



23 December 2010

Manager - Company Announcements Office  
Australian Securities Exchange  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

By: e-lodgement (ASX code: DAU)

Dear Sir/Madam

**GUIDELINES FOR BUYING AND SELLING SECURITIES**

Please find attached the 'Guidelines for Buying and Selling Securities' for Dampier Gold Limited which was adopted by the Board of Directors on 3 June 2010.

The 'Guidelines for Buying and Selling Securities' is included in the Dampier Gold Limited Corporate Governance Plan which is available in the corporate governance section of the Company's website at [www.dampiergold.com](http://www.dampiergold.com).

Yours sincerely

A handwritten signature in black ink that reads 'S. Hunter'.

Susan Hunter  
Company Secretary

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# DAMPIER GOLD LIMITED

## ACN 141 703 399

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### GUIDELINES FOR BUYING AND SELLING SECURITIES

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#### 1. INTRODUCTION

These guidelines set out the policy on the sale and purchase of securities in the Company by its Directors and employees.

Directors of the Company (**Directors**) and employees are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.

The purpose of these guidelines is to assist Directors and employees to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act.

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#### 2. WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?

This policy applies to both the sale and purchase of any securities of the Company and its subsidiaries on issue from time to time.

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#### 3. WHAT IS INSIDER TRADING?

##### 3.1 Prohibition

Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities (ie, information that is 'price sensitive');
- (b) and that person:
  - (i) buys or sells securities in the Company; or
  - (ii) procures someone else to buy or sell securities in the Company; or
  - (iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

##### 3.2 Examples

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's securities:

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- (a) the Company considering a major acquisition or disposal of assets;
  - (b) the threat of major litigation against the Company;
  - (c) the Company's sales and profit results materially exceeding (or falling short of) the market's expectations;
  - (d) a material change in debt, liquidity or cash flow;
  - (e) a significant new development proposal ie, new product or technology;
  - (f) the granting (or loss) or a major contract;
  - (g) management or business restructuring proposal; and
  - (h) a share issue proposal.

### **3.3 Dealing through third parties**

A person does not need to be a Director or employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by Directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "Associates" in these guidelines).

### **3.4 Information however obtained**

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

### **3.5 Employee share schemes**

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

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## **4. GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES**

### **4.1 Blackout Periods**

Any Director or employee must not buy or sell Company securities in the one (1) week period before the:

- (a) release of the quarterly results announcement to the Australia Securities Exchange (**ASX**);
- (b) release of the half yearly results announcement to the ASX;
- (c) release of the preliminary final results announcement to the ASX; or

- (d) release of a disclosure document offering securities in the Company.

The Company may at its discretion vary this rule in relation to a particular period by general announcement to all employees either before or during the period.

Any Director or employee must not buy or sell Company securities in the two ASX trading days following release of a price sensitive announcement to the ASX including release of quarterly, half yearly and final results and announcements that are deemed price-sensitive by the ASX such as drilling results.

A person may trade in the Company's securities inside of the blackout periods described above in the following circumstances:

- (a) the Chairman approves the trade by a Director or officer upon the director or Officer satisfying the Chairman that they do not possess unpublished price sensitive information about the Company and a failure to trade in the Company's securities would result in exceptional circumstances such as financial hardship;
- (b) the Board approves the trade by the Chairman upon the Chairman satisfying the Board that they do not possess unpublished price sensitive information about the Company and a failure to trade in the Company's securities would result in exceptional circumstances such as financial hardship;
- (c) the Managing Director/Chief Executive Officer approves the trade by an employee upon the employee satisfying the Managing Director/Chief Executive Officer that they do not possess unpublished price sensitive information about the Company and a failure to trade in the Company's securities would result in exceptional circumstances such as financial hardship;
- (d) where the trade is part of a managed securities portfolio where the person is not in a position to influence choices in the portfolio; and
- (e) where the trade results from a dividend reinvestment plan where the person has given ongoing instructions to reinvest dividends.

The Company wishes to encourage directors and officers to defer trades if an announcement of a major event or the release of price-sensitive information is likely to occur shortly after a proposed trade, even if it is outside the blackout period.

If a Director or employee of the Company is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at **any** time.

#### 4.2 No short-term trading in the Company's securities

Directors and employees should never engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold shortly thereafter.

### 4.3 Securities in other companies

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

### 4.4 Exceptions

- (a) Directors and all employees may at any time:
- (i) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
  - (ii) acquire Company securities under a bonus issue made to all holders of securities of the same class;
  - (iii) acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
  - (iv) acquire, or agree to acquire or exercise options under a Company Share Option Plan;
  - (v) withdraw ordinary shares in the Company held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan; and
  - (vi) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme.
- (b) In relation to any active share or option plans of the Company, it should be noted that:
- (i) it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside a blackout period or in accordance with paragraph 4.1 above; and
  - (ii) where the exercise price of options is being provided by a margin loan or other form of lending arrangement then there may be a risk that the employee or Director may need to sell shares to avoid providing additional capital or security to the lender in the event of a decrease in the value of the shares.

Were this to occur at a time when the person possessed inside information then the sale of Company securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale. Where Company securities are provided to a lender as security by way of mortgage or charge a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

#### 4.5 Notification of periods when Directors and employees cannot trade

The Company Secretary's Department will endeavour to notify all Directors and employees of the times when they are not permitted to buy or sell the Company's securities as set out in paragraph 4.1 above.

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#### 5. APPROVAL AND NOTIFICATION REQUIREMENTS

Any Director wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior approval of the Chairman or the Board before doing so.

If the Chairman wishes to buy, sell or exercise rights in relation to the Company's securities the Chairman must obtain the prior approval of the Board before doing so.

Any first or second line reports of the Managing Director/Chief Executive Officer wishing to buy, sell or exercise rights in relation to the Company's securities must obtain his prior approval before doing so.

Any Director or employee who (or through his or her Associates) buys, sells, or exercises rights in relation to Company securities **must** notify the Company Secretary in writing of the details of the transaction within three (3) business days of the transaction occurring. This notification obligation operates at all times but does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.

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#### 6. ASX NOTIFICATION FOR DIRECTORS

The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the ASX.

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#### 7. EFFECT OF COMPLIANCE WITH THIS POLICY

Compliance with these Guidelines for trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

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