

CONTINUOUS DISCLOSURE POLICY

1. PURPOSE

The purpose of the Continuous Disclosure Policy is to:

- ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and ASX Limited (ASX) Listing Rules and as much as possible seeks to achieve and exceed best practice;
- provide shareholders and the market with timely, direct and equal access to information issued by the Company; and
- promote investor confidence in the integrity of the Company and its securities.

This Policy contains all continuous disclosure requirements under the Listing Rules and the Corporations Act, and incorporates best practice guidelines.

2. LEGAL REQUIREMENTS

The Company is a public company which aims to be listed on ASX. It will be subject to continuous disclosure requirements under the Corporations Act and the Listing Rules (which are given legislative force under section 674 of the Corporations Act), in addition to the periodic and specific disclosure requirements.

The Rule: The primary continuous disclosure obligation is contained in Listing Rule 3.1, which states that:

"Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."

The Exception: Listing Rule 3.1A contains the only exception to Listing Rule 3.1:

"Listing Rule 3.1 does not apply to particular information while all of the following are satisfied:

- 3.1A.1 A reasonable person would not expect the information to be disclosed.*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1 A.3 One or more of the following applies:*
 - It would be a breach of a law to disclose the information.



Metalsearch

- The information concerned an incomplete proposal or negotiation.
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
- The information is generated for internal management purposes of the entity.
- The information is a trade secret."

Disclose to ASX first: Listing Rule 15.7 further requires that an entity must not release information that is for release to the market to anyone until it has given the information to ASX, and has received an acknowledgement from ASX that the information has been released to the market.

What is material price sensitive information?: Section 677 of the Corporations Act states that, a reasonable person would be taken to expect information to have a "material effect on the price or value" of securities if the information "*would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of those securities.*"

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

3. DISCLOSURE PRINCIPLE

The Company will immediately notify ASX of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities, unless exempted by the Listing Rules. The Company's securities include all shares and options issued and granted by the Company.

Disclosure of material price sensitive information

Any information concerning the Company which would, or would be likely to, influence investors in deciding whether to acquire or sell the Company's securities (material price sensitive information) must be disclosed to ASX in accordance with this Policy.

The Managing Director (or equivalent) is responsible for determining what information is to be disclosed. Where there is doubt as to whether certain information should be disclosed, the full Board will be consulted, and if necessary, seek external advice. The following provides a guide as to the type of information that is likely to require disclosure. This is not an exhaustive list. The determination of whether certain information is material price sensitive information which is subject to continuous disclosure necessarily involves the use of judgment. There will inevitably be situations where the issue is less than clear.

Matters which generally require disclosure include:

- significant exploration or mining results;
- a change in the quantum or nature of the Company's mineral resources and/or reserves;
- a change in the Company's financial forecasts or expectations. As a guide, a variation in excess of 10% may be considered material. If the Company has not made a forecast, a similar variation from the previous corresponding period may be considered material;
- a recommendation or declaration of a dividend or distribution, or a decision one will not be declared;
- changes in the Board of Directors, senior executives or auditors.
- a change in the Company's accounting policy;
- an agreement between the Company (or a related party or subsidiary) and a director (or a related party of the director).
- events regarding the Company shares, securities, financing or any default on any securities (e.g. under or over subscriptions to an issue of securities, share repurchase program);
- giving or receiving a notice of intention to make a takeover offer;
- a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets (an amount of 5% or more would normally be significant but a smaller amount may qualify in a particular case);
- mergers, acquisitions/divestments, joint ventures or changes in assets;
- significant developments in regard to new projects or ventures;
- major new contracts, orders, or changes in suppliers or customers;
- legal proceedings against or allegation of any breach of the law, whether civil or criminal, by the Company;
- natural disasters or accidents that have particular relevance to the businesses of the Company; or
- the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Company or any of its subsidiaries.