

Breakaway Resources Limited

Securities Trading Policy



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Securities Trading Policy

Introduction

The Board has adopted the following policy in relation to Directors, Officers, Employees and potential insiders (including such parties as advisors and consultants who have access to, or are involved with confidential information) buying and selling securities of Breakaway Resources Limited ("Breakaway").

Policy

Breakaway recognises that directors, officers and employees may hold securities in Breakaway and that most investors are encouraged by these holdings. It is the responsibility of the individual director, officer or employee to ensure that any trading by the director, officer or employee complies with the Corporations Act 2001, the ASX Listing Rules and Company Policy.

Definition

Director, Officer, Employee or Potential Insider (including such parties as advisors and consultants who have access to, or are involved with confidential information) includes a director, officer or employee of Breakaway, the director's, officer's or employee's immediate family (includes a person or persons under the control or influence of the director, officer or employee) and related entities controlled by the director, officer or employee or members of the immediate family.

Effective Date

1 May 2003

Revised 22 November 2006

Revised 31 August 2007

Company Securities

- (a) Directors or Officers are to advise the Chairman (and the Chairman is required to confirm with the Managing Director or Exploration Manager that there is no market sensitive information that has not been released), or in his absence the Managing Director, at least one day prior to the sale of securities in Breakaway held by the Director/Officer. Should the Chairman wish to sell securities he shall similarly notify the Managing Director at least one day prior to the sale.

Employees or potential insiders are to advise the Managing Director or in this absence, the Chairman, at least one day prior to the sale of securities in Breakaway held by the Employee.

Where a Director wishes to buy securities in Breakaway, the director is to advise the Chairman, or in his absence the Managing Director prior to placing the buy order. Similarly the Chairman is to advise the Managing Director in advance of the placing of a buy order.

Where an Officer or Employee wishes to buy securities in Breakaway, the Officer or Employee is to advise the Managing Director prior to placing the buy order.

- (b) A Director, Officer or Employee shall not trade any securities in Breakaway,
 - (i) five days or less prior to the release of a report by Breakaway or less than two days following the release of a report by Breakaway (blackout period); and/or
 - (ii) at periods advised by the Company.
- (c) A Director, Officer or Employee shall not trade securities in Breakaway if the Director, Officer or Employee is aware of any information concerning Breakaway which has not been made public which, if made public, a reasonable person would expect to have a material impact on the price or value of Breakaway securities. Employees must inform the Managing Director of all market sensitive (material) information immediately after it is made available to the Company.
- (d) If the Chairman has received a request for either a sale or purchase of securities in Breakaway he is required to confirm with the Managing Director or in his absence the Exploration Manager that there is no market sensitive information that has not been released.

Other Securities

A Director, Officer or Employee shall not trade securities of another company where the Director, Officer or Employee is aware of:

- (a) Non-public information regarding investigations or negotiations being conducted by Breakaway or any of its related entities into that company; and/or
- (b) Non-public material information of a company in partnership with Breakaway.

Insider Trading

If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is illegal for the person to:

- (a) Deal in the securities;
- (b) Procure another person to deal in the securities; or
- (c) Give the information to another person (also known as “tipping”) who the person knows, or ought reasonably to know, is likely to:
 - (i) deal in the securities; or
 - (ii) procure someone else to deal in the securities.

Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or director engages in insider trading.

Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

What is Inside Information?

Inside information is information that:

- (a) Is not generally available; and
- (b) If it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.

Information is generally available if it:

- (a) Is readily observable;
- (b) Has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or

- (c) Consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs above.

Breach of Policy

A breach of this policy by an employee may lead to disciplinary action. It may also be a breach of the law.

Assistance and Additional Information

Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the Managing Director or his designate.