

AuDAX Resources Limited

ABN 50 009 058 646

ASX Principles of Good Corporate Governance and Best Practice Recommendations

Principle #5: Make Timely and Balanced Disclosure

Recommendation 5.1: Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.

Recommendation 5.2: Provide the information indicated in ASX Guide to Reporting on Principle 5 in the annual report.

The Board has a Market Disclosure Policy to ensure the compliance of the Company with the various laws and ASX Listing Rule obligations in relation to disclosure of information to the market. The Managing Director is to ensure that all employees are familiar with and comply with the policy. The Market Disclosure Policy is detailed below.

This Market Disclosure Policy is reviewed at least once each year.

MARKET DISCLOSURE POLICY

AuDAX is committed to:

- (a) ensuring that shareholders and the market are provided with timely and balanced information about its activities;
- (b) complying with the general and continuous disclosure principles contained in the Australian Stock Exchange Limited (“ASX”) Listing Rules and the Corporations Act 2001; and
- (c) ensuring that all market participants have equal opportunities to receive externally available information issued by AuDAX.

1. Material information

- 1.1 All management and staff must inform the Company Secretary of any potentially material information or proposal as soon as practicable after becoming aware of that information.
- 1.2 Information is material if it is likely that the information would influence investors in deciding whether to buy or sell AuDAX securities.

- 1.3 Material information need not be disclosed if all of the following are satisfied:
- (a) a reasonable person would not expect the information to be disclosed; and
 - (b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
 - (c) one of the following applies:
 - (i) it would breach the law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;
 - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) the information is generated for internal management purposes; or
 - (v) the information is a trade secret.
- 1.4 Subject to and in accordance with the provisions of ASX Listing Rule 3.1, the Chairperson or Managing Director must immediately notify the market, via an announcement to the ASX, of any information concerning AuDAX that the Managing Director and/or Chairperson believes a reasonable person would expect to have a material effect on the price or value of AuDAX securities. The Company Secretary is the Authorised Officer for Listing Rule purposes.
- 1.5 AuDAX must not, under any circumstances, disclose material information to the market prior to the ASX releasing the information to the market. If unreleased material information is unintentionally communicated, by AuDAX or an employee, in any forum, the Managing Director, or in his absence, the Company Secretary, must be advised immediately so the market can be informed.

2. False Market

- 1.6 **Leaks, rumours and inadvertent disclosure**
- The Company's general policy is not to respond to reports or rumours about it published by analysts, fund managers or reporters. From time to time, however, it may be necessary to respond to the unauthorised or selective disclosure of information or market rumours concerning the Company, particularly where the information or rumour is having, or likely to have, an impact on the price of the Company's securities. Such an event may trigger an enquiry from the ASX under Listing Rule 3.1B. To ensure a consistent response from the Company to such occurrences, all instances of unauthorised or selective disclosure or rumours should be reported to the Managing Director or Company Secretary as soon as they become known.
- 1.7 **Assessment of the Company's response**
- When a matter is reported, the Managing Director or Company Secretary will discuss the significance of the matter and possible disclosure responses with the Chairperson.
- 1.8 **Disclosure of information**
- If the information the subject of the unauthorised or selective disclosure is considered material, or there is a significant market rumour concerning the Company that is having or is likely to have an impact on the price of the Company's securities,

the Company Secretary will co-ordinate the development of a disclosure response to ASX.

The Company Secretary will circulate the draft announcement to the Board and relevant management and external advisers for review. Once the review process has been completed, the Company Secretary will disclose the information to ASX.

1.9 Referral of enquiries

Any queries by ASX, the media, analysts, brokers, shareholders or the public about a market rumour concerning the Company or regarding information that is subject to this Disclosure Policy must be referred to the Managing Director or, in his absence, the Company Secretary.

The only persons authorised to speak to the media or any other person outside the Company about market rumours concerning the Company or about information that is subject to this Disclosure Policy are the Directors.

3. Release of reports as required by the Corporations Act and ASX Listing Rules

AuDAX must lodge, in a timely manner, the following reports if and as required by the ASX Listing Rules and the Corporations Act 2001:

- (a) the annual report;
- (b) the half yearly report and accounts;
- (c) the preliminary final report;
- (d) the annual audited financial statements;
- (e) the quarterly cash flow report; and
- (f) any other reports required to be lodged under the ASX Listing Rules or the Corporations Act 2001.

The Company will include commentary on its financial results to enhance the clarity and balance of reporting. This commentary will include information needed by an investor to make an informed assessment of the entity's activities and results.

4. Information briefings with analysts

- 4.1. AuDAX may provide background and technical information in one-on-one briefings with analysts, fund managers, brokers or institutional investors to assist them in their understanding of AuDAX's business activities. The Managing Director must review any written presentation material prepared for meetings prior to the meeting to determine whether all information has previously been disclosed to the market or may require disclosure.
- 4.2. A one-on-one briefing includes any communication between AuDAX and a broker, analyst, fund manager, or institutional investor including phone calls.
- 4.3. No previously undisclosed material information may be disclosed at these meetings. If an employee considers that previously undisclosed material information has been

disclosed, they must immediately inform the Company Secretary so that the previously undisclosed information can be released to the market.

5. Release of information to the public

- 5.1. Only the Directors or the Company Secretary are authorised to provide comment about the Company, or speak on behalf of AuDAX, to the media. Any other employees providing comment on the Company must first obtain the authorisation of the Managing Director or, in his absence, another Director of AuDAX.
- 5.2. AuDAX employees must not respond to any market speculation or rumours about the Company, unless authorised by the Managing Director or, in his absence, another Director of AuDAX, to do so.