

<p>Mount Gibson Iron Limited Corporate Governance Policies and Practices Manual 9.1 – Continuous Disclosure Policy and ASX Announcements</p>

1 Introduction

1.1 This policy sets out the procedure for:

- (a) executives in identifying material price sensitive information;
- (b) reporting such information to the Company Secretary for review;
- (c) ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules; and
- (d) ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules (which carry serious penalties).

1.2 Note that the insider trading provisions of the Corporations Act may apply to an action being contemplated by Mount Gibson Iron and its controlled entities (“the Company”), such as a capital raising or rights issue, and in these circumstances a higher level of disclosure may be required.

1.3 This Continuous Disclosure and ASX Announcements Policy Procedure does not address guidelines for Directors, Senior Executives and Employees in buying and selling the Company’s shares, which are set out in the separate policy “Directors and Senior Executives Dealing in Securities” and Employee Code of Conduct”.

2 Continuous Disclosure Policy

2.1 The Company has obligations under the Corporations Act and ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of the Company’s securities. The Company discharges these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents (eg the Annual Report).

2.2 The following procedures will continue to apply to safeguard against inadvertent breaches of the Company’s continuous disclosure obligations:

- (a) Directors and Senior Management must immediately notify the Company Secretary as soon as they become aware of information that should be considered for release to the market (**material information**);
- (b) the Company Secretary will:
 - review the material information reported by Senior Management;
 - determine, in consultation with the Chairman, Managing Director, or other members of the executive, whether any of the material information is required to be disclosed to the ASX; and

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- co-ordinate the actual form of disclosure with the relevant members of management and its release to the ASX (as set out in item 4.3 below).

2.3 Induction of Directors and Other Key Personnel

(a) All Directors and Senior Management of the Company are to be briefed on the following issues:

- the type of information that needs to be disclosed;
- the roles and responsibilities of Directors, Officers and Employees of the Company in the disclosure context, in particular, who has the primary responsibility for ensuring that the Company complies with its disclosure obligations and who is primarily responsible for deciding what information is disclosed;
- safeguarding confidentiality of corporate information to avoid premature disclosure;
- media contact and comment;
- measures for seeking to avoid the emergence of a false market in the Company's securities;
- external communications such as analyst briefings and responses to Shareholder queries.

(b) The induction will be conducted by the Company Secretary.

2.4 All Directors and key personnel of the Company are to be provided with a copy of the Guidance Note 8 of the ASX Listing Rules, which highlights the general principles and obligations set out in Chapter 3 of the ASX Listing Rules – Continuous Disclosure.

2.5 As soon as you become aware of information that:

(a) is not generally available (ie the information in question has not been included in any Annual Report, ASX Release or other publication of the Company); and

(b) which may be price sensitive (ie it is likely to have a financial or reputational impact upon the Company that may be considered material),

(c) you must provide to the Company Secretary the following information:

- a general description of the matter;
- details of the parties involved;
- the relevant date of the event or transaction;
- the status of the matter (eg final/negotiations still in progress/preliminary negotiations only);
- the estimated value of the transaction;
- the estimated effect on the Company's finances or operations; and
- the names of any in-house or external advisers involved in the matter.

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3 Analyst/Media Briefings

- 3.1 Information provided to, and discussions with, analysts are also subject to the continuous disclosure policy.
- (a) Material information must not be selectively disclosed (ie to analysts, the media or customers) prior to being announced to the ASX. If you are proposing to present any material information to analysts, journalists or customers, you should ensure that copies of your material are provided to the Company Secretary for checking prior to presenting that information externally.
 - (b) All inquiries from analysts must be referred to the Managing Director or other Director to whom the Board has delegated authority.
 - (c) All inquiries from the media must be referred to the Managing Director or other Director to whom the Board has delegated authority, or in their absence the Company Secretary. All media releases must be referred through the Company Secretary prior to release to journalists.
 - (d) Slides and presentations to be used in briefings will be given to the ASX, by the Company Secretary, prior to the briefing and posted on the Company's website after confirmation of release by the ASX.
- 3.2 No employee may give an interview or make a presentation without the specific permission of the Managing Director or Chairman.

