

30 December 2010

ASX Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

SUN RESOURCES SECURITIES TRADING POLICY AND GUIDELINES

Sun Resources NL is pleased to provide a copy of its Securities Trading Policy and Guidelines pursuant to Listing Rule 12.9, which takes effect from 1 January 2011.

Yours faithfully
SUN RESOURCES NL



Craig Basson
Company Secretary



SECURITIES TRADING POLICY AND GUIDELINES

1. Introduction

- 1.1 The policy imposes constraints on people who are Directors or work for Sun Resources NL (“Sun” or “the Company”) when dealing in “securities”. It also imposes disclosure requirements on Directors and Senior Executives.
- 1.2 A copy of this policy will be provided to all Sun Directors and Employees as part of the Company’s induction procedures. A copy can also be found on the Sun website.

2. Objectives

The objectives of this policy are to:

- Minimise the risk of people who work for the Company contravening the laws against “Insider trading”
- Assist in maintaining market confidence in the integrity of dealings in Sun securities; and
- Ensure the Company is able to meet its reporting obligations under the ASX listing rules.

3. Persons Covered Under this Policy

The policy applies to:

- Executive and non-executive Directors; and
- Full-time, part-time and casual Employees;

of Sun (“Sun Personnel”)

4. Dealing in Securities – Legal and Other Considerations

- 4.1 In broad terms, Sun Personnel (and their related entities or associates) are prohibited from Insider Trading in securities.
- 4.2 Sections 1042B to 1043O of the Corporations Act 2001 prohibit persons who are in possession of price sensitive information in relation to particular securities that is not generally available to the public from:
 - (a) Dealing in the securities; or

- (b) Communicating the information to others who might deal in the securities.
- 4.3 The main test of what constitutes price sensitive information is found in Section 1042A of the Act. It provides that the trading and continuous disclosure rules apply to information concerning a Company that a reasonable person would expect to have a material effect on the price or value of securities in the Company (“price sensitive information”).
- 4.4 Sun Personnel will from time to time be in a situation where they are in possession of price sensitive information that is not generally available to the public. Examples are the period prior to release of Sun’s financial results for half year or full year to ASX Limited (“ASX”), the period during which a major transaction is being negotiated and the period prior to release of exploration results / assays.
- 4.5 The risk of contravention of insider trading laws in relation to information concerning public companies was substantially reduced in 1994 with the continuous disclosure regime. Under that regime, public companies are required to disclose all price sensitive information immediately to ASX, except in limited circumstances. The test of what constitutes price sensitive information under the insider trading laws and under the continuous disclosure requirements are effectively identical. As a consequence, at least in theory, there is no risk of Sun Personnel contravening insider trading laws as all relevant information will already have been disclosed.
- 4.6 There are a number of limitations and qualifications to the above. They include:
- (a) The ASX Listing Rules and the Corporations Act 2001 permit companies not to disclose certain information, for example in the situation where an acquisition is being negotiated and remains confidential;
 - (b) In the case of a Director, information may be known to a particular Director but not yet by the Company as a whole (ie. the Board);
 - (c) The Company may not have yet complied with its continuous disclosure obligations in relation to a particular event or circumstance – there will always be some element of delay in doing so; and
 - (d) Employees of a Company will generally have a better feel for the performance of a Company than the public.

In these situations there is still potential for contravention. There is also the potential for an appearance of contravention even if there has not been actual contravention. This could reflect badly on the Company as well as on the Sun Personnel concerned.

- 4.7 In addition to the insider trading and other restrictions in this policy, Sun Personnel also owe a duty of confidentiality to Sun and must not reveal any confidential information concerning Sun, use that information in any way which may injure or cause loss to Sun or use that information to gain advantage for themselves.

Under the Corporations Act, breach of these duties may result in:

- Liability for a civil penalty;
- Criminal liability of recklessness or dishonesty; and/or
- Liability to compensate Sun for any damage it suffers as a result of the disclosure.

5. Consequences of Breach

- 5.1 Strict compliance with this policy is mandatory for all Sun Personnel.
- 5.2 Contravention of the Corporations Act is a serious matter which may result in criminal or civil liability for Sun Personnel.
- 5.3 Breaches of this policy may damage Sun's reputation in the investment community and undermine confidence in the market for Sun securities. Accordingly, breaches will be taken very seriously by Sun and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

6. Policy – Dealing in Sun Securities

- 6.1 Sun Personnel must not at any time engage in “day trading” in Sun securities.
- 6.2 Sun Personnel must not communicate price sensitive information to a person who may deal in Sun securities.
- 6.3 Sun Personnel should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family Company) the buying or selling of Sun securities. All Sun Personnel should comply with ASX Limited policy guidelines and the Corporations Law 2001.

6.4 Employees (other than Directors and senior Executives)

If you are not a “**Director**” or a “**Senior Executive**” of the Company:

- You can deal in Sun securities at any time provided that you are not in possession of any price sensitive information that is not generally available to the public; and
- You are not required to notify Sun that you intend to deal in Sun securities or after you have dealt in such securities.

