



SHARE TRADING POLICY

Hawsons Iron and its Group Companies have a policy that imposes certain restrictions on Designated Persons trading in the Company's securities. The policy has been adopted to prevent trading in contravention of the insider trading provisions of the Corporations Act in particular when Company personnel are in possession of unpublished price sensitive information or, material changes or material facts that are not generally disclosed. In this policy, the term unpublished price-sensitive information refers to both standards.

In general, the ability to Deal in the Securities is prohibited:

- whilst in possession of unpublished price sensitive information;
- where Designated Persons are engaging in the business of active trading in the Company's shares;
- two weeks before and 24 hours after the release of the Company's quarterly, half yearly or full year results to the ASX; and
- two weeks before lodgement and during the period that a disclosure document including a prospectus is open for applications except to the extent that a Designated Person is applying for securities pursuant to that disclosure document.

In accordance with the provisions of the Corporations Act and ASX Listing Rules. Directors and other insiders are also required to advise the ASX of any transaction conducted by them in Securities.

1. Introduction

The Company and its Group Companies have adopted a trading policy to regulate dealings by Designated Persons in Securities.

2. Purpose

The purpose of this policy is to ensure that Designated Persons and Employees are aware of the legal restrictions of Dealing in Securities while such a person is in possession of unpublished price sensitive information concerning the Company and any Group Companies.

In addition, the policy is intended to minimise the possibility that misunderstandings or suspicions arise that the Company's personnel are Dealing in Securities whilst in possession of unpublished price sensitive information.

3. Market Sensitive Information

Unpublished price sensitive information is information which a reasonable person would expect to have a material or significant effect on the price or value of Securities. Examples may include but are not limited to:

- (a) information relating to HIO projects, contractors or tenders;
- (b) information on Hawsons Iron's results, production, resources or reserves;
- (c) information relating to HIO's financial results or forecast results;
- (d) a possible sale or acquisition of assets by HIO;
- (e) a possible change in HIO's capital structure (for example, a new issue of equity to raise money, a buy-back of shares or changes to the composition of HIO's debt facilities);
- (f) Board or key management personnel changes in the Company or a Group Company;
- (g) an event which could have a material impact (either positively or negatively) on projects, production or profits (for example, significant change to a contract or customer, a significant safety or environmental incident);
- (h) a proposed change in the nature of HIO's business;
- (i) a proposed takeover or merger involving HIO;
- (j) a notification to ASX, of a substantial shareholding in HIO;
- (k) any information required to be disclosed to ASX, under their continuous disclosure rules; and
- (l) any possible claim against HIO or other unexpected liability.

It should be noted that either positive or negative information may be material and the list above is not meant to set out all possible examples of unpublished price sensitive information.

4. Restrictions on Trading

4.1. General Prohibition

Consistent with the legal prohibitions on insider trading contained in the Corporations Act key management personnel and Directors are prohibited from Dealing in Securities while in possession of unpublished price sensitive information. This is irrespective of whether the Company is outside a Closed Period or permission to Deal has been granted by a Notification Person.

All key management personnel and Directors whilst in possession of unpublished price sensitive information are subject to 3 restrictions:

- (a) they must not Deal in Securities;
- (b) they must not cause or procure anyone else to Deal in those Securities; and
- (c) they must not communicate the information to any person if they know or ought to know that the other person will use the information, directly or indirectly, for Dealings in Securities, unless the communication is in the necessary course of business.

If after you have placed an order to buy or sell the Company's Securities you come into possession of unpublished price sensitive information and your order has not been filled, you must cancel that order.

4.2. Restriction of ability to Deal

The ability to Deal in Securities may be restricted at any time by direction of the CEO or a majority of Directors.

4.3. Prohibition on active Dealing

Key Management Personnel and Directors must not engage in the business of active Dealing in Securities. This means that Key Management Personnel and Directors must not actively Deal in Securities in a manner which involves frequent and regular trading activity, with a view to deriving profit related income from that activity.

