



Kasbah Resources Limited

Securities Trading Policy

Securities Trading Policy

Effective Date: 26 April 2007

Revised: 15 December 2010

1.0 Purpose

- (a) This policy sets out the requirements for directors, employees, consultants and contractors of Kasbah Resources Limited (“Kasbah” or “the Company”) and its related entities in relation to dealing in securities of Kasbah Resources Limited.
- (b) This policy has important implications for all directors, officers and employees. If you do not understand the implications of this policy or how it applies to you, you should raise the matter with the Managing Director or the Company Secretary before trading in any securities which may be affected by this policy or the law.
- (c) This policy only provides a summary of applicable legal and regulatory issues which are complex, and should therefore only be used as a general guide and not as legal advice.

2.0 Insider Trading

The Corporations Act 2001 Prohibits Insider Trading.

If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is illegal for the person to:

- (a) Deal in the securities;
- (b) Procure another person to deal in the securities; or
- (c) Give the information to another person (also known as “tipping”) who the person knows, or ought reasonably to know, is likely to:
 - (i) deal in the securities; or
 - (ii) procure someone else to deal in the securities.

Insider trading is a criminal offence. It is punishable by substantial fines and/or imprisonment or both. A company may also be liable if an employee or director engages in insider trading.

Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

What is Inside Information?

Inside information is information that:

- (a) Is not generally available; and
- (b) If it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.

Information is generally available if it:

- (a) Is readily observable;
- (b) Has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
- (c) Consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs above.

3.0 The Trading Policy

As a general rule, directors, officers and employees must not;

- (a) buy, sell or otherwise deal in Kasbah securities whilst in possession of price sensitive information;
- (b) advise, procure or encourage any other person to buy, sell or otherwise deal in Kasbah securities whilst in possession of price sensitive information;
- (c) pass on information to any person, if you know or ought to reasonably know that the person may use the information to buy, sell or otherwise deal (or procure another person to buy, sell or otherwise deal) in Kasbah securities.

Company Securities

- (a) Directors or officers are to obtain prior written approval from the Chairman (and the Chairman is required to confirm with the Managing Director that there is no market sensitive information that has not been released), or in his absence the Managing Director, at least one day prior to the sale of securities in Kasbah held by the director or officer. Should the Chairman wish to sell securities he shall similarly notify the Managing Director at least one day prior to sale.

Employees or potential insiders are to obtain prior written approval from the Managing Director or in his absence, the Company Secretary, at least one day prior to the sale of securities in Kasbah held by the employee.

Where a director wishes to buy securities in Kasbah, the director is to obtain prior written approval from the Chairman or in his absence the Managing Director, prior to placing the buy order. Similarly the Chairman is to obtain prior written approval from the Managing Director in advance of the placing of a buy order.

Where an officer or employee wishes to buy securities in Kasbah, the officer or employee is to obtain prior written approval from the Managing Director prior to placing the buy order.

- (b) A director, officer or employee shall not trade securities in Kasbah if the director, officer or employee is aware of any information concerning Kasbah which has not been made public and/or which if made public, a reasonable person would expect to have a material impact on the price or value of Kasbah securities. Employees must inform the Managing Director of all market sensitive (material) information immediately after it is made available to the Company.
- (c) If the Chairman has received a request for either a sale or purchase of securities in Kasbah he is required to confirm in writing with the Managing Director or in his absence the Company Secretary that there is no market sensitive information that has not been released.

4.0 Closed Period

The following periods are considered a Closed Period and directors, officers and employees must not trade in the company securities;

- (a) The period 14 days immediately preceding the announcement of the Company's quarterly reports.
- (b) The period 14 days immediately preceding the Board meeting for the approval of the Company's half year and annual accounts and or;
- (c) other periods advised by the Company

5.0 Definition

This policy extends to directors, officers, employees or potential insiders (including such parties as advisors and consultants who have access to, or are involved with confidential information). This includes a director, officer or employee of Kasbah, the director's, officer's or employee's immediate family (includes a person or persons under the control or influence of the director, officer or employee) and related entities controlled by the director, officer or employee or members of the immediate family.

6.0 Exceptional Circumstances In Which Trading in a Closed Period Is Permitted

For the purpose of this trading policy, the following dealing in securities is permitted during a closed period:

- (a) transfers of securities where the beneficial ownership of the securities does not change, e.g. the transfer of securities already held into a superannuation fund where the Person is a beneficiary;
- (b) the exercise of an option or a right, or the conversion of a convertible security, where the final date to exercise the option or right, or convert the security, falls during a prohibited period;
- (c) undertakings to accept, or acceptance of, takeover offers;
- (d) trading under an offer or invitation made to all or most of the Company's security holders such as a rights issue, security purchase plan, a dividend reinvestment plan or securities buy back.

Persons who are not in the possession of price sensitive information, may be given prior written clearance by the Chairman to sell or otherwise dispose of Kasbah securities during a prohibited period, where the person is in severe financial difficulties or other exceptional circumstances determined by the Board, such as required under a court order, in a bona fide family settlement, or some other overriding legal or regulatory requirement to do so.

7.0 Other Securities

A director, officer or employee shall not trade securities of another company where the director, officer or employee is aware of:

- (a) Non-public information regarding investigations or negotiations being conducted by Kasbah or any of its related entities into that company; and/or
- (b) Non-public material information of a company in partnership with Kasbah.

8.0 Breach of Policy

A breach of this policy by an employee may lead to disciplinary action. It may also be a breach of the law.

9.0 Assistance and Additional Information

Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the Company Secretary or his designate on **(08) 9463 6651**

Securities Trading Policy – Clearance Request

In accordance with the Securities Trading Policy of the Kasbah Resources Limited, before dealing in any Company Securities, you are required to obtain clearance.

Please forward this request to the Company Secretary or his designate by fax no. **(08) 9461 6652** or by email to **thart@kasbahresources.com**

Name: _____

Position: _____

Location: _____

Telephone: _____

Facsimile: _____

I request permission to trade the following securities which are proposed to be held by myself personally and/or other parties with whom I have an interest as follows:

Type of Security	Number of Securities	Buy/Sell/Exercise & Hold/ Exercise & Sell

I confirm that:

- a) it is not a closed period;
- b) I am not in possession of inside information;
- c) I will not deal in the above securities until I am notified that clearance is approved; and
- d) I may be refused permission to deal without explanation.

Signed: _____

Date: _____

This form is valid for a period of 5 business days from the date of approval. After which time, clearance will lapse and a further request will need to be completed. This form will be returned to the applicant with the period of validation completed if approval has been granted.

For completion by the Company Secretary or his designate

Approval for the above dealing has been: cleared for a period of 5 business days

refused

Signed: _____

Date: _____

Name: _____