



RESOURCES LIMITED

XS Resources Limited

ACN 624 766 114

**Continuous Disclosure
And Market
Communications Policy**

April 2018

1 Introduction

- 1.1 As an ASX listed public company, XS has obligations under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the Listing Rules of the ASX (**ASX Listing Rules**) to keep the market fully informed of information which may have a material effect on the price or the value of the Company's securities.
- 1.2 This Policy aims to assist XS and its Personnel to achieve sound, balanced and timely disclosure to all investors and to achieve compliance with their continuous disclosure obligations. In doing so, XS and its Personnel, will ensure that trading in XS's securities takes place in a market which is orderly and informed and is not, or is not likely to be, false.
- 1.3 To this end, this Policy sets out the processes for:
- (a) personnel identifying potentially material price-sensitive information;
 - (b) reporting such information to the Company Secretary for review;
 - (c) ensuring that XS achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules; and
 - (d) ensuring that XS and its Personnel do not contravene the Corporations Act or ASX Listing Rules.
- 1.4 This Policy applies to all XS Personnel.
- 1.5 This Policy does **not** address guidelines for XS Personnel buying and selling securities in the Company. These guidelines are set out in the XS's Securities Trading Policy.

2. Explanation of Terms

- 2.1 In this Policy:

ASX means Australian Securities Exchange;

Board means the board of directors of XS;

Company Secretary means the company secretary of XS;

Director means a director of XS;

Executive means the employees of the XS who manage XS pursuant to the directions and delegations of the Board;

XS means XS Resources Limited;

Group means XS and its controlled entities;

Managing Director means XS's managing director, chief executive officer or equivalent and being the person that is directing the Executive on a day-to-day basis;

Personnel means XS's directors, executive, employees and contractors; and

Policy means this Continuous Disclosure and Market Communications Policy.

3. Commitment to Market Disclosure

3.1 The Company is committed to:

- (a) ensuring that shareholders and the market are provided with full and timely information about XS's activities;
- (b) complying with disclosure requirements under the ASX Listing Rules and the Corporations Act;
- (c) preventing the selective or inadvertent disclosure of price sensitive information;
- (d) ensuring that all stakeholders have equal opportunities to receive externally available information issued by the Company; and
- (e) making all disclosures in a manner that is clear, concise and effective.

4. Disclosure Officer

4.1 The Company Secretary has been appointed as XS's Disclosure Officer responsible for interpreting and monitoring this Policy.

4.2 The Disclosure Officer shall be responsible for developing and maintaining relevant guidelines to help XS Personnel understand what information may be materially price sensitive.

4.3 The Disclosure Officer shall be responsible for communication with ASX and in his/her absence the Managing Director.

4.4 The Disclosure Officer shall be responsible for informing the Board, and seeking the Board's involvement where considered necessary.

4.5 The Disclosure Officer shall be responsible for coordinating information disclosure to analysts, brokers, Shareholders, the media and the public.

4.6 The Disclosure Officer shall be responsible for monitoring all XS disclosure practices and for making recommendations to the Board on updating this Policy in response to changes in internal structure, legislature and regulatory developments, and technology developments.

5. Disclosure Principles

5.1 Policy principles are:

- (a) we should not give information that is for release to the market to any person external to XS, not otherwise disclosed as a normal part of business, until it been released and we have received an acknowledgement that the ASX has released that information to the market;

- (b) we must inform the ASX as soon as reasonably practicable of any price-sensitive information;
- (c) we must promptly respond to enquiries from the ASX and, if appropriate, issue an announcement;
- (d) Personnel must not try to hide or delay 'material news', especially when the information is likely to impact the price of securities of XS;
- (e) all potentially material price sensitive information is to be reported to the Disclosing Officer;
- (f) the only XS representatives authorised to comment on behalf of XS to investors and stockbroking analysts are the Chair, Managing Director, CFO and Company Secretary;
- (g) XS must lodge all presentation materials relating to briefing sessions with the ASX prior to the presentation;
- (h) any communication with investment market participants during the period between the end of a financial reporting period and the subsequent publication of the report must only be undertaken with the specific knowledge and agreement of the Managing Director;
- (i) no information may be disclosed during any analyst site visits which may have a material effect on the price or value of XS's securities unless it has already been announced on the ASX; and
- (j) where any person believes any information has been disclosed inadvertently during a briefing, meeting, visit or presentation which may have a material effect on the price or value of XS's securities, they must immediately report the matter to the Disclosure Officer.

6. Disclosure Practice

- 6.1 The Board is ultimately responsible for the accuracy of an announcement to ASX, and in particular for 'reviewing and approving all announcements released to the market where the information relates to a matter of major significance to XS'.
- 6.2 Other information that falls below this threshold is to be lodged with the approval of the Managing Director, or in his/her absence, the CFO and/or Company Secretary.
- 6.3 The Company Secretary shall email all Directors a copy of the ASX confirmation of release relating to all ASX releases by XS as soon as practicable once such confirmation is received.

