



CONTINUOUS DISCLOSURE POLICY

1. INTRODUCTION

- 1.1 This Policy sets out Marindi Metals Ltd's ("Marindi" or the "Company") continuous disclosure obligations under the *Corporations Act* 2001 and the ASX Listing Rules and the procedure by which the Company shall follow in order to comply with those provisions.
- 1.2 To the extent practicable, the Company has followed the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (2nd Edition).

2. PURPOSE

The purpose of this Policy is to:

- (i) provide guidance to all directors and employees of Marindi regarding what may be considered material information;
- (ii) ensure that all directors and employees are aware of the continuous disclosure obligations of Marindi;
- (iii) establish a process by which the Company can promptly identify and, if required, disclose relevant information to the market.
- (iv) provide shareholders and the market with timely, direct and equal access to information issued by Marindi; and
- (v) promote investor confidence in the integrity of the Company and its securities.

3. GENERAL PRINCIPLES

3.1 Marindi's Obligations

The continuous disclosure provisions of *Corporations Act* and the ASX Listing Rules mean that criminal and civil liabilities could be imposed on Marindi and its directors and officers if material information is not released to the market in accordance with Listing Rule 3.1.

Listing Rule 3.1 requires "immediate" disclosure of any information concerning Marindi of which a reasonable person would expect to have a material effect on the price or value of shares and/or other securities of the Company. Section 674 of the *Corporations Act* reinforces Listing Rule 3.1 by creating criminal and civil penalties for non-compliance.

3.2 Exception

Listing Rule 3.1A provides the requirement to disclose this information does not apply if, and only if, **each** of the following exceptions is and remains satisfied:

- (a) a reasonable person would not expect the information to be disclosed;
- (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- (c) one or more of the following conditions apply:
 - (i) it would be a breach of a law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation (for example, a negotiation to enter into a new contract);
 - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) the information is generated for the internal management purposes of ASX; or
 - (v) the information is a trade secret.

3.3 Possession of Material Information

Listing Rule 19.12 provides that Marindi will be deemed to have become “aware” of information where a director or officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or officer of the Company.

An “officer” is defined in the *Corporations Act* as a person concerned with, or taking part in, the management of Marindi.

3.4 False Market

Listing Rule 3.1B provides that if the ASX considers that there is or is likely to be, a false market in Marindi’s securities and requests information from Marindi to correct or prevent a false market, Marindi must give ASX the information needed to correct or prevent the false market.

This obligation to give information arises even if the exceptions outlined above apply.

There is likely to be a false market in Marindi shares in a number of circumstances, including:

- where Marindi has material information that has not been released to the market because it falls under the exemption in Listing Rule 3.1A;
- there is a reasonably specific rumour or media comment in relation to Marindi that has not been confirmed or clarified by an announcement to the market; and
- there is evidence that the rumour or comment is having, or ASX forms the view that the rumour or comment is likely to have, an impact on the price of securities of Marindi.

Unless required to avoid a false market, the Company's general policy is not to respond to market speculation or rumours.

The Executive Director (or equivalent) and Chairman of the Board (or equivalent) will be responsible for the monitoring of any press speculation or rumours and, as appropriate, providing a correcting statement to ASX.

4. THE DISCLOSURE OBLIGATION

- 4.1 Unless the exception in Listing Rule 3.1A applies, Marindi **must** immediately disclose information if a reasonable person would expect that information to have a material effect on the price or value of the securities of Marindi.
- 4.2 A reasonable person is taken to expect information to have such an effect if the information would, or would likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.
- 4.3 Neither the Listing Rules nor the *Corporations Act* define when information will be taken to have such an effect. In practice, usually a monetary test is adopted using thresholds from the accounting standards relevant to preparation of financial statements. However, other concepts of materiality are also adopted in addition to a monetary threshold. For example:
- whether a matter will significantly damage Marindi's image or reputation;
 - whether a matter will significantly affect Marindi's ability to carry on business in the ordinary course; or
 - whether the matter involves a breach of any law or regulation.

5. THE TYPE OF INFORMATION THAT NEEDS TO BE DISCLOSED

- 5.1 It is not possible to exhaustively list the information which must be disclosed. The following examples provide an indication of the information that may require disclosure under Listing Rule 3.1.
- A change in Marindi's financial forecast or expectation.
 - The appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by Marindi or any of its subsidiaries.
 - A transaction for which the consideration payable or receivable is a significant proportion of the written-down value of the entity's consolidated assets. Normally an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case.
 - A recommendation or declaration of a dividend or distribution.
 - A recommendation or decision that dividend or distribution will not be declared.
 - Giving or receiving a notice of intention to make a takeover.
 - An agreement between Marindi (or a related party or subsidiary) and a director (or a related party of the director).
 - A change in accounting policy adopted by Marindi which would have a material effect on Marindi's financial result or position.
 - A proposal to change Marindi's auditor.

- 5.2 If there is any doubt about the importance of information which comes to light, there should be immediate notification to the Executive Director (or equivalent) or the Chairman (or equivalent) so that advice can be given and a formal decision can be made as to whether or not to release the information.

