

**BEACON MINERALS LIMITED**

**COMPLIANCE POLICY FOR  
ASX LISTING RULE  
DISCLOSURE REQUIREMENTS**

July 2006

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## **1. Introduction**

The continuous disclosure provisions of the Corporations Act and the listing rules mean that criminal and civil liabilities could be imposed on Beacon Minerals and its officers if material information is not released to the market in accordance with listing rule 3.1. This means immediately after it becomes known, unless it falls within an exception to the rule.

This document deals with:

- (a) the key obligations of:
  - directors and employees;
  - the Company Secretary; and
  - the Managing Director.
- (b) Beacon Minerals' obligations;
- (c) the type of information that needs to be disclosed;
- (d) the procedures for internal notification and external disclosure;
- (e) the procedures for promoting understanding of compliance with the disclosure requirements; and
- (f) the procedures for monitoring compliance.

These procedures will be reviewed regularly to ensure they remain relevant and appropriate.

In summary the rules require employees and directors of Beacon Minerals to notify the Company Secretary when they become aware of previously undisclosed information which may require release to the market under listing rule 3.1. The Company Secretary must seek advice on the matter and bring it to the attention of the Managing Director who must decide whether or not an announcement or other action is required and initiate the announcement or other action as required.

The Board of Beacon Minerals considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers. Additionally it notes all matters which were disclosed since the last meeting.

## **2. Key Obligations**

### *For Directors and Employees*

Are you aware of any information about Beacon Minerals that might influence someone in deciding to buy or sell Beacon Minerals securities which has not been released to the market? If so, immediately tell the Company Secretary.

### *For the Company Secretary*

- Communicate with ASX in relation to listing rule matters.
- Consult with the Managing Director regarding matters for announcement to the market.
- Prepare announcements for release to the market.
- Prepare other public releases if necessary.

- Obtain approval from the Managing Director of announcements for release to the market and strategy.
- Provide announcements to ASX's Company Announcements Office.
- Monitor the press and share price continuously.
- Examine text of relevant speeches and other public addresses by Beacon Minerals directors and employees
- Ensure the Board of Beacon Minerals considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers and notes all matters which were disclosed since the last meeting.

*For the Managing Director*

- Promptly advise Company Secretary if there are any matters required to be announced to the market.
- Authorise final form of announcement to the market.

### **3. Beacon Minerals' Obligations**

Listing rule 3.1 requires "immediate" disclosure of any information concerning Beacon Minerals of which Beacon Minerals is or becomes aware, which a reasonable person would expect to have a material effect on the price or value of Beacon Minerals securities. Section 674 of the Corporations Act reinforces listing rule 3.1 by creating criminal and civil penalties for non-compliance.

The requirement to disclose this information does not apply if, and only if, each of the following conditions is and remains 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 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 Beacon Minerals.
  - (v) The information is a trade secret.

If ASX considers that there is or is likely to be a false market in Beacon Minerals securities and asks Beacon Minerals to give it information to correct or prevent a false market, Beacon Minerals 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.

ASX listing rule Guidance Note 8 – Continuous Disclosure: Listing Rule 3.1, provides examples and details to assist listed entities with their obligations under listing rule 3.1. A copy of the Guidance Note in respect of listing rule 3.1 is available from [www.asx.com.au](http://www.asx.com.au).

#### **4. How Does Beacon Minerals Become Aware Of Information?**

Compliance with listing rule 3.1 is the responsibility of Beacon Minerals, which will be deemed to have become aware of information where a director or executive officer has, or ought reasonably to have, come into possession of the information in the course of performance of his/her duties as a director or executive officer of Beacon Minerals. A director or executive officer who “ought reasonably” to have come into possession of potentially relevant information should bring this information to the attention of the Company Secretary.

#### **5. Materiality**

Beacon Minerals must disclose information if a reasonable person would expect that information to have a material effect on the price or value of the securities of Beacon Minerals. A reasonable person is taken to expect information to have such an effect if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell, those securities.

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 Beacon Minerals image or reputation;
- whether a matter will significantly affect Beacon Minerals ability to carry on business in the ordinary course; or
- whether the matter involves a breach of any law or regulation.

#### **6. The Type of Information that needs to be disclosed**

It is not possible to exhaustively list the information which must be disclosed. The following examples are provided to give some idea about information that might require disclosure under listing rule 3.1.

- A change in Beacon Minerals financial forecasts or expectations.
- The appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by it or any of its child entities.
- 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 a dividend or distribution will not be declared.
- Giving or receiving a notice of intention to make a takeover.
- An agreement between Beacon Minerals (or a related party or subsidiary) and a director (or a related party of the director).
- A change in accounting policy adopted by Beacon Minerals which would have a material effect on Beacon Minerals financial results or position.
- A proposal to change Beacon Minerals auditor.

If there is any doubt about the importance of information which comes to light, there should be immediate notification to the Company Secretary so that advice can be given and a formal decision can be made as to whether or not to release the information.

