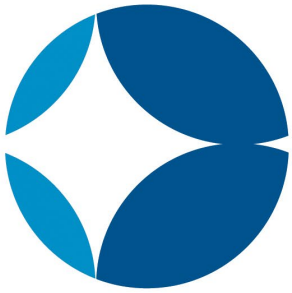

ROX
RESOURCES

COMPLIANCE PROCEDURES

Compliance Procedures

Rox Resources Limited ACN 107 202 602 (**Company**)

1 Purpose

This Compliance Procedure outlines how the Company will manage all disclosure obligations

2 The Responsible Officer

Responsible Officer Duties

The Responsible Officer is primarily responsible for ensuring that the Company complies with its disclosure obligations. The Responsible Officer is currently the Company Secretary.

The duties of the Responsible Officer include:

(a) the responsibility for deciding what information will be disclosed. In carrying out this responsibility the responsible officer is entitled, where appropriate, to seek information from other senior managers, the board and any other relevant party (for example, experts).

(b) the vetting and authorisation of all Company announcements

(c) reviewing, overseeing and coordinating information provided to the ASX, analysts, brokers, shareholders, the media and the public.

(d) remaining up to date with the Corporations Act and Listing Rule requirements in relation to continuous disclosure

(e) educating Directors, officer and employees by ensuring the *Policy on ASX Listing Rule Compliance* is distributed to all employees

(f) ensuring compliance of these Compliance Procedures

(g) the control and overall conduct of these Compliance Procedures.

Responsible Officer's Resources

The Responsible Officer is entitled to request and receive any information, reports, resources and accounting records which are relevant for the bona fide purposes of fulfilling their responsibilities.

The Responsible Officer is entitled also to have access to and consult with the Company's external auditor, legal adviser or any other professional adviser in order to fulfil their responsibilities.

3 Type of information that needs to be disclosed

General Disclosure Requirements

Once an entity is or becomes aware of information concerning it that *a reasonable person would expect to have a material effect on the price or value on an entity's securities, the entity must immediately tell ASX that information* (Listing Rule 3.1). Section 677 of the Corporations Act explains that a reasonable person would be taken to expect information to have a material effect on the price or value of enhanced

disclosure securities of a disclosing entity if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the enhanced disclosure securities (also see section 111AD of Corporations Act for definition of enhanced disclosure securities).

ASX Guidance Note 8 states that "Listing Rule 3.1 expresses broad principles that cannot be defined with absolute clarity. The rule must be complied with in the 'spirit' of continuous disclosure." Further, Listing Rule 19.2 states that an "entity must comply with the listing rules as interpreted:

(a) in accordance with their spirit, intention and purpose;

(b) by looking beyond form to substance; and

(c) in a way that best promotes the principles on which the listing rules are based."

The integrity of the market is enhanced if listed entities comply with their continuous disclosure obligations in the 'spirit' of the Listing Rule and realise that the interests of a listed entity should not take precedence over the interests of the market, nor should it take precedence over the interests of a fully informed market.

The continuous disclosure obligations can only be properly discharged by the listed entity which is in the best position to assess the elements of that rule in the context of its obligations to the market and the information that is known to the entity. The Responsible Officer is to be aware of various situations which may create or generate information that requires disclosure pursuant to Listing Rule 3.1. The following is a non-exhaustive list of matters which, if material, would be required to be disclosed to ASX:

(a) change in the Company's financial forecast or expectation;

(b) 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;

(c) a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets (normally an amount of 5% or more would be significant but a smaller amount may be significant in a particular case);

(d) a recommendation or declaration of a dividend or distribution;

(e) a recommendation or decision that a dividend or distribution will not be declared;

(f) under subscriptions or over subscriptions to an issue;

(g) a copy of a document containing market sensitive information that the Company lodges with an overseas stock exchange or other regulator which is available to the public;

(h) an agreement or option to acquire an interest in a mining tenement, including the number of tenements, a summary of previous exploration activity and expenditure, where the tenements are situated, the identity of the vendor and the consideration for the tenements;

(i) information about the beneficial ownership of securities obtained under Part 6C.2 of the Corporations Act;

(j) giving or receiving a notice of intention to make a takeover;

(k) an agreement between the Company (or a related party or subsidiary) and a director (or a related party of the director);

(l) a copy of any financial documents that the Company lodges with an overseas stock exchange or other regulator which is available to the public;

(m) A change in accounting policy adopted by the Company; or

(n) A proposal to change the Company's auditor.

Specific Disclosure Requirements

The Responsible Officer is to be aware that, in addition to the general disclosure requirements, the Listing Rules require the Company to also make specific disclosures for:

(a) takeovers;

(b) share buy-backs;

(c) capital reorganisations;

(d) calls on partly-paid shares;

(e) issues and proposed issues of securities;

(f) the exercise by an underwriter of a right to avoid or change underwriting obligations;

(g) shareholder meetings for the appointment of Directors;

(h) results of shareholders' meetings;

(i) changes of Directors, CEOs and company secretary; and

(j) changes of address, telephone or facsimile number or registered or principal administrative office or a change of address of register of securities.

The Listing Rules require any proposed market release to first be given to the ASX for release to the market before it is provided to any other person, including the press.

The Company acknowledges that it is not required to disclose information to ASX if any of the following applies:

(a) a reasonable person would not expect the information to be disclosed;

(b) the information is confidential; and

(c) one of the following applies:

- it would be a breach of a law to disclose the information;
- the information concerns an incomplete proposal or negotiation;
- the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- the information is generated for the internal management purposes of the Company; or
- the information is a trade secret.

4 Recording of Disclosure Decision making

The Company must have in place an appropriate procedure to ensure that the process for review of specific information and the decision on disclosure is properly recorded.

