

## INTRODUCTION

Employee stock options and other securities are approved by the board and provided to employees of Peak under the employee incentive scheme to allow employees to participate in the future performance of the Company. By receiving the stock options or other types of securities, employees are recognised as a valuable asset to the Company whose contribution is significant to the future growth and development of Peak.

By holding such stock options or other securities however, employees should be aware that they are also bound by the Corporations Act 2001 and Australian Securities Exchange (ASX) Listing Rules governing insider trading legislation.

The objectives of this policy are to:

- (a) minimise the risk of employees of the Company contravening the laws against insider trading;
- (b) ensure the Company is able to meet its reporting obligations under the ASX Listing Rules; and
- (c) increase transparency with respect to trading in securities of the Company.

To achieve these objectives employees should consider this policy to be binding on them. Strict compliance with this policy is a condition of employment.

## DEALING IN SECURITIES – LEGAL AND OTHER CONSIDERATIONS

Employees of the Company will from time to time be in a situation where they are in possession of price sensitive information that is not generally available to the public. Examples are the period prior to release of annual or half-yearly results to Australian Securities Exchange Limited (“ASX”), during periods of exploration drilling or sample testing and the periods during which a material transaction is being negotiated.

## INSIDER TRADING LAWS

Insider trading laws covers all directors and employees of the Company. If a person is in possession of any unpublished price-sensitive information, it is a criminal offence to take advantage for personal gain or that of an associate.

Price-sensitive information is any information which if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company’s securities, or would be likely to influence a person in deciding whether to buy or sell the Company’s securities.

For this reason, and to guard against any potential breaches of the “Insider trading laws” the following Company policy applies:

## POLICY – DEALING IN SECURITIES

Requirements before securities trading or exercise of employee options

- (a) the employee must satisfy themselves that they are not in possession of any price sensitive information that is not generally available to the public;
- (b) employees of Peak's subsidiaries should notify and obtain clearance from the Chief Executive Officer/Managing Director or Company Secretary, and employees, employed directly by of Peak Rare Earths Limited should notify and obtain clearance from the Chairman, Chief Executive Officer/Managing Director or Company Secretary before trading or exercising their stock options;
- (c) the Chairman or Chief Executive Officer/Managing Director will advise the Company Secretary, that there is no reason to preclude them from trading in the Company's securities as notified;
- (d) The Chairman or Chief Executive Officer/Managing Director and Company Secretary will also confirm that the employee is not a restricted person who does not contravene or is prohibited from trading in the Company's securities during the following designated closed periods:
  - i. the 1 week period immediately leading up to the day of the announcement of the Company quarterly, half yearly, and annual report, and two trading days after this announcement is made;
  - ii. the 1 week period immediately leading up to an issue of Company prospectus, and two trading days after this announcement is made; and
  - iii. 14 days immediately prior to Peak's Annual General Meeting.

"Restricted Persons" generally hold positions where it can be assumed that they will have inside information regarding the Company. Accordingly, additional restrictions apply for any proposed trading in shares by Restricted Persons during nominated "closed periods". The closed periods generally apply to the period immediately preceding periodic and continuous disclosure.

Written confirmation will be provided to the Chief Executive Officer/Managing Director and the employee that they are free to exercise or trade the Company's securities. The trade must then occur as soon as practicable following receipt of the confirmation.

## **NOTIFICATION OF TRADING**

The employee must provide a follow up notification to the Company Secretary of the dealing in the Company's securities immediately after any such dealings occur.

If a delay occurs, confirmation must be sought under steps (a) to (d) above.

## **FINANCIAL HARDSHIP**

In exceptional circumstances, such as financial hardship, clearance may be given for a Restricted Person to transact (buy or sell) securities when they would otherwise be prohibited from doing so but not while there exists any matter which constitutes unpublished price-sensitive information in relation to the Company's securities.

## **SHORT TERM TRADING PLAN**

Whilst the Company encourages employees to participate in the stock performance of the Company, employees must not at any time engage in short-term trading in securities of the Company.

## TAXATION

Stock options and capital gains made upon the receipt or disposal of such securities are subject to taxation laws of local jurisdictions. Employees should seek tax advice from their nominated tax advisor in relation to any potential liabilities which may arise.

## EXPLANATION OF TERMS

For the purposes of this policy:

**“deal in securities”** means buy or sell shares, options, or other securities in the Company, exercise of options or entering into transactions in relation to shares, options or other securities in the Company. It includes procuring another person to do any of these things.

**“Peak Rare Earths Limited” or the “Company”** means Peak Rare Earths Limited (Parent Company) and all of its subsidiaries.