

SALE & PURCHASE OF INDOPHIL SECURITIES

1. Introduction

- 1.1 The policy is designed to provide guidance to the following representatives of the Company and its subsidiaries (collectively Designated Persons) regarding their conduct in relation to the purchase/sale of securities in Indophil Resources NL (ASX: IRN):
- a) the Board;
 - b) the Managing Director of the Company;
 - c) the Company Secretary of the Company.
 - d) all direct reports of the Managing Director;
 - e) directors and company secretary of any subsidiary of the Company;
 - f) any person who is entitled to receive equity performance rights and/or options as part of any equity incentive based scheme of the Company; and
 - g) consultants, advisors and contractors.
- 1.2 Indophil encourages all employees to become long-term shareholders of the Company and to participate in improvements in its performance.
- 1.3 This policy applies to all shares, options, debentures, bonds, notes and other traded securities in Indophil including derivatives or financial products issued or created over any of these in which a Designated Person has a direct or indirect interest.

2. Policy

- 2.1 Designated Persons are entitled to purchase/sell securities in Indophil for a six-week period following the release, electronically, of the:
- Annual report;
 - Half-year report; or
 - Quarterly reports
- provided no price sensitive information arises during the prescribed period following the release of these reports.
- 2.2 The six-week period in which Designated Persons can purchase/sell securities in Indophil will commence one (1) business day after the release of the reports referred to in Clause 2.1 above.
- 2.3 Where price sensitive information is available to Designated Persons following the release of reports referred to in Clause 2.1 and that price sensitive information has not been released by Indophil to the market, Designated Persons are not entitled to purchase/sell securities of Indophil until such time as the market sensitive information has been released to the market. Designated Persons will be entitled to sell/purchase securities one (1) business day after the release of the market sensitive information referred to in this clause and the period in which Designated Persons can buy/sell securities will be as defined in section 2.1.
- 2.4 Designated Persons are entitled to purchase/sell securities in Indophil for a six-week period following the Annual General Meeting of Shareholders provided no further price sensitive information arises during this period.

- 2.5 The six-week period in which Designated Persons can purchase/sell securities in Indophil will commence one (1) business day after the Annual General Meeting of Shareholders.
- 2.6 All periods outside of the periods referred to in 2.1 and 2.4 are closed periods when Designated Persons are prohibited from trading in the Company's securities.
- 2.7 Where price sensitive information is available to Designated Persons following the release of a quarterly report referred to in Clause 2.1 and that further price sensitive information has not been released by Indophil to the market, Designated Persons are not entitled to purchase/sell securities of Indophil until such time as the market sensitive information has been released to the market. Designated Persons will be entitled to sell/purchase securities one (1) business day after the release of the market sensitive information referred to in this clause and the period in which Designated Persons can buy/sell securities will be as defined in section 2.1.
- 2.8 Where a Designated Person wishes to transact in securities of Indophil outside periods referred to in 2.1 and 2.4, the Designated Person must seek the approval of the Chairman in writing no later than seven (7) days prior to purchasing/selling securities.
- 2.9 Where the Chairman wishes to transact in securities of Indophil outside periods referred to in 2.1 and 2.4, the Chairman must advise the Chief Executive Officer and Managing Director prior to purchasing/selling securities. This advice is to be notified to all members of the Indophil Board, and the same parties are to be advised following completion of the transaction.
- 2.10 The Company prohibits the hedging of unvested options or trading in products that limit the economic risk of security entitlements in the Company over unvested entitlements.
- 2.11 The matters referred to in paragraphs 8 and 9 of ASX Guidance Note 27 are exceptions to and excluded from the restrictions set out in this policy.
- 2.12 Designated Persons may not include their securities in a margin loan portfolio or otherwise deal in securities pursuant to a margin lending arrangement without first obtaining the consent of the Chairman.
- 3. Price sensitive information**
- 3.1 Price sensitive information means information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price of securities of Indophil.
- 3.2 Information is generally available where the information is:
- (a) readily observable; or
 - (b) made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in securities of Indophil, and a reasonable period has elapsed to allow the information to be disseminated to those people; or
 - (c) able to be deduced, concluded or inferred from the above two types of the information.
- 3.3 Examples of price sensitive information include:
- (a) Indophil is considering a major acquisition or disposal of assets;
 - (b) Indophil is threatened with major litigation;
 - (c) Indophil is considering a significant project development proposal;
 - (d) Indophil is considering a change in its capital structure;
 - (e) a significant resource estimate revision or a significant discovery is to be announced following clearance from the Indophil Board; and

- (f) a significant change in senior management is to be announced following clearance of the announcement by the Indophil Board.

4. Dealings by associated persons and investment managers

4.1 When a Designated Person may not deal in the Company Securities, they must prohibit any dealing in the Company Securities by:

- (a) any associated person, including family or nominee companies and family trusts; or
- (b) any investment manager on their behalf or on behalf of any associated person.

4.2 For the purposes of 4.1, a Designated Person must:

- (a) inform any investment manager or associated person of the periods during which the Designated Person may and may not deal in Company Securities; and
- (b) request any investment manager or associated person to inform the Designated Person immediately after they have dealt in Company Securities.

5. Exercise of options over ordinary shares

Where a Designated Person exercises options over ordinary shares previously granted to the Designated Person under the terms and conditions of the Option Scheme approved by shareholders, the exercise of the options over ordinary shares does not constitute a purchase/sale of Indophil securities provided the Designated Person holds the shares issued until such time as the Designated Person is entitled to sell the Indophil securities in accordance with this policy.

6. Control transactions

The restrictions in this policy do not prevent a Designated Person from accepting a takeover bid or from selling securities under a scheme of arrangement.

7. Disclosure

7.1 Where a Designated Person has transacted in securities of Indophil, the Designated Person must submit, within two (2) business days of purchasing/selling shares or other securities of Indophil, a letter to the Company Secretary, setting out the number of shares either purchased or sold, the price at which the shares were either purchased or sold and the date of the transaction(s).

7.2 The Company Secretary is required to prepare and submit Form 3Y 'Change of Director's Interest Notice' to the Australian Securities Exchange within five (5) business days after a director has purchased/sold shares or other securities in Indophil.

8. Other

The electronic release of reports referred to in Clause 2 means the release of the annual report, half-year report and quarterly reports to the Australian Securities Exchange and the posting of such reports to the public domain by the Australian Securities Exchange.

9. Review

This policy will be reviewed regularly by Indophil's directors having regard to the changing circumstances of Indophil and a copy of the amended policy will be notified to ASX and the affected persons in writing within five (5) business days of the material changes taking effect.

10. Questions

For questions about the operation of this policy, you should contact the Company Secretary.