

SECURITIES TRADING POLICY

1. INTRODUCTION AND PURPOSE

The Corporations Act contains provisions which prohibit a person in possession of non-public information relating to a company from dealing in securities issued by the company or issued or created over the company's securities by third parties. The Securities Trading Policy ("Policy") provides guidelines designed to prevent Evolution Mining Limited ("**Evolution Mining**" or the "**Company**") and its Personnel (collectively the Directors, Senior Executives, employees, contractors and consultants) from breaching these provisions.

The Policy applies to all Personnel of Evolution Mining and its subsidiaries. It is the responsibility of Personnel to ensure that they comply with this Policy, the Listing Rules and the Corporations Act.

The Policy is based on two fundamental provisions;

- **Black Out Periods** – periods during which all Personnel are prohibited from trading in Evolution Securities; and
- **Trading Windows** – limited periods during which Directors and Senior Executives can trade in Evolution Securities (assuming that they do not coincide with a Black Out Period).

Personnel should not deal in Evolution Securities when they possess Price Sensitive Information that is not generally available.

This Policy took effect on **1 January 2011**.

2. GLOSSARY OF TERMS

Black out Period

Is a period during which Personnel (or any family member or associate over whom they have influence) are prohibited from dealing in Evolution Securities and is the **24 hour period before and after** the release of Price Sensitive Information to the Australian Securities Exchange ("ASX").

Closed Period

Means the period outside of the Trading Windows where Directors and Senior Executives are unable to trade in Evolution Securities.

Exceptional Circumstances

Means severe financial hardship or other circumstances considered to be exceptional, including a court order or court enforceable undertakings in a bona fide family settlement to transfer Evolution Securities, some other overriding legal or regulatory requirement to transfer Evolution Securities, or a situation determined by the Chairman of the Board or Company Secretary to be an Exceptional Circumstance.

*Information is **generally available** if:*

- It consists of a readily observable matter;
- It has been made known in a manner that is likely to bring the information to the attention of people who commonly invest in Securities of a kind whose price or value might be affected by the information, and since it was made known, a reasonable period for it to be disseminated among such persons has elapsed;
- It is derived from information which has been made public; or
- It consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.

Inside Information or Price Sensitive Information

Means information relating to the company that would, if the information were publicly known, be likely to:

- Have a material effect on the price or value of Evolution Securities; or
- Influence persons who commonly invest in Securities in deciding whether or not to buy or sell Evolution Securities.

Examples of Price Sensitive Information include, but are not limited to:

- The financial performance of Evolution Mining against its budget;
- Entry into or termination of a material contract;
- A material acquisition or sale of assets by Evolution Mining;
- An actual or proposed takeover or merger;
- Analytical results;
- Drilling results;
- An actual or proposed change to the Company's capital structure;
- A proposed dividend or a change in dividend policy; or
- A material claim against Evolution Mining or other unexpected liability

Prior Written Clearance

Means formal written approval for an individual to trade in Evolution Securities provided by the Managing Director, or if being sought by the Managing Director or Chairman of the Board, written approval obtained from the Chairperson of the Audit Committee.

Prohibited Trading Periods

Are those periods during which trading in Evolution Securities is not allowed. Prohibited Trading Periods differ depending on whether the individual concerned is a Director, Senior Executive or other Personnel of the Company.

Trading Window

Means a period during which the Directors and Senior Executives may deal in Evolution Securities.

Senior Executives

Are those individuals who are not Directors but meet the definition of Key Management Personnel under accounting standard *ASSB 124 Related Party Disclosures*.

Evolution Securities or other related Securities

Means the fully paid ordinary shares, options or other similar instruments issued by the Company or issued or created over the Company's Securities by third parties. Securities include financial products issued or created over Securities by third parties, structured financial products, swaps, futures contracts, contracts for differences, spread bets, options, warrants, depository receipts or other derivatives over or related to the performance of shares.

DEALINGS IN EVOLUTION SECURITIES – REQUIREMENTS APPLICABLE TO ALL PERSONNEL

Personnel should not deal in Evolution Securities when they possess Price Sensitive Information that is not generally available.

If Personnel possess Price Sensitive Information relating to the Company which has not been published or which is not otherwise generally available, Personnel are prohibited to:

- Buy, sell or otherwise deal in Evolution Securities;

- Advise, procure or encourage another person (for example, a family member, a friend, a family company or trust) to buy or sell Evolution Securities; or
- Pass on information to any other person, if it is known or ought reasonably to be known that the person may use the information to buy or sell (or procure another person to buy or sell) Evolution Securities.

3. BLACK OUT PERIODS – REQUIREMENTS APPLICABLE TO ALL PERSONNEL

Personnel are routinely in possession of Price Sensitive Information which is not generally available. Where Personnel possess information of this nature they are subject to “**Black Out Period**” requirements. During this time they (or any family member or associate over whom they have influence) are prohibited from dealing in Evolution Securities for a **24 hour period before and after** the release of Price Sensitive Information to the ASX.

A Black Out period is to be extended where it overlaps a weekend or other day where trading is not possible. In addition, the Board may at any time extend any Black Out Period, or may impose another Black Out Period, where it is considered that certain information is generally known within the Company but is not known in the market. Notification of any extension will be communicated by the Company Secretary to all impacted Personnel.

Black Out Periods only apply to Personnel who possess Price Sensitive Information which is not generally available. Black Out Periods do not apply to Personnel who are not privy to Price Sensitive Information.

4. TRADING WINDOWS FOR DIRECTORS AND SENIOR EXECUTIVES

Directors and Senior Executives are routinely in possession of Price Sensitive Information. As such, they (or any family member or associate over whom they have influence) are only allowed to trade during a nominated “**Trading Window**”.

