



QUAY MAGNESIUM
LIMITED

**Share Trading Policy:
Dealing Rules for Directors and Employees**

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1 APPLICATION OF THE RULES

These Rules apply to Directors of any company in the Quay Group and all Quay Group Employees as well as any Contractors or Consultants asked to sign acknowledgement of these rules. The Rules outline the procedure that you must follow before you deal in Quay shares.

2 INSIDER TRADING PROHIBITED AT ALL TIMES

You may not deal at any time in Quay shares if you are in possession of non-public price sensitive information regarding those shares.

Information is non-public if it is not generally available. Information is price sensitive if, if it was made generally available, it would have a material effect on the price or value of shares.

The prohibition on insider trading applies to prevent:

- your dealing in Quay shares
- your procuring another person to deal in Quay shares – for example family members, your friends or companies and
- your communicating (or “tipping”) the price sensitive information to another person who is likely to deal in Quay shares while you are in possession of non-public price sensitive information.

Insider trading is a criminal offence punishable by substantial fines or imprisonment or both.

3 DEALING IN Quay SHARES ALLOWED

3.1 Dealing in Quay shares only during a Trading Window

You may deal in Quay shares only if:

- (a) you are not prohibited from dealing as a result of Section 2 of these Rules
- (b) you have complied with Section 4 of these Rules and
- (c) any dealing is within one of the approved trading windows

A register is kept in the Sydney office by the Company Secretary recording all Director / Employee / Contractor / Consultant share transactions.

The Trading Windows are:

- a period beginning on the day after the release of Quay's half-year results until the following 30 June
- a period beginning on the day after the release of Quay's full year results until the following 31 October and
- a period commencing on the day after the issue of any prospectus or information memorandum and ending on the day any offer closes.

The Chairman may change the Trading Windows at any time by giving notice by email or facsimile.

3.2 Trading with Permission

If there are:

- (a) exceptional circumstances; and
- (b) the person concerned declares that they do not possess any Inside Information, then approval may be given by the Chairman in his absolute discretion.

Any such approval must be obtained in advance and cannot be given after the event.

3.3 Short term dealing prohibited

Directors, Employees, Contractors and Consultants must not engage in short term dealing in Quay shares. "Short term dealing" means any dealing in Quay shares in a manner which involves frequent and regular trading activity.

4 WHAT YOU MUST DO BEFORE YOU ARE ALLOWED TO DEAL IN Quay SHARES

All purchases or sales of Quay shares must be approved before they are transacted.

You must not deal in Quay shares unless you have first received clearance in accordance with the following requirements:

- 1) You email the Chairman (or the Company Secretary in the Chairman's absence) with the intended transaction stating the quantity, price and the broker's name. A copy of this email is placed in your personnel file
- 2) The Chairman emails back (a) an approval or (b) non approval



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- 3) If approved you may deal as per your request
- 4) The transaction is then recorded in the register

Note – clearance to trade is valid for five business days from the date of approval

5 DEALING BY YOUR ASSOCIATES

If you are prohibited for any reason from dealing in Quay shares you must take reasonable steps to prohibit any dealing in Quay shares by your spouse, de facto partner, or children under 18 years of age and any companies or trusts with which you, your spouse, de facto partner, or children are associated (your associates) provided that you need only do so to prohibit a proposed or potential dealing of which you are, or ought reasonably to be, aware.

If you are not prohibited from dealing and you are aware your associates have transacted or intend to transact Quay shares you must advise your associates to notify you immediately after they have dealt in the Quay shares.

If you become aware that any of your associates have dealt in Quay shares at a time when you are prohibited from dealing, you must immediately inform the Company Secretary.

Name of Director / Employee / Contractor / Consultant

Signed

Date