

SECURITIES TRADING POLICY

1. Introduction

These guidelines set out the policy on the sale and purchase of securities in the Company by its employees, key management personnel and directors (as defined in the ASX Listing Rules 12.9-12.12 (Guidance Note 27)).

Due to the current size of the Company all employees and directors (whether executive or otherwise) of the Company are deemed to be key management personnel. The Company encourages all key management personnel 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 securities in the Company.

This policy sets out the Company's "closed periods", restrictions on trading that applies to the Company's key management personnel, excluded trading, requirements for obtaining written clearance to trade and procedures for obtaining such clearance.

For the purpose of this policy, the Company's securities includes shares, options, warrants and futures or other financial products issued over or in relation to Andean Mining shares.

If you do not understand this summary of the law or this policy, or how it applies to you, you should raise the matter with your manager or with the Company Secretary before trading in any securities which may be affected by this policy or the *Corporations Act 2001* (Cth). This policy is only a summary of complex legal provisions, and should therefore only be used as a general guide, not as legal advice.

2. Insider Trading

The insider trading prohibition

If you have "price-sensitive information" relating to the Company which has not been published or which is not otherwise "generally available", it is illegal for you to:

- subscribe for, purchase or sell or enter into an agreement to subscribe for, purchase or sell Andean Mining securities;
- procure, incite, induce or encourage another person (for example, a family member, a friend, a family company or trust) to subscribe for, purchase or sell Andean Mining securities; or
- communicate such information to another person, if you know or ought reasonably to know that the person may use the information to subscribe for, purchase or sell (or procure another person to subscribe for, purchase or sell) Andean Mining securities.

Note that information does not have to originate from within the Company to be inside information. The prohibition applies to any information that is both "price-sensitive" and not "generally available", regardless of its source. The Company has established certain windows for trading in its securities (discussed in section 3 below). However, employees should note that the insider trading law applies at all times (including during the trading windows) and it is the responsibility of each employee to ensure that they do not do any of the things prohibited by the insider trading law. The consequences for breach of this law may be severe.

What is 'price- sensitive information'?

Information will be regarded as price-sensitive where a reasonable person would expect the information to have a material effect on the price or value of Andean Mining securities. A material effect on price or value exists where the information is likely to influence persons who commonly invest in securities in deciding whether to subscribe for, purchase or sell Andean Mining securities.

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Examples of possible price-sensitive information include, but are not limited to:

- a) The financial performance of the Company against its budget or forecasts.
- b) Entry into or termination of a material contract (such as a joint venture or partnership agreement).
- c) A material acquisition or sale of assets by the Company.
- d) An actual or proposed takeover or merger of, or by, the Company.
- e) An actual or proposed change to the Company's capital structure.
- f) A proposed dividend or a change in dividend policy.
- g) A material claim against the Company or other major unexpected liability.
- h) Exploration results of significance.

When is the information 'generally available'?

Information is generally available if:

- it consists of readily observable matter;
- it has been made known in a manner 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; or
- it consists of deductions, conclusions or inferences made or drawn from other generally available information.

For example, the following information would be considered to be generally available:

- General market information that has been announced to a stock exchange or is contained in a public announcement by the Company (at least once it has been publicly available for some reasonable period to allow dissemination).
- Information obtained by investment research which is based on information freely made available by the Company to the researcher and is generally made available to anyone making similar enquiries.
- Published information of investment advisers and brokers.

Dealing through third parties

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "Associates" in this policy). Third party dealings do not necessarily require that the person obtained the information from the Company for it to be deemed inside information.

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

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share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

3. Restrictions on dealings in the Company's securities

General rule

Dealings in Andean Mining securities by key management personnel including directors, and the purchase or early redemption by Andean Mining of its securities, must not be made in the following "closed periods":

- for the period of:
 - two months preceding the publication of the Company's annual results or, if shorter, the period from the financial year end to the time of publication;
 - one month immediately preceding the notification of the Company's half-yearly results or, if shorter, the period from the relevant financial period end up to and including the time of notification;
 - one month immediately preceding the notification of the Company's quarterly results or, if shorter, the period from the relevant financial period end up to and including the time of notification;
 - where a key management person has price-sensitive information relating to the Company which has not been published or which is not otherwise generally available.

Restrictions on dealing in Andean Mining securities will not apply, however, where a binding commitment was entered into prior to a Closed Period and;

- (a) the Closed Period was not reasonably foreseeable at the time the commitment was made; and
- (b) such commitment was notified and approved at the time it was made.

The Company notes that it may be permissible for key management personnel to sell Andean Mining securities during a Closed Period to alleviate severe personal hardship. Such permission is only given in exceptional circumstances and is limited to such situations as the urgent need for a medical operation or the satisfaction of a court order where no other funds are reasonably available. Normal notification procedures apply.