The Trading Windows for Directors and Senior Executives are:

- (a) For a period of thirty days after the release of the Company’s half yearly results;
- (b) For a period of thirty days after the release of the companies Preliminary financial report (when applicable);
- (c) For a period of fifteen days after the release of the company’s Annual Report;
- (d) For a period of fifteen days after the Annual General Meeting or any other General Meeting of Shareholders;
- (e) On the first trading day after release to ASX after the date of issue of a Prospectus for any new securities or debt issue until the closing date of applications;
- (f) One day after the release of a Cleansing Statement in accordance with the Corporations Act; and
- (g) For a period of fifteen days following the release of the Company’s Quarterly Reports.

The Trading Windows remain subject to the Insider Trading Prohibition and Black Out Period Restrictions. That is, Directors or Senior Executives cannot trade during a Trading Windows if the individual has Price Sensitive Information or the period coincides with a Black Out Period.

Directors and Senior Executives cannot trade in Company Securities outside of Trading Windows (“Closed Periods”) without the permission of the Managing Director. Permission will ordinarily only be granted in Exceptional Circumstances and only in the event that the person involved is not in possession of Price Sensitive Information affecting Evolution Securities. Requests for permission should generally be made through the Company Secretary.

5. WRITTEN CLEARANCE REQUIREMENT IN EXCEPTIONAL CIRCUMSTANCES

In Exceptional Circumstances trading may be permitted in a Prohibited Trading Period with prior written clearance. Prior written clearance must be obtained from the Managing Director or if being sought by the Managing Director or Chairman of the Board, written clearance must be obtained from the Chairperson of the Company's Audit Committee. The request for written clearance must also be provided to the Company Secretary of the Company to ensure they are aware of the request and able to communicate the request to the Board.

6. DISCLOSURE OF TRADING BY DIRECTORS

ASX Listing Rules 3.19A and 3.19B require Evolution to make certain notifications and enter into certain arrangements with Directors about share trading by Directors.

To enable Evolution Mining to meet its obligations under the Listing Rules, each Director must provide certain information to the Company Secretary.

The Company Secretary will ensure relevant Director disclosures are made to the ASX and will notify the Board of all trades by the Directors as soon as reasonably practicable.

Listing Rule 3.19A.2 and the Appendix 3Y form (disclosure of change in Directors interests) require disclosure of whether trading took place in a closed period where prior written clearance is required, and if so, whether clearance was provided and when. This disclosure requirement relates to the initial, ongoing and final disclosure to Evolution by Directors and applied to Securities of Evolution or a related body corporate.

7. HEDGING TRANSACTIONS

Personnel of the Company are not permitted to enter into transactions with Securities (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded under an equity-based remuneration scheme, or otherwise awarded, or which will be offered by the Company in the future.

8. DEALINGS IN SECURITIES OF OTHER COMPANIES

If Personnel have Price Sensitive Information relating to any entity other than Evolution which is not "generally available", the same insider trading rules outlined above apply to buying and selling Securities in that entity. In the course of performing duties as an employee of Evolution, Personnel may obtain Price Sensitive Information relating to another entity in a variety of circumstances. Examples include, but are not limited to the following:

- Another entity may provide Price Sensitive Information about itself to Evolution in the course of a proposed transaction;
- Another entity with whom Evolution is dealing may provide Price Sensitive Information about a third company; or
- Information concerning Evolution or actions which may be taken by Evolution (i.e. a planned transaction or strategic change) could reasonably have an effect on a third party company.

Apart from the application of the insider trading rules to shares in other companies, Personnel are also bound by a duty of confidentiality in relation to information obtained in the course of their duties in respect of third parties.

9. TRADING EXCLUDED FROM THIS POLICY

Examples of trading excluded from the policy include:

- Transfers of Evolution Securities held in a superannuation fund or other saving scheme with an independent trustee in which a Director or Senior Executive is a beneficiary at the initial application date of the Policy (1 January 2011);
- An investment in, or trading units of, a fund or other scheme (other than a scheme only investing in Evolution Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- Where a Director or Senior Executive is a trustee, trading in Evolution Securities by that trust provided the Director or Senior Executive is not a beneficiary of the trust and any decision to trade during the Closed Period is taken by the other trustees or by the investment managers independently of the Director or Senior Executive;
- Undertaking to accept, or the acceptance of, a takeover offer;
- Trading under an offer or invitation made to all or most of Evolutions Security holders, such as a security purchase plan, dividend or distribution reinvestment plan or a rights issue where the plan determines the timing and structure of the offer and this has been approved by the Board; and
- Trading under a non-discretionary trading plan for which prior written clearance has been provided and where:
 - (a) The Director or Senior Executive did not enter into the plan or amend the plan during the Closed Period;
 - (b) The trading plan does not permit the Director or Senior Executive to exercise any influence or discretion over how, when or whether to trade; and
 - (c) There is no cancellation of the trading plan during a Closed Period other than in Exceptional Circumstances.

It is recommended that Personnel, if unsure of the application of this Policy, consult the Company Secretary to clarify specific circumstances before trading is undertaken.

10. PENALTIES AND CONSEQUENCES FOR NON-COMPLIANCE

The penalties for breach of the provisions of the Corporations Act may be either criminal, civil or both. Breach of insider trading law or this Policy will also be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal

This Policy is only a summary of complex legal provisions, and should therefore only be used as a guideline, not as legal advice.

11. REVIEW OF THIS POLICY

This Policy will be reviewed regularly by the Company's Directors having regard to the changing circumstances of the Company and any changes to this Policy will be notified to affected persons in writing.

Jake Klein
Executive Chairman
Evolution Mining Limited