4 Legal and Disclosure Obligations

- 4.1 The Corporations Act and the ASX Listing Rules require the Company, as a company listed on the ASX, to comply with continuous disclosure obligations.
- 4.2 ASX Listing Rule 3.1 requires that the Company immediately notify the ASX of:
- Any information of which the Company becomes aware, concerning the Company that a reasonable person would expect to have a material effect on the price or value of any securities issued by the Company.
- 4.3 A reasonable person is taken to expect information to have a material effect on the price or value of securities 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 the securities.
- 4.4 A list of matters that may be considered material is set out in Annexure A. This list is merely indicative and should not be seen as an exhaustive list of the matters that should be considered for disclosure

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- 4.5 The Company becomes aware of information if any of its Directors or Executives has, or ought reasonably to have, come into possession of the information in the course of the performance of his or her duties as a Director or Executive of the Company.
- 4.6 The Company must not release the material price sensitive information to any person (eg the media) until it has given the information to the ASX and has received an acknowledgment that the ASX has released the information to the market.
- 4.7 The obligation does not apply where the information is generally available. Information is considered to be generally available if:
- (a) it consists of a readily observable matter; or
 - (b) it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of securities issued by the Company and a reasonable period for it to be disseminated among such persons has elapsed; or
 - (c) it consists of deductions, conclusions or inferences made or drawn from other information that is generally available.
- 4.8 Disclosure under 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; and
 - (b) the information is confidential; and
 - (c) one or more of the following conditions apply:
 - 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 solely for the internal management purposes of the Company; or
 - the information is a trade secret.
- 4.9 As soon as any of these elements are no longer satisfied (for example, the information is reported in the media and is therefore no longer confidential), the Company must immediately comply with its continuous disclosure obligations. The obligation to disclose the information arises even though two of the above three requirements remain satisfied.

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- 4.10 “**Confidential**” means confidential as a matter of fact. The Company may give confidential information to its advisers and will continue to satisfy the exception as the Company retains control over the use and disclosure of the information. However, ASX would be likely to consider information has ceased to be confidential if the information, or part of it, becomes known either selectively or generally, whether inadvertently or deliberately. For example, where there is rumour circulating or media comments about the information and the rumour or comment is reasonably specific, this will generally indicate that confidentiality has been lost. It is important that employees and advisers, who have access to information which is confidential, maintain the confidentiality of that information.
- 4.11 If ASX consider that there is or is likely to be a false market in the Company’s shares and asks the Company to give the ASX information to correct or prevent a false market, the Company must give the ASX the information needed to correct or prevent the false market. The obligation to give information arises even if the exceptions apply. ASX would consider that there is or is likely to be false market in the following circumstances:
- (a) the Company has information that has not been released to the market, eg because all of the limbs to the exceptions are satisfied; and
 - (b) there is reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by the Company; and
 - (c) there is evidence that the rumour or comment is having, or ASX forms the view that it is likely to have, an impact on the price of the Company’s shares.

5 Management of the Policy and Release of ASX Announcements

- 5.1 The ASIC and ASX have issued guidance notes which suggest practical steps that listed companies can take to ensure that they meet their continuous disclosure requirements, including:
- (a) keeping to a minimum the number of Directors and staff authorised to speak on the Company’s behalf;
 - (b) appointing a senior officer to have responsibility for ensuring compliance with the Company’s continuous disclosure obligations. This officer, being the Company Secretary, should be aware of information disclosures in advance, including information to be presented at private briefings;
 - (c) that procedures should be implemented which will ensure that price sensitive information is released first to the ASX before disclosing it to others outside the Company; and
 - (d) posting information on the Company’s website as soon as practical after the ASX confirms release to the market, thereby making the information accessible to the widest audience of investors.

