

# CONTINUOUS DISCLOSURE POLICY

**FLINDERS MINES LIMITED**

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# FLINDERS MINES LIMITED CONTINUOUS DISCLOSURE POLICY

## PART 1 – PRELIMINARY

### 1. Introduction

- 1.1 This policy sets out the practice of Flinders Mines Limited (**Company**) in relation to continuous disclosure.
- 1.2 This policy sets out the procedure for:
  - 1.2.1 executives identifying material price sensitive information;
  - 1.2.2 reporting such information to the Company Secretary for review;
  - 1.2.3 ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules; and
  - 1.2.4 ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules (which carry serious penalties).

### 2. Relationship to other policies

- 2.1 The insider trading provisions of the Corporations Act may apply to an action being contemplated by the Company, such as a capital raising or rights issue, and in these circumstances a higher level of disclosure may be required.
- 2.2 This Continuous Disclosure Policy does not address guidelines for directors, senior executives and employees in buying and selling the Company's shares, which are set out in the separate policy "Guidelines for Dealing in Securities".

## PART 2 – THE COMPANY'S POLICY

### 3. Procedures

The following procedures will apply to safeguard against inadvertent breaches of the Company's continuous disclosure obligations:

- 3.1 directors and senior management must notify the Company Secretary as soon as they become aware of information that should be considered for release to the market (**material information**);
- 3.2 the Company Secretary will:
  - 3.2.1 review the material information reported by senior management;
  - 3.2.2 determine, in consultation with the Managing Director, the Chairman or other members of senior management, whether any of the material information is required to be disclosed to the ASX; and

3.2.3 co-ordinate the actual form of disclosure with the Managing Director or the Chairman;

3.3 all announcements, media releases, public notices, presentations and all documents that are to be released to third parties must be approved by the Board before it is released to the public.

#### 4. **Employee obligations**

As soon as employee's become aware of information that:

4.1 is not generally available (that is, the information in question has not been included in any Annual Report, ASX Release or other publication of the Company); and

4.2 which may be price sensitive (that is, it is likely to have a financial or reputational impact upon the Company that may be considered material);

they must provide to the Company Secretary the following information:

4.3 a general description of the matter;

4.4 details of the parties involved;

4.5 the relevant date of the event or transaction;

4.6 the status of the matter (for example, final/negotiations still in progress/preliminary negotiations only);

4.7 the estimated expenditure associated with the transaction;

4.8 the estimated effect on the Company's finances or operations (if known); and

4.9 the names of any in-house or external advisers involved in the matter.

#### 5. **Analyst/Media Briefings**

5.1 Information provided to, and discussions with, analysts are also subject to the continuous disclosure policy.

5.2 Material information must not be selectively disclosed (that is, to analysts, the media or customers) prior to being announced to the ASX. If you are proposing to present any material information to analysts, journalists or customers, you should ensure that copies of your material are provided to the Investor Relations Manager and the Company Secretary prior to presenting that information externally.

5.3 All inquiries from analysts must be referred to the Investor Relations Manager. All material to be presented at an analyst briefing must be approved by or referred through the Investor Relations Manager prior to briefing.

5.4 All inquiries from the media must be referred to the Investor Relations Manager. All media releases must be approved by the Investor Relations Manager, the Company Secretary and the Board prior to release to journalists.

5.5 All media releases and material to be presented (for example, at seminars) must be approved by the Investor Relations Manager, the Company Secretary and the Board prior to release to journalists or other professional bodies.

## 6. **Interview/Briefing black-out period**

6.1 No employee may give an interview or make a presentation in the 2 month period leading up to the annual results announcement or in the one month period before the publication of any other results or outlook without the specific permission of the Managing Director.

6.2 Any person who is given permission by the Managing Director to give an interview or make a presentation must notify the Company Secretary of the date and time for the interview and must give a copy of any presentation to the Company Secretary.

6.3 Additional periods in which interviews may not be given or in which presentations may not be made without the specific permission of the Managing Director may be imposed. Relevant persons will be notified of any such additional interview/briefing black-out period.

## **PART 3 – LEGAL OBLIGATIONS**

### 7. **Introduction**

The Corporations Act and the ASX Listing Rules require the Company, as a company listed on the ASX, to comply with continuous disclosure obligations.

### 8. **Disclosure obligations – ASX Listing Rule 3.1**

ASX Listing Rule 3.1 requires that the Company immediately notify the ASX of any information of which the Company becomes aware, concerning the Company that a reasonable person would expect to have a material effect on the price or value of any securities issued by the Company.

### 9. **Material effect on the price of securities**

9.1 A reasonable person is taken to expect information to have a material effect on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

9.2 In forming a view as to whether a reasonable person would consider information to be material, previous disclosure to the market should be considered, for example previously released profit expectations, commentary on likely results, or detailed business plans or strategies to the market.

### 10. **Information in the Company's knowledge**

10.1 The Company becomes aware of information if any of its directors or officers has, or ought reasonably to have, come into possession of the information in the course of the performance of his or her duties as a director or executive officer of the Company.