6.5 Directors and Senior Executives (Key Management Personnel)

If you are a Director or a Senior Executive of the Company, you can deal in Sun securities (subject to Closed Periods refer to clause 6.6 below) provided:

- You have satisfied yourself that you are not in possession of any price sensitive information that is not generally available to the public; and
- You have contacted the Chairman, or in his absence, the Company Secretary, and notified him of your intention to do so and the Chairman or Company Secretary indicated that there is no impediment to your doing so.

If you are the Chairman, you must contact one independent non-executive Director and the Company Secretary and notify them of your intention to deal. They must advise that there is no impediment to your doing so.

The Company Secretary is responsible for keeping the Chairman apprised of all relevant considerations.

6.6 Closed or Restricted Periods

The Chairman will generally not allow Directors and Senior Executives to deal in Sun securities of the Company as a matter of course in the following periods:

- (a) Within the period of 1 month prior to the release of annual or half yearly results;
- (b) Within the period of 1 month prior to the issue of a prospectus; and
- (c) When there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.

Directors and Senior Executives should wait at least 2 business days after the relevant release before dealing in securities so that the market has had time to absorb the information.

In specific circumstances however, such as financial hardship, the Chairman may waive the requirement of a Director or Senior Executive to deal in Sun securities outside the above periods on the condition that the Director or Senior Executive can demonstrate to him that they are not in possession of any price sensitive information that is not generally available to the public.

7. Notification of Dealings in Sun Securities

Subsequent to dealing in Sun securities, Directors and Senior Executives must complete a Notice of Share Trading in Sun. This conformation will include:

- The name of the person or Company in which the Sun securities are held;
- The date of the dealing;
- The number of Sun securities subscribed for, bought or sold;
- The amount paid or received for those Sun securities; and
- The number of Sun securities held (directly or indirectly) after the dealing.

8. Directors Disclosure – S.205G Notice

8.1 ASX Listing Rules 3.19A and 3.19B require the Company to notify dealing in Sun securities by Directors within 5 business days. Three appendixes are included in the Listing Rules for the purpose of this notification, being 3X Initial Director's Interest Notice, 3Y Change of Director's Interest Notice and 3Z Final Director's Interest Notice.

8.2 Section 205G of the Corporations Act 2001 requires a Director of a listed Company to notify ASX within 14 days of acquiring or disposing of a relevant interest in any Sun securities. This is an obligation of the Director, not the Company. There is no prescribed form for such notifications. ASIC has granted relief from the requirements of section 205G where notifications are made by the Company under Listing Rules 3.19A and 3.19B.

9. Excluded Trading

The following forms of trading are excluded from the policy:

- Trading under an offer or invitation made to all or most security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and the structure of the offer has been approved by the Board or by members in a general meeting;
- The exercise of an option under an Employee Incentive Option Scheme where the final date for exercise of the option falls during a closed period;
- The conversion of a convertible security where the final date for conversion falls during a closed period;
- Undertaking to accept, or the acceptance of a takeover offer;
- Transfers of securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary; and
- An investment in, or trading in units of a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund are invested at the discretion of a third party.

10. Exceptional Circumstances

A Director, officer or employee, who is not in possession of inside information in relation to the Company, may apply for and be granted written clearance from the Chairman to sell or otherwise dispose of the securities of the Company during a closed period under the trading policy in the following exceptional circumstances:

- Where the applicant is suffering severe financial hardship;
- Where the applicant is bound by a court order, enforceable undertaking or other legal or regulatory requirement to transfer or sell securities of the Company; and
- Where the applicant's circumstances are otherwise exceptional and the proposed trading is, in the opinion of the Chairman, the only reasonable course of action available.

For the purposes of the above, written clearance means any form of written communication, including typed electronic form.

11. Explanation of Terms

For the purposes of this policy:

“Deal in securities” means buy or sell shares, options or other securities, or enter into transactions in relation to shares, options or other securities, either directly or through a family trust, superannuation fund, company or in any other manner.

“Director” means a Director of Sun and includes any related party of the Director.

“Insider Trading” Includes:

- Dealing in securities whilst in possession of inside information; or
- Communicating inside information to another person knowing that the other person would, or would be likely to use that information to deal in or procure someone else to deal in securities (known as “tipping”).

Individuals who contravene the insider trading provisions of the Corporations Act are liable to prosecution or to civil penalty action by the Australian Securities and Investment Commission. In a criminal prosecution, the maximum penalty for an individual is \$220,000 and/or 5 years imprisonment. In a civil penalty proceeding, a penalty of up to \$200,000 may be imposed. In both cases the offender may be ordered to pay compensation to anyone who suffered loss as a result of insider trading.

Personnel includes any spouse or any child of such personnel.

“Price sensitive information” has the meaning given in paragraph 4 (Dealing in Securities – Legal and Other Considerations).

“Securities” applies not only to Sun securities but also to securities of other companies such as joint venture participants or other parties involved in a corporate transaction with Sun or a Sun contractor or shareholder.

“Senior Executive” applies to those employees appointed by Sun in the position of Manager and the Company Secretary and includes any related party.

“Key Management Personnel” means an Executive and non-executive Director, Senior Executive and those other persons having authority for planning, directing and controlling the activities of Sun, directly or indirectly.