

RIVERSDALE RESOURCES LIMITED

(the "Company")

SECURITIES TRADING POLICY**ADOPTED ON 20 FEBRUARY 2013****1. INTRODUCTION**

This document sets out the Company's policy on dealing by Directors and employees in:

- (a) securities of the Company (the **Company Securities**); and
- (b) securities of other entities.

If you do not understand any part of this policy, the summary of the law, or how it applies to you, you should raise the matter with your manager or the Company Secretary before dealing with any securities covered by this policy.

2. RATIONALE FOR THE POLICY

Under Australian corporations legislation, the insider trading laws operate to prohibit people in possession of non-public price-sensitive information from dealing in securities or passing on the information to other people who may deal in securities.

Given the restrictions imposed by law, this policy is relevant to all Directors, employees and contractors of the Company and their associates. This policy also imposes additional restrictions (described below) on:

- (a) all Directors and officers of the Company including the Managing Director (MD);
 - (b) all direct reports to the MD, country managers, operations managers and those with access to the Company's Financial Information (**Senior Executives**); and
 - (c) their associates (as defined in the Corporations Act),
- (**Restricted Persons**).

3. MEANING OF SECURITIES

For the purposes of this policy Securities means shares, debentures, options to subscribe for new shares and options over existing shares, warrant contracts and other derivatives relating to the shares.

4. INSIDER TRADING LAWS**4.1 Prohibition**

If you have any **inside information** about the Company (or another relevant entity, such as a company with which the Company is considering a transaction) which is not publicly known, it is a criminal offence for you to:

- (a) trade in the Company Securities (or securities of the other relevant entity);
- (b) advise or procure another person to trade in the Company Securities (or securities of the other relevant entity); or

- (c) pass on **inside information** to someone else (including colleagues, family or friends) knowing (or where you should have reasonably known) that the other person will, or is likely to, use that information to trade in, or procure someone else to trade in, the Company Securities (or securities of the other relevant entity).

4.2 **Consequences of insider trading**

This offence, called "insider trading", can subject you to:

- (a) criminal liability including large fines and/or imprisonment;
- (b) a civil penalty of up to \$450,000; and
- (c) civil liability, which may include being sued for any loss suffered as a result of illegal trading.

4.3 **Inside information**

"Inside information" is information that:

- (a) is not generally available; and
- (b) if it were generally available, it would – or would be likely to – influence investors in deciding whether to buy or sell particular Securities.

The financial impact of the information is important, but strategic and other implications can be equally important in determining whether information is **inside information**. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public.

Importantly, you need not be an "insider" to come across inside information. That is, it does not matter how you come to know the **inside information** (for example, you could learn it in the course of carrying out your responsibilities or in passing in the corridor or in a lift or at a dinner party).

4.4 **Examples of insider trading**

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

- (a) the financial performance of the Company against its budget;
- (b) a possible acquisition or sale of any assets by the Company;
- (c) a possible change in the Company's capital structure;
- (d) a proposed dividend;
- (e) senior management changes;
- (f) a significant research result or discovery;
- (g) development of a new product; or
- (h) any possible claim against the Company or other unexpected liability.

4.5 **Insider trading is prohibited at all times**

If you possess **inside information**, you must not buy or sell the Company Securities, advise or get others to do so or pass on the **inside information** to others. This prohibition applies regardless of how you learn the information.

The prohibition on insider trading applies not only to information concerning the Company Securities. If a person has **inside information** in relation to securities of another company, that person must not deal in those securities.

5. **CONFIDENTIAL INFORMATION**

Related to the above, Directors, employees and contractors also have a duty of confidentiality to the Company. You must not reveal any confidential information concerning the Company, use that information in any way which may injure or cause loss to the Company, or use that confidential information to gain an advantage for yourself.

6. **TRADING RESTRICTIONS IMPOSED BY THIS POLICY**

6.1 **Additional restrictions**

Additional restrictions (described below) on trading the Company Securities apply to Restricted Persons (as defined above). The additional restrictions in this policy do not prohibit Restricted Persons from acquiring securities under the Company dividend reinvestment plans or employee share plans (however, the additional restrictions will apply to any subsequent trading of the Company Securities acquired under those plans).

