



**CENTREX METALS**  
L I M I T E D

# Share Hedging and Margin Loan Policy

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Document owner: Board

## Introduction

This Policy operates in conjunction with the Company's existing Share Trading Policy to ensure that equity securities granted under the Centrex Metals Limited Executive Option Plan and any future equity incentive plan that the Company may establish (collectively the Share Plans), remain "at risk" while those securities are unvested and subject to applicable performance or service conditions.

## Current Executive Option Plan

Under the Company's current Executive Option Plan, eligible employees are granted options in the Company, subject to meeting various performance conditions. These options do not vest with the eligible employee until they have been with the company for two years, and will be forfeited by the eligible employee if they leave before this time.

## Purpose

This Policy prohibits certain conduct by executives who hold unvested securities under the Company's Share Plans that seeks to remove the price "risk" attached to those securities.

## Policy

Eligible employees who hold unvested securities under the Company's Share Plans are prohibited from engaging in any conduct that seeks to secure the economic value of securities granted under the Company's Share Plans and remove the element of price risk inherent in the value of those securities, while the securities remain unvested. Prohibited conduct includes, but is not limited to, writing put or call options over the Shares underlying the securities, buying derivative products or otherwise purchasing products or instruments or entering in to other arrangements intended to hedge a "profit" in those securities.

Each participant in the Company's Share Plans is responsible for observing this Policy, and any amendments which may be approved by the Board from time to time.

Any breach of this policy by an executive will be reviewed by the Board and, where appropriate, disclosed to the market.

In addition to the requirements listed above, all directors and employees of the Company are required to notify the Company Secretary of any security or other third-party interest (i.e margin loan) affecting any Company securities which they have an interest in. Furthermore, where statute dictates, such information will be conveyed to the market.

## Board Discretion

Notwithstanding the terms of this Policy, the Board may waive this Policy in a particular case where the Board forms the opinion that such a waiver will not undermine the purpose of this policy.