7. Legal Obligations

7.1 ASX Listing Rule 3.1

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

7.2 Material effect on the price of securities

A reasonable person is taken to expect information to have a material effect on the price or value of the securities issued by XS 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, or hold the securities.

The following information will likely be considered price sensitive, necessitating disclosure:

- (a) a transaction that will lead to a significant change in the nature or scale of XS's activities;
- (b) a material acquisition or disposal;
- (c) the granting or withdrawal of a material licence;
- (d) the entry into, variation or termination of a material agreement;
- (e) becoming a plaintiff or defendant in a material law suit;
- (f) the fact that XS's earnings will be different from market expectations;
- (g) the appointment of a liquidator, administrator or receiver;
- (h) the commission of an event or default under, or other event entitling a financier to terminate a material financing facility;
- (i) an ASIC enXSable undertaking;
- (j) giving or receiving a notice of intention to make a takeover; and
- (k) any rating applied by a rating agency to XS or its securities and any change to such a rating.

The above list is not exhaustive and there are many other examples of information that potentially could be market sensitive.

ASX may require XS to provide it with information so as to correct or prevent a false market which may have arisen, for example due to a specific rumour or media comment that has had an impact on XS's share price. In such an event, XS will make appropriate disclosures required to correct or prevent a false market.

7.3 Information that is generally available

The disclosure obligation does not generally apply where the information is generally available.

7.4 Exceptions to ASX disclosure obligations

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

- (a) a reasonable person would not expect the information to be disclosed;
- (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 applies:
 - (i) it would be a breach of 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 the internal management purposes of the Company; or
 - (v) the information is a trade secret.

As soon as these elements are no longer satisfied, XS must immediately comply with its disclosure obligations. Note that the obligation to disclose the information arises even though two of the above three requirements may remain satisfied.

Information will be 'confidential' for the purposes of this rule if:

- (i) it is known to only a limited number of people;
- (ii) the people who knew the information understand that it is to be treated in confidential and only to be used for permitting purposes; and
- (iii) those people abide by that understanding.

8. Other

8.1 Rumours and market speculation

XS's general policy, which must be observed by all Personnel, is not to comment on market speculation and rumours. The Managing Director in consultation with the Company Secretary will decide if a comment is to be made to the market.

8.2 Trading Halts

XS may, in exceptional circumstances, request a trading halt to prevent the emergence of a false or uninformed market for XS's securities and to manage disclosure issues. Any decision to request a trading halt will be made by the Board.

Where the urgency of the subject matter precludes reference to the full Board, a Trading Halt may be approved by the Directors who are available.

9. Communication with Security holders

9.1 The Board is committed to open and accessible communication with holders of the Company's shares. Disclosure of information and other communication will be made as appropriate by mail or email. Security holders shall be given the option to receive communication from, and send communications to, the Board and its security registry electronically.

9.2 The Company's website will also be used to provide the following relevant information to security holders:

- 9.2.1 The names of each of its directors;
- 9.2.2 the Corporate Governance Policies and other Corporate Governance materials;
- 9.2.3 copies of its annual reports and other financial statements;
- 9.2.4 copies of its announcements to ASX;
- 9.2.5 copies of notices of meetings of security holders and any accompanying documents;
- 9.2.6 if it keeps them, webcasts and/or transcripts of meetings of security holders and copies of any documents tabled or otherwise made available at those meetings;
- 9.2.7 if it keeps them, webcasts and/or transcripts of investor or analyst presentations and copies of materials distributed at those presentations; and

9.2.8 such other information as is required by the ASX Listing Rules or recommended by the ASX Corporate Governance Council.

9.3 The Company will keep a summary record for internal use of the issues discussed at group or one-on-one briefings with investors and analysts, including a record of those present and the time and place of the meeting.

General Meetings

9.4 The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.

10. Financial Markets and Investor Relations Contact

10.1 To ensure the consistent delivery of information to the financial markets, only the following people are authorized to conduct discussions with investment professionals or Shareholders on matters pertaining to the corporate and business affairs of XS:

- Board Chairman;
- MD;
- CFO and Company Secretary; and
- other members of the Executive when authorised by the MD;

This does not prohibit Personnel from conducting discussions or providing information in respect of XS's operations as required to carry out their day to day duties.

Personnel should also refer to XS Social Media Policy. Only a limited number of persons are authorised with the media.

11. More Information

11.1 Any XS employee who has queries about this Policy should contact the Company Secretary.

12. Consequences of a Breach of this Policy

12.1 Non-compliance by XS of its continuous disclosure obligations may result in:

- (a) criminal and civil liabilities under the Corporations Act;
- (b) infringement notices for alleged contraventions issued to XS;
- (c) a claim by a third party for compensation; and
- (d) negative publicity for XS and damage to its reputation in the market.

12.2 XS's Personnel who are involved in the contravention by XS may also face criminal and civil liability.

12.3 A breach of this Policy may lead to disciplinary action, which may include termination of employment or engagement.

13. Policy Review

13.1 This Policy is to be reviewed by the Board on a periodic basis.