10.2 The disclosure obligation does not apply where the information is “generally available”. Information is considered to be generally available if:

10.2.1 it consists of a readily observable matter; or

10.2.2 it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of securities issued by the Company and a reasonable period for it to be disseminated among such persons has elapsed; or

10.2.3 it consists of deductions, conclusions or inferences made or drawn from other information that is generally available. For example, information will be “generally available” if it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the investing public and a reasonable time has elapsed after the information has been disseminated in one of these ways.

## 11. Release of information to others

11.1 The Company must not release the material price sensitive information to any person (for example, brokers, analysts, the media, professional bodies or any other person) until it has given the information to the ASX and has received an acknowledgement that the ASX have released the information to the market.

## 12. Disclosure of director trading during blackout periods

12.1 The Company must disclose to the ASX its trading policy on trading in the Company’s securities by directors and other key management personnel, including restrictions and clearance procedures in the policy as to when trading can and cannot occur.

12.2 The Company must further disclose whether any trading by directors occurred during an otherwise restricted period, whether written prior consent was given and the date that this consent was given.

## 13. Exceptions to ASX disclosure obligations

13.1 Disclosure under ASX Listing Rule 3.1 is not required where each of the following conditions is and remains satisfied:

13.1.1 a reasonable person would not expect the information to be disclosed; and

13.1.2 the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

13.1.3 one or more of the following conditions apply:

(a) it would be a breach of a law to disclose the information;

(b) the information concerns an incomplete proposal or negotiation;

- (c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (d) the information is generated solely for the internal management purposes of the Company; or
  - (e) the information is a trade secret.
- 13.2 As soon as any of these elements are no longer satisfied (for example, the information is reported in the media and is therefore no longer confidential), the Company must immediately comply with its continuous disclosure obligations.
- 13.3 On receiving details of material information from directors and members of management, the Company Secretary will determine (in consultation with the Managing Director, the Chairman and other members of the executive) whether the material information is required to be disclosed, or whether the above exception applies.
- 13.4 It is important that directors and senior management continue to disclose all material information, regardless of whether they consider the conditions set above to be satisfied.

#### 14. **False markets**

- 14.1 If ASX considers that there is likely to be a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, then the Company must give ASX the information needed to correct or prevent the false market (ASX Listing Rule 3.1B). The Company is also required to make a clarifying statement to the ASX in circumstances where the Company becomes aware that speculation or comment is, or is likely to, create a false market in the Company's securities.
- 14.2 The obligation to give information under this rule applies even where an exception described above in section 13 applies.
- 14.3 The ASX does not expect the Company to respond to all media comment and speculation; however, when:
- 14.3.1 media comment or speculation becomes reasonably specific; or
  - 14.3.2 there is evidence that, or ASX forms the view that, the rumour or comment is likely to have an impact on the price of the Company's securities, for example, the market moves in a way that appears to be referable to the comment or speculation;

the Company has a positive obligation to make disclosure to prevent a false market being formed.

## **PART 4 – ADMINISTRATIVE MATTERS**

### **15. Management of the Policy**

- 15.1 The ASIC and ASX have issued guidance notes which suggest practical steps that listed companies can take to ensure that they meet their continuous disclosure requirements.
- 15.2 The ASIC guidance note suggests:
  - 15.2.1 keeping to a minimum the number of directors and staff authorised to speak on the Company' behalf;
  - 15.2.2 appointing a senior officer to have responsibility for ensuring compliance with the Company' continuous disclosure obligations. This officer should be aware of information disclosures in advance, including information to be presented at private briefings; and
  - 15.2.3 that procedures should be implemented which will ensure that price sensitive information is released first to the ASX before disclosing it to others outside the Company.
- 15.3 The Company has nominated the Company Secretary as the person with primary responsibility for all communication with the ASX.

### **16. Specific Responsibility**

The Company Secretary is responsible for:

- 16.1 liaising with the ASX in relation to continuous disclosure issues;
- 16.2 ensuring that the system for the disclosure of all material information to the ASX in a timely fashion is operating;
- 16.3 co-ordinate the actual form of disclosure, including reviewing proposed announcements by the Company to the ASX and liaising with the Managing Director, Chairman or other relevant executives in relation to the form of any ASX releases;
- 16.4 liaising with Executives and the Board of Directors, as appropriate, in relation to the disclosure of information;
- 16.5 keeping a record of all ASX and other releases that have been made;
- 16.6 periodically reviewing the Company' disclosure procedures in light of changes to the ASX Listing Rules or to the Corporations Act and recommending any necessary changes to the procedures;
- 16.7 preparing regular disclosure reports to the Board of the Company which advise of:
  - 16.7.1 material matters considered and the form of disclosure (if any); and
  - 16.7.2 any material changes to the Company's continuous disclosure process.

**17. Review**

This policy will be reviewed at least once a year to determine its adequacy for current circumstances.