of the security holders such as a rights issue, security purchase plan, dividend reinvestment plan and an equal access buyback;
- e) A disposal of securities that is the result of a secured lender exercising their security rights for example under a margin lending arrangement.

Even if trading is excluded from this Policy, Key Management Personnel must not trade in the Company's securities if they are possession of insider information.

ASX Notification by Directors

Listing on the ASX obliges a Director to notify the ASX within 5 days after any dealings in Company's securities (with or personally or through a third party) which results in a change in the relevant interests of the Director in the Company's securities.

Accordingly, Directors must notify the Company Secretary immediately on acquiring or disposing of a relevant interest in any securities in the company.

It is the individual responsibility of each Director to ensure they comply with this requirement.