In recognition of the fact that sometimes the decision whether to disclose information can be difficult, it is recommended that where a decision not to disclose is made, a record of this and the reason why, be kept.

The Responsible Officer is to cause files to be kept and maintained which accurately records Disclosure Material and:

(a) an up-to-date copy of Listing Rule 3.1 and the related ASX Guidance Note entitled “Continuous Disclosure – Listing Rule 3.1”;

(b) an up-to-date copy of Listing Rule 17.1 and the related ASX Guidance Note entitled “Trading Halts”; and

(c) the statement of the Disclosure Material disclosed/announced to the market through the ASX.

5 The concept of timely announcements

Regarding continuous disclosure, ASX Guidance Note 8 states:

> *"Timely disclosure must be made of information which may affect security values or influence decisions, and information in which security holders, investors and ASX have a legitimate interest."*

To assist with timely disclosure, the following procedures have been put in place and include:

- Avoiding a False Market
- Confidentiality
- Media / Analyst / shareholder communication

Avoiding a False Market

(a) The Company shall monitor the share price movements of the Company to identify any unusual fluctuations which may signal a possible leakage of Disclosure Material not already disclosed to the market through the ASX. The Responsible Officer is responsible for monitoring the share price movements.

(b) In the event of an inadvertent leakage or disclosure of Disclosure Material, the Responsible Officer must immediately make an appropriate announcement to the market through the ASX. The Responsible Officer must also contemporaneously with or as soon as possible after such announcement, notify the Board of the announcement and inadvertent leakage.

(c) If there is market rumour or speculation, the Company may be required by ASX to respond to that speculation in order to correct or prevent a false market. The Responsible Officer is to respond to such a request by making the appropriate announcement.

(d) The Company must have in place appropriate procedures to enable it to request from the ASX a trading halt. In the event any Disclosure Material cannot be released to the market immediately:

- The Responsible Officer must contact the home branch of the ASX to request a trading halt* upon the identification of Disclosure Material that cannot be released to the market immediately.
- (*Length of trading halt – A trading halt can only be applied for a period not exceeding the commencement of normal trading on the second trading day following the day on which it is requested.)
- The Responsible Officer, in requesting a trading halt, should provide the ASX with the information required by Listing Rule 17.1.

Safeguarding confidentiality of corporate information to avoid premature disclosure

The ASX acknowledges that there needs to be a balance sought between encouraging timely disclosure of material information and preventing the premature disclosure of incomplete or indefinite information, which may lead to a false market.

(a) The Responsible Officer is to ensure that non-disclosure or confidentiality agreements are entered into by the other parties to a material transaction and any other recipients of any confidential information in relation to a material transaction.

(b) When the Company enters into a material transaction that may constitute potential Disclosure Material, the Responsible Officer must remind all staff of the confidential nature of the transaction and of the consequences of failing to comply with their disclosure obligations.

Media contact and comment

To control the Company's price sensitive information, the Company should appoint a Media Officer(s) who is the only person(s) authorised to speak to the media. This also ensures a minimum number of persons are authorised to speak on the Company's behalf. That person should be aware of the Company's disclosure history and be aware of information which has been released to the ASX.

External communications such as analyst briefings and responses to broker and shareholder questions.

The Responsible Officer is to ensure that any Disclosure Material inadvertently provided to analysts is announced immediately through the ASX for release to the market.

The Responsible Officer is to review any information that is to be provided to analysts to assess whether the information constitutes potential Disclosure Material. If it is determined by the Responsible Officer that the information requires prior disclosure to the market, the Responsible Officer must immediately make the appropriate announcement to the ASX.

6 Board Notification – informing the Board and ongoing monitoring

The Responsible Officer is to ensure that the Company’s continuous disclosure obligation is a standing item for each monthly Board meeting.

At each Board meeting, the Board should:

- note all announcements made to the ASX since the last Board meeting and decide whether any additional information concerning those announcements needs be disclosed to the ASX;
- consider if any other information requires disclosure to the market or should be flagged for potential disclosure.

The Responsible Officer is to identify any potential Disclosure Material by reviewing the Company’s operating report, financial report and minutes of the Board on a monthly basis.

7 Reporting

The Company has various obligations under Chapter 4 of the Listing Rules in relation to Periodic Disclosure. The Responsible Officer is to be familiar with periodic disclosure requirements including quarterly, half yearly and annual disclosure.

As a mining entity, the Company has further obligations under Chapter 5 of the Listing Rules regarding additional reporting on mining and exploration activities. The Responsible Officer is to be familiar with these reporting requirements as set out in Chapter 5 of the Listing Rules.

Companies should include commentary on their financial results to enhance the clarity and balance of reporting. This commentary should include information needed by an investor to make an informed assessment of the entity's activities and results.

ASX Listing Rule 4.10.17 requires a company's annual report to include a review of operations and activities. Although not specifying the contents of that report, the rule endorses the Group of 100 publication, *Guide to Review of Operations and Financial Condition*, which is reproduced in ASX Guidance Note 10 – Review of Operations and Activities.

8 Required action where Non-Compliance exists

In the event of a breach of any of the provisions in the Compliance Procedures, the person who becomes aware of the breach must immediately notify the Responsible Officer. The Responsible Officer must then take such steps as are required to remedy the breach as soon as possible (including making an appropriate announcement to the market through the ASX and notifying the Board).

9 Updating Compliance Procedures

The Responsible Officer is to update the Company Procedures for any changes in the Corporations Act and Listing Rules or the Company's business and operations.

The Responsible Officer is to keep a register of all actual and potential breaches of the Compliance Procedures to determine whether changes to the Compliance Procedures are required to prevent future breaches of the same kind.