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- 5.2 The Company has nominated the Company Secretary as the person with primary responsibility for all communication with the ASX in relation to Listing Rule matters.
- 5.3 The Company Secretary is responsible for:
- (a) liaising with the ASX in relation to continuous disclosure issues;
 - (b) ensuring that the system for the disclosure of all material information to the ASX in a timely fashion is operating;
 - (c) reviewing proposed announcements by the Company to the ASX and liaising with the Chairman or Managing Director or other relevant executives in relation to the form of any ASX releases;
 - (d) liaising with the Board of Directors and key Executives, as appropriate, in relation to the disclosure of information;
 - (e) keeping a record of all ASX and other releases that have been made;
 - (f) periodically reviewing the Company's disclosure procedures in light of changes to the Listing Rules or Corporations Act and recommending any necessary changes to the procedures;
 - (g) preparing regular disclosure reports to the Board of the Company which advise of:
 - material matters considered and the form of disclosure (if any); and
 - any material changes to the Company's continuous disclosure process.
- 5.4 The Company's protocol in relation to the review and release of ASX announcements (and media releases) is as follows:
- (a) all key announcements are to be circulated to and reviewed by all members of the Board.
 - (b) all members of the Board are required to provide the Company Secretary (or in his absence the Chairman) with verbal or written approval of each announcement, prior to its release.
 - (c) any relevant parties named in the announcement should also be given the opportunity to review the announcement prior to its release, to confirm all information is factually correct.
 - (d) the Chairman (and in his absence the Company Secretary) is to be given the final signoff before release to the ASX.
- 5.5 All announcements are to be released electronically, by the Company Secretary.

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5.6 After confirmation of the release has been obtained from ASX, the Company Secretary is to circulate the release to all members of the Board.

5.7 All announcements released are to be posted on the Company's website as soon as practicable.

5.8 The Company Secretary is to maintain a register and copy of all announcements released.

6 Contraventions and Penalties

6.1 The Company contravenes its Australian continuous disclosure obligations if it fails to notify the ASX of the information required by Listing Rule 3.1 to be disclosed. If the Company contravenes this obligation intentionally, recklessly or negligently by failing to notify the ASX of information:

(a) that is not generally available; and

(b) that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of securities issued by the Company, it, and its officers, may be guilty of an offence under the Corporations Act.

6.2 If the Company contravenes its continuous disclosure obligations, it may face:

(a) if the contravention is intentional or reckless - criminal liability with a monetary fine;

(b) civil liability for any loss or damage suffered by any person as a result of the Company's failure to disclose relevant information to the ASX; and

(c) de-listing from the ASX.

(d) The ASIC can also institute proceedings under the ASIC Act 1989.

6.3 The Company's officers (including its Directors), employees or advisers who are involved in the contravention by the Company, may also face criminal (monetary fine and/or 5 years imprisonment) and civil liability as outlined above.

6.4 The court also has power under the Corporations Act to order compliance with the Listing Rules on the application of the ASX, the ASIC or an aggrieved person (for example, a Company Shareholder).

6.5 Contravention of its continuous disclosure obligations may also lead to unwanted publicity for the Company and may cause damage to its reputation in the market place which may adversely impact upon the market value of its securities.

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7 Annexure A – Information Disclosure Requirements

The Mount Gibson Iron Limited and its controlled entities (“the Company”) must disclose any information that a reasonable person would expect to have a material effect on the price or value of securities issued by the Company. Set out below is an illustrative list of matters that may give rise to an obligation to make disclosure to the market. You should not take this as an exhaustive list of the issues that must be disclosed.

	Relevant information / matter
1	the financial condition, results of operations, Company issued forecasts and earning performance of the Company or a controlled entity, which are significantly different from that anticipated by the Company or the market;
2	a proposed acquisition or disposition of material assets to be announced by the Company, a controlled entity or joint venture partner;
3	significant foreign activities (or significant proposed foreign activities), by the Company;
4	events or occurrences that have an impact on the operations of the Company;
5	natural disasters or accidents that have particular relevance to the businesses of the Company or its suppliers;
6	significant changes in technology or the application of technology which could affect business;
7	legal proceedings against or allegation of any breach of the law, whether civil or criminal, by the Company or any of its employees;
8	any notification by a ratings agency that it will review the credit rating of the Company;
9	a change in the Company’s financial forecast or expectation;
10	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;
11	an agreement between the Company (or a related party) and a Director (or a related party of the Director);
12	changes in Mount Gibson Iron’s senior management or auditors;
13	any negative publicity;
14	entry by the Company into a new line of business or the discontinuance of a particular line of business; and
15	planning to undertake a significant financing or security issue (whether debt or equity) or to take other action with respect to outstanding securities (eg share repurchase program, redemption of bonds) or any default on any securities.

Note: These examples are not an exhaustive list. You should notify any matters which you think may be “price sensitive” or influence an investor’s decision to buy or sell securities.