4.4. Additional restrictions for Designated Persons

In addition to the restrictions in Rules 4.1, 4.2 and 4.3, all Designated Persons must not Deal in Securities during Closed Periods.

5. Permitted Conduct

5.1. Application to Deal – Designated Persons other than Directors

Subject to Rules 4.1, 4.2, 4.3 and 4.4, a Designated Person other than a Director, intending to Deal must obtain written consent of the Chairman of the Board, CEO or Company Secretary to Deal by fully completing and submitting Annexure 1 to the Notification Person.

5.2. Application to Deal – Directors

Subject to Rules 4.1, 4.2, 4.3 and 4.4:

- (a) a Director intending to Deal must first obtain written consent of the Chairman of the Board to Deal by fully completing and submitting Annexure 1 to the Chairman of the Board; and
- (b) a Chairman of the Board intending to Deal must first obtain written consent of the Chairman of the Audit Committee to Deal by fully completing and submitting Annexure 1 to the Chairman of the Audit Committee.

The relevant Notification Person will usually within 12 hours advise whether the Dealing is permitted or not. Generally, Dealing will be permitted if it appears that no personnel of the Company or a Group Company are in possession of unpublished price sensitive information at the relevant time.

6. Trading not subject to this Policy

6.1. Permitted Exceptions

Notwithstanding Rules 4.4, 5.1 and 5.2 but subject to Rules 4.1, 4.2 and 4.3, Designated Persons are permitted to Deal in the Company's Securities in the following circumstances:

- (a) in respect of a dividend reinvestment plan of the Company;
- (b) in respect of the exercise of an option or a right under any relevant Employee or Director incentive share or option plan of the Company (but not the sale of Securities following exercise);
- (c) in respect of an on-market buy-back;
- (d) in a rights offer or any share purchase plan; or
- (e) any other public offering,

Any such Dealing must be undertaken in accordance with the rules applicable to the dividend reinvestment plan, share purchase plan, Employee or Director incentive plan, on-market buy-back, rights issue or capital raising.

An Employee or Director may not, however, sell Securities acquired under any Employee or Director incentive plan or sell Securities acquired following the exercise of an option granted under any Employee option plan if that Employee holds unpublished price sensitive information.

6.2. Exceptional Circumstances

Subject to Rules 4.1, 4.2, 4.3, 5.1 and 5.2, a Designated Person may be permitted to Deal in Securities during a Closed Period in exceptional circumstances.

Exceptional circumstances may include severe financial hardship, compliance with court orders or an overriding legal or regulatory requirement to Deal in Securities during a Closed Period.

Application by a Designated Person should be made in writing (email is acceptable) to the Chairman of the Board stating the circumstances and reasons why a Designated Person should be permitted to Deal in the Company's Securities during a Closed Period. The Chairman of the Board will decide whether to grant permission to Deal in Securities during the Closed Period and the duration of any permitted Dealing.

In the case of the Chairman of the Board requesting to Deal in Securities in exceptional circumstances, application should be made to the Chairman of the Audit Committee who will decide whether permission should be granted to Deal in Securities during the Closed Period and the duration of any permitted Dealing.

7. Applicable Legislation

The requirements imposed by this policy are separate from the insider trading provisions contained in the Corporations Act.

Anyone who contravenes the prohibitions against insider trading contained in the Corporations Act will be guilty of an offence and risks substantial fines and/or imprisonment.

8. Inquiries regarding this policy

All queries regarding issues raised in this policy should be directed to the Company Secretary

9. Consequences of Breach of Policy

Strict compliance with this policy is mandatory for all Designated Persons covered by this policy.

Breaches of this policy may damage the Company's reputation in the market place. Accordingly, breaches will be taken very seriously by the Company and any Designated Person or Employee who breaches this policy will be subject to disciplinary action, including possible termination of that person's employment or appointment.

10. Publication

A copy of this policy will be available on the Company's website.

11. Review

This policy will be reviewed yearly by the Board.

12. Definitions

In the context of this policy, the following definitions are adopted.