Permitted windows

Key management personnel may trade in Andean Mining securities outside Closed Periods. Notwithstanding the foregoing, key management personnel may (by notice from the Company Secretary) be prohibited from trading in Andean Mining securities during all or any part of any window period. The Company Secretary will notify all key management personnel of the times when they are not permitted to buy or sell the Company's securities as set out in paragraph 3.1.

Notification procedure

At all times during permitted windows, key management personnel must advise the Chairman or Company Secretary, and receive the Chairman's written approval, prior to entering into any dealings in Andean Mining securities, and must notify the Company Secretary of the dealing once it has taken place. The Company Secretary must advise the Chairman, and receive the Chairman's consent in the same manner. 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.

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All requests to buy or sell securities must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase. Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.

Subsequent to the approval being obtained, any key management personnel who (or through his or her associates) buys, sells, or exercises rights in relation to Andean Mining securities must notify the Company Secretary in writing of the details of the transaction within two (2) business days of the transaction occurring. This notification obligation operates at all times and includes applications for acquisitions of shares or options by employees made under employee share or option schemes and also applies to the acquisition of shares as a result of the exercise of options under an employee option scheme.

Key management personnel need to be mindful of the market perception associated with any sale of Andean Mining securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Andean Mining securities (ie a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the ASX for the preceding 30 trading days) by a key management personnel needs to be discussed with the Board and the Company's legal advisers prior to the execution of any sale. These discussions need to be documented in the form of a written file note, to be retained by the Company Secretary.

Notwithstanding the giving of approval, the person giving the approval shall bear no responsibility toward any person who acts upon such approval.

Short-term trading and hedging in the Company's securities

Key management personnel must not engage in short-term trading of the Andean Mining's securities except for the exercise of options where the shares will be sold shortly thereafter.

Key management personnel are prohibited from entering into transactions in products associated with Andean Mining securities which operate to limit the economic risk of their security holding in the Company over unvested entitlements under any Company equity incentive plans.

Where key management personnel hedge vested Andean Mining incentive securities, they are obliged to forthwith advise the Company Secretary, who will then, subject to materiality, forthwith disclose same to the market.

In addition, any key management personnel who enters into a margin loan or similar funding arrangement in relation to Andean Mining securities must continue to comply with this policy. In particular, that person will need to obtain prior approval for trading in Andean Mining securities outside the permitted windows even where he or she may be subject to a margin call (or other demand from his or her lender) requiring him or her to deal in the relevant securities.

Securities of other companies

Employees may also from time to time have access to price-sensitive information concerning other companies (for example, if they are involved in assessing a company for possible acquisition by Andean Mining, or in the negotiation or award of an important contract to a supplier or customer of Andean Mining). In such circumstances, employees should take care to ensure that they do not communicate that information or deal in securities of that other company if to do so would breach insider trading laws.

Exceptions

a). Key management personnel may at any time:

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- (i) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- (ii) acquire Andean Mining securities under a bonus issue made to all holders of securities of the same class;
- (iii) acquire Andean Mining 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 an employee incentive scheme (as that term is defined in the ASX Listing Rules);
- (v) withdraw ordinary shares in the Company held on behalf of the key management personnel in an employee incentive scheme (as that term is defined in the ASX Listing Rules) where the withdrawal is permitted by the rules of that scheme;
- (vi) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
- (vii) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (viii) make an investment in, or trade 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 or other scheme are invested at the discretion of a third party;
- (ix) where a restricted person is a trustee, trade in the securities of the Company by that trust, provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- (x) undertake to accept, or accept, a takeover offer;
- (xi) trade under an offer or invitation made to all or most of the 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 structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (xii) dispose of Andean Mining securities resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
- (xiii) exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period or the Company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so; or
- (xiv) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.

b). In respect of any share or option plans adopted by the Company, it should be noted that 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 the periods specified in paragraph 3.1. Were this to occur at a time when the person possessed inside information, then the sale of Andean Mining 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 Andean Mining 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. Disclosure requirements

The Company is committed to complying with its disclosure obligations imposed by the Australian Securities Exchange (ASX). Disclosure requirements relating to the trade of Andean Mining securities, including notification requirements for dealings by directors, can be found in the Company's Market Disclosure Policy.

5. Consequences for breach of the insider trading law

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Breach of the insider trading law by you or family members exposes you or them to criminal and civil liability, including fines or imprisonment. Breach of the insider trading law or this policy will also be regarded by the Company as serious misconduct which may lead to disciplinary action, including dismissal.

Compliance with these guidelines for trading in Andean Mining's securities does not absolve an individual from complying with the law, which must be the overriding consideration when trading in Andean Mining's securities.

6. Review

The Company's board of directors will evaluate this policy on a periodic basis to determine whether the policy is effective in ensuring compliance with applicable legal requirements and market practice.

7. Additional Information

If you have any questions arising from this policy, you should contact the Company Secretary.