## **7. The Managing Director's Obligations**

The Managing Director is the ultimate decision-maker on Beacon Minerals continuous disclosure.

The Managing Director is primarily responsible for ensuring that Beacon Minerals 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 Managing Director 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.

## **8. Obligations to Notify the Managing Director**

Where any information comes to light about Beacon Minerals which may need to be released, all employees are obliged to bring that information to the attention of the Company Secretary with all possible expediency. In the case of directors initial verbal notification should be given directly to the Managing Director. In his absence notification should be given to the Company Secretary.

It is the responsibility of the Company Secretary to inform the Managing Director as to the information received and to advise on the application of the disclosure rules to the circumstances. It is the responsibility of the Managing Director to determine whether disclosure is required.

The procedure for notification is set out in Attachment A.

Until a decision as to whether or not to disclose information has been made, directors and employees must treat the information as strictly confidential.

## **9. Decision Not to Disclose Information**

If a decision is made by the Managing Director 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.

## **10. Confidential Information**

In determining whether any information that comes to light about Beacon Minerals needs to be released, it will be necessary to determine whether the conditions permitting non-disclosure which are mentioned in Section 3 apply. In particular, a determination may need to be made as to whether the information is confidential. If a determination is made that the information is confidential, then the Company Secretary should ensure that anyone who has a copy of the information is aware that it is confidential. The Managing Director will cause Beacon Minerals share price to be monitored on a continuous basis. If there are any unexpected movements in the share price, then the Managing Director 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 Managing Director must ensure that action is taken to ensure Beacon Minerals is in compliance with its disclosure obligations, in particular, preventing false markets.

## **11. Relationship with Media and Public**

A company must disclose information needed to prevent a false market. Accordingly it may be necessary for Beacon Minerals to correct a rumour or to respond to speculation, including media speculation.

The Company Secretary will monitor the media to detect issues which may require Beacon Minerals to make an announcement or take other action under the disclosure rules.

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).

Care must be taken not to make comments to the media or others which could result in rumours or speculation about Beacon Minerals. That company limits media contact to the Managing Director and the Chairman or their delegates. Other officers and employees may only confer with the media in relation to a particular matter concerning Beacon Minerals if they have obtained the prior express approval of the Chairman or Managing Director or their delegate for the purpose of giving such approval.

It is also important to ensure that any speeches or external addresses given do not result in rumours or speculation about Beacon Minerals or unauthorised disclosure. In briefings to media/public/analysts, Beacon Minerals staff must not disclose previously undisclosed material information.

## **12. Board Consideration of Disclosure**

The Board of Beacon Minerals will consider whether there are any matters requiring disclosure in respect of each and every item of business that it considers. Additionally the Board will note all matters which were disclosed since the last meeting.

## **13. Monitoring of Compliance**

To promote understanding of the continuous disclosure obligations imposed on Beacon Minerals by the Corporations Act and the listing rules, a copy of this document will be provided to all directors and employees (present or future) of Beacon Minerals.

Continuous disclosure workshops may be held to ensure new and existing directors and employees remain familiar with the nature of the obligations imposed on Beacon Minerals.

The Company Secretary will ensure that the continuous disclosure obligations of Beacon Minerals are drawn to the attention of directors and employees by written memorandum, at least once in every 12 month period.

At least once in every 12 month period, the Board will review Beacon Minerals compliance with this document. From time to time, and if considered necessary, the Board will update this document (and distribute an updated copy to all directors and employees) to reflect changes in Beacon Minerals business operations and changes in the Corporations Act and the listing rules.

All new staff and directors will receive a copy of this document with their employment or appointment letters. It is the responsibility of the Company Secretary to ensure that all staff and consultants received this document and understand its requirements.

**14. Share Dealing by Employees & Directors**

Any director or employee of Beacon Minerals proposing to trade in Beacon Minerals must comply with the Beacon Minerals Securities Trading Policy as amended from time to time. A copy of this document is available on the Beacon Minerals web site.

**15. Reporting and Correcting Mistaken Nondisclosure**

Any director or employee of Beacon Minerals, who becomes aware that relevant information has not been notified and disclosed in accordance with the preceding provisions, should immediately contact the Company Secretary so that appropriate action can be taken.

**16. Conclusion**

Compliance with this policy is very important. Failure to comply could lead to civil or criminal liabilities for Beacon Minerals and its directors and employees and could have a damaging impact on the perception of Beacon Minerals within the investment community. Any director or employee of Beacon Minerals who wilfully or negligently causes a failure to comply by Beacon Minerals will be considered to have engaged in serious misconduct which may result in the termination of their engagement by Beacon Minerals.

All directors and employees are encouraged to actively consider the need for disclosure. Do you have undisclosed information likely to influence a person to buy or sell Beacon Minerals securities? If so, notify the Company Secretary or if you are a Director, the Managing Director, as soon as possible.

Attachment A – Continuous disclosure flow sheet

Attachment A – Continuous Disclosure Flow Sheet