“**Annexure 1**” means the securities dealing request form included at the end of this policy.

“Associate” means a person whom a Designated Person has or is deemed to have investment control or influence or with whom they are acting in concert. Examples include spouses, partners, family members, nominees (including an investment manager managing funds on their behalf”, a trust of which they are a trustee or beneficiary, a company or investment vehicle which a Designated Person controls.

“ASX” means the Australian Securities Exchange operated by ASX Limited;

“Board” means the board of Directors of the Company;

“CEO” means the Chief Executive Officer/Executive Chairman of the Company;

“CFO” means the Chief Financial Officer of the Company;

“Chairman of the Board” means the Chairman of the Board;

“Chairman of the Audit Committee” means the Chairman of the audit committee of the Company or any successor committee that has similar functions to the current audit committee;

“Closed Period” means:

- (a) the period commencing 2 weeks prior to the release of the Company’s quarterly, half yearly and full financial year reports, results to the ASX and ending 24 hours after such release; and
- (b) two weeks before lodgment and during the period that a disclosure document including a prospectus is open for applications except to the extent that a Designated Person is applying for securities pursuant to that disclosure document.

“Company” or “HIO” means Hawsons Iron ABN 63 095 117 981;

“Company Secretary” means the Company Secretary of the Company;

“Corporations Act” means the *Corporations Act 2001* (Cth), Australia as amended from time to time;

“Deal” or “Dealing” includes:

- (a) applying for, acquiring or disposing of, Securities;
- (b) entering into an agreement to apply for, acquire or dispose of, Securities; and
- (c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of Securities.

“Directors” mean directors of the Company;

“Designated Person” includes:

- (a) Directors;
- (b) persons who directly report to the CEO;
- (c) employees of the Company or a Group Company who work in the Finance department, as designated by the CFO from time to time;
- (d) an Associate of any of the above; and

(e) a Person or Company in a Special Relationship with HIO.

“Employees” mean any employees and consultants of the Company and a Group Company;

“Group Company” means any subsidiary of the Company;

“Key Management Personnel” is defined by reference to the Australian Accounting Standards Boards’ AASB 124 Related Party Disclosure – being persons with authority and responsibility for planning, directing and controlling the activities of the entity (directly or indirectly), including any director (whether executive or otherwise).

“Notification Person” means the Chairman of the Board, Chairman of the Audit Committee, CEO or Company Secretary as the context requires;

“Person or Company in a Special Relationship” includes Directors, officers, and persons who learn of unpublished price sensitive information from a Designated Person.

“Securities” includes ordinary shares of the Company and any structured financial product, swap, futures contract, option, warrant, or other derivative over any ordinary share of the Company, whether issued by the Company or a third party, and any other interest in an ordinary shares of the Company; including units in trusts, debentures, prescribed interests and rights or options to subscribe for shares, units, debentures or prescribed interests; and

Review Date: January 2018

FORM OF ACKNOWLEDGEMENT BY EMPLOYEE OR DIRECTOR

1. I have read and understood the document titled "Securities Trading Policy" (the "Trading Policy").
2. I agree to be bound by and to comply with the Trading Policy.
3. I acknowledge and agree that the Trading Policy forms part of the terms of my appointment as an employee / director.

.....
Signature

.....
Name [Block Letters]

.....
Date

To be returned to the Company Secretary on completion. ABN 63 095 117 981 Level 6, 345 Ann Street, Brisbane QLD 4000, Tel: +61 7 3220 2022, Fax: +61 7 3220 1291 Email: info@capex.net.au

Annexure 1:

Securities Dealing Request

Date of Request:	
To: The Notification Person (cc: Company Secretary).	
DEALING IN SECURITIES IN HAWSONS IRON LIMITED	
Full Name of Designated Person	
Name of Registered Holder / Proposed Holder	
(ie John James Smith or ABC Nominees Pty Ltd)	
Estimated Number of HIO Securities for Dealing	
Type of Transaction (Buy/Sell/Exercise Options)	
Type of Securities (Shares/Options)	