6.2 **Reasons for additional restrictions**

Restricted Persons are in positions where it may be assumed that they may come into possession of **inside information** and, as a result, any trading by Restricted Persons may embarrass or reflect badly on them or on the Company (even if a Restricted Person has no actual **inside information** at the time). This policy is designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise.

6.3 **Blackout periods**

Restricted Persons **must not** deal in the Company's Securities during any of the following blackout periods:

- (a) the period each year from the close of trading at the end of the full financial year until 10.00am on the next trading day following the announcement to ASX of the preliminary final statement or full year results;
- (b) the period each year from the close of trading at the end of the financial half year until 10.00am on the next trading day following the announcement of half-yearly results; and
- (c) any other period that the Company specifies from time to time.

6.4 **No speculative short-term trading**

Restricted Persons should not trade in the Company Securities on a short term basis or for speculative trading gain.

6.5 Exceptional circumstances

If a Restricted Person needs to deal in the Company Securities due to exceptional circumstances but such dealing would breach this Policy, the Restricted Person must apply to the person specified in rule 7 for a waiver from compliance with the provisions in rules 6.3 or 6.4.

Exceptional circumstances include severe financial hardship, compulsion by a court order or any other circumstances that is deemed exceptional by the person described in rule 7.

The Restricted Person seeking a waiver under this rule must apply in writing to the person specified in rule 7 setting out the circumstances of the proposed dealing (including an explanation as to the severe financial hardship or circumstances that are otherwise exceptional) and the reason the waiver is requested. A waiver will only be granted if the Restricted Person's application is accompanied by sufficient evidence (in the opinion of the person specified in rule 7) that the dealing of the relevant securities is the most reasonable course of action available in the circumstances.

If a waiver is granted, the Restricted Person will be notified in writing (which may include notification via email) and in each circumstance the duration of the waiver to deal in securities will be 2 business days.

Unless otherwise specified in the notice, any dealing permitted under this rule must comply with the other sections of this Policy (to the extent applicable).

6.6 Permitted dealings

- (a) Where rules 4.1, 6.3 or 6.4 do not apply, Restricted Persons are permitted to trade the Company Securities during the specific "trading windows" detailed below, subject to the notification and approval requirements set out below.

The trading windows are the period of 60 days from the commencement of trading the day after each of the following days:

- (i) the day half year results are announced;
- (ii) the day full year results are announced; and
- (iii) the day of the Annual General Meeting.

The board may also declare a trading window open for a specified period at other times (such as following the announcement to ASX of a significant event).

The Company Secretary may declare at any time that a trading window has closed and notify Restricted Persons accordingly.

- (b) During the trading windows, Restricted Persons must notify the Company in advance of any proposed dealing in Company Securities. The notification must be made to the person in rule 7 and confirm that they do not hold any **inside information**. Upon provision of notification, the Restricted Person may undertake the proposed dealing.

6.7 Requirements after trading

Once a Restricted Person has completed a trade in the Company Securities, the relevant person described in rule 7, must be:

- (a) advised that the trade has been completed; and

- (b) in the case of Directors, provided with sufficient information to enable the Company to comply with the requirements to notify a change of interests to ASX.

6.8 Application to employee share and option plans

The additional restrictions in this policy do not affect a Restricted Person's participation in any the Company employee share or option plans or the exercise of options/rights under those plans.

However the additional restrictions in this policy may apply to any subsequent trade of any the Company Securities issued to (or for the benefit of) a Restricted Person on the exercise of any options granted under an employee share or option plan.

7. CONSENTS AND NOTIFICATIONS

Where this Policy requires a notification to occur, or consent, or waiver to be obtained (unless the context requires otherwise) the table below sets out whom each Restricted Person must notify or seek approval from.

Restricted Person	Person to notify and obtain consent
Chairman of the Board	The Board
Other Directors (including MD)	Chairman of the Board
Senior Executives	MD

8. BREACHES OF THE POLICY

Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

9. FURTHER INFORMATION

For more information about this policy, contact the Company Secretary.