6. THE CHAIRMAN'S OBLIGATIONS

- 6.1 The Chairman (or equivalent) is the ultimate decision-maker on Marindi's continuous disclosure.
- 6.2 The Chairman, with appropriate input from the Executive Director, is primarily responsible for ensuring that Marindi complies with its disclosure obligations and is primarily responsible for deciding what information will be disclosed. In consultation with appropriate personnel, a decision will be made by the Chairman about whether or not to disclose the information, take any necessary steps to protect its confidentiality, or take steps to prevent a false market (such as requesting a trading halt).

7. OBLIGATIONS TO NOTIFY THE CHAIRMAN

- 7.1 Where any information comes to light about Marindi which may need to be released, all directors and employees are obliged to bring that information to the attention of the Chairman with all possible expediency. In his absence notification should be given to the Company Secretary.
- 7.2 Until a decision as to whether or not to disclose information has been made, all directors and employees must treat the information as strictly confidential.

8. DECISION NOT TO DISCLOSE INFORMATION

If a decision is made by the Chairman not to disclose information, the reasons for that decision must be documented at the time the decision is made and retained by the Company Secretary.

9. CONFIDENTIAL INFORMATION

- 9.1 Every employee and director is reminded of their obligation not to disclose confidential information to any person except with the express consent of Marindi or in circumstances required by law. This obligation is outlined in the Code of Conduct. In determining whether any information that comes to light about Marindi needs to be released, it will be necessary to determine whether the conditions permitting non-disclosure under Listing Rule 3.1A apply. In particular, a determination may need to be made as to whether the information is confidential. For that purpose, the Company may seek independent legal advice.

- 9.2 Marindi's share price will be monitored on a continuous basis. If there are any unexpected movements in the share price, then the Chairman will need to determine whether the cause of that movement relates to the unauthorised release of any confidential information. If the share price movement relates to the unauthorised disclosure of confidential information, then the Chairman must take action to ensure Marindi is in compliance with its disclosure obligations, in particular, preventing a false market.

10. RELATIONSHIP WITH MEDIA AND PUBLIC

- 10.1 A listed company, including Marindi, must disclose information needed to prevent a false market. Accordingly it may be necessary for Marindi to correct a rumour or to respond to speculation, including media speculation.
- 10.2 Relevant information for release to the market must be provided to ASX under Listing Rule 3.1 and released to the market before it is provided to the media (even on an embargoed basis) or placed on the Marindi website.
- 10.3 Care must be taken not to make comments to the media or others which could result in rumours or speculation about Marindi. The Board has designated the Chairman of the Board (or equivalent) to speak to the media on matters associated with the Company.
- 10.4 In briefings to media/public/analysts, the Chairman must not disclose previously undisclosed material information. However, he may clarify previously released information.
- 10.5 There may be times when directors and employees will be approached by the media for public comment. On such occasions, the director(s) or employee(s) should comply with the following:
- (i) refer the person to the Chairman as appropriate for comment;
 - (ii) refrain from disclosing any information, documents or other forms of data to the person without the prior consent of the Chairman;
 - (iii) report the person who contacted the director or employee, the reason (explicit or inferred) for the contact and a summary of any other relevant information as soon as possible to the Chairman.

11. BOARD CONSIDERATION OF DISCLOSURE

The Board of Marindi will consider whether there are any matters requiring disclosure in respect of each and every item of business that it considers and whether, since the last Board meeting, individual directors have become of information in the course of the performance of their duties as a director of Marindi, which should be disclosed.

12. EMPLOYMENT AND MONITORING OF COMPLIANCE

To promote understanding of the continuous disclosure obligations imposed on Marindi by the *Corporations Act* and the Listing Rules, a copy of this document will be distributed to all employees and directors (present and future).

13. SHARE DEALING BY EMPLOYEES AND DIRECTORS

Any director or employee of Marindi proposing to trade in Marindi shares must comply with the Dealing Rules for Employees and Directors. A copy of this document is available on the Company's website: www.marindi.com.au.

14. REPORTING AND CORRECTING MISTAKEN NON-DISCLOSURE

Any director or employee of Marindi who becomes aware that relevant information has not been notified and disclosed in accordance with this Policy, should immediately contact the Chairman so that appropriate action can be taken. It is not illegal to correct mistaken non-disclosure. It is far better to lodge an announcement belatedly than continue to ignore the omission and fail to comply with Listing Rule 3.1.

15. CONCLUSION

- 15.1 Compliance with this policy is critical. Failure to comply could lead to civil or criminal liabilities for Marindi and its directors and employees, and could have a damaging impact on the perception of Marindi within the investment community.
- 15.2 Any director or employee of Marindi who wilfully or negligently causes a failure to comply with this Policy will be considered to have engaged in serious misconduct which may result in the termination of their engagement by the Company.
- 15.3 All directors and employees are encouraged to actively consider the need for disclosure. If directors or employees become aware of information that a reasonable person would expect to have a material effect on the price or value of Marindi securities they should immediately notify the Chairman as soon as possible. It is better to consider (and, where appropriate, reject) the need for disclosure rather than make what could be a false assumption that the information does not need to be disclosed.

16. REVIEW OF POLICY

The Board will review this Policy from time to time to ensure it remains consistent with the Board's objectives and responsibilities.

17. PUBLICATION OF POLICY

This Policy will be available on the Company's website and the key features will be published in the annual report.

Approved by the Board of Marindi Metals Ltd on 25 June 2009.