
Compliance Procedures

Alta Zinc Limited ABN 63 078 510 988 (Company)

Officers

Responsible Officer:	Alexander Burns
Substitute Responsible Officer:	Stephen Hills
Share Price Officer:	Stephen Hills
Media Officers:	Alexander Burns, Geraint Harris & Stephen Hills

1 Purpose

As the Company is listed on the Australian Securities Exchange (**ASX**), it must comply with disclosure obligations under ASX Listing Rules (**LR**) 3.1, 3.1A and 3.1B – the continuous disclosure regime.

The Company is committed to the timely disclosure of market sensitive information to promote investor confidence and provide all investors with equal opportunity to access information about the Company.

The purpose of these *Compliance Procedures* is to:

- ensure that information about the Company which may be market sensitive and which may require disclosure under Listing Rule 3.1 is promptly assessed to determine whether it requires disclosure and if it does, is given to ASX promptly and without delay;
- set out the roles and responsibilities of the Responsible Officer, the Board and the Company Secretary in relation to continuous disclosure;
- set out procedures to correct or prevent a false market in the Company's securities;
- set out measures for safeguarding confidentiality of corporate information to avoid premature disclosure;
- establish procedures for media contact and comment and external communications such as analyst briefings and responses to shareholder questions; and
- ensure that the Company's announcements are accurate, complete and not misleading and presented in a clear and balanced way.

Reference must also be made to the *ASX Listing Rules* and its *Guidance Notes*, particularly Guidance Notes 8 entitled "Continuous Disclosure: Listing Rules 3.1 – 3.1B" and 16 entitled "Trading Halts and Voluntary Suspensions".

2 Who do the Compliance Procedures apply to?

The *Compliance Procedures* apply to the Responsible Officer, the Substitute Responsible Officer, the Media Officer(s), the Share Price Officer, each director and the Company Secretary.

Each person to whom these *Compliance Procedures* apply will be given a copy of the *Compliance Procedures*, and informed and trained about the content of the *Compliance Procedures* from time to time (as considered necessary).

3 Overview of continuous disclosure

3.1 Listing Rules 3.1, 3.1A and 3.1B

The key disclosure requirement set out in Listing Rule 3.1 is that:

"Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."

A reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would be likely to influence persons who commonly invest in securities in deciding whether to acquire or dispose of those securities. Information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities is referred to in these *Compliance Procedures* as **market sensitive information**.

Examples of the types of information that could be market sensitive information and that you would need to bring to the attention of the Responsible Officer include (but is not limited to) the following:

- (a) the financial performance of the Company;
- (b) entry into or termination of a material contract, such as a major supply contract or a joint venture;
- (c) a transaction that will lead to a significant change in the nature or scale of the Company's activities;
- (d) a material mineral or hydrocarbon discovery;
- (e) a material acquisition or disposal;
- (f) the granting or withdrawal of a material licence;
- (g) becoming a plaintiff or defendant in a material law suit;
- (h) a material claim against the Company or other unexpected liability, for example the threat of material litigation against the Company, or tax or environmental enquiries, investigations or disputes;
- (i) the appointment of a liquidator, administrator or receiver;
- (j) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- (k) under subscriptions or over subscriptions to an issue of securities;
- (l) giving or receiving a notice of intention to make a takeover;
- (m) a change in dividend policy;
- (n) any rating applied by a rating agency to the Company or its securities and any change to such a rating;
- (o) any actual or proposed change to the Company's capital structure for example, a share issue;

- (p) commencement of drilling and preparation of resource statements;
- (q) the retirement or resignation of key personnel; and
- (r) liquidity and cash flow information.

This list is not exhaustive and there are many other examples of information that could potentially be market sensitive information. For these purposes, “information” extends beyond matters of fact and includes matters of opinion and intention. It is not limited to information that is generated by, or sourced from within, the Company. Nor is it limited to information that is financial in character or that is measurable in financial terms.

Listing Rule 3.1 does not apply to particular information if each of the following requirements set out in Listing Rule 3.1A is satisfied in relation to the information:

- (a) One or more of the following 5 situations 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 entity; or
 - The information is a trade secret; **and**
- (b) The information is confidential and ASX has not formed the view that the information has ceased to be confidential; **and**
- (c) A reasonable person would not expect the information to be disclosed.

If ASX considers that there is or is likely to be a false market in an entity’s securities and asks the entity to give it information to correct or prevent a false market, the entity must immediately give ASX that information: Listing Rule 3.1B.

ASX Guidance Note 8 states that compliance with Listing Rule 3.1 is critical to the integrity and efficiency of the ASX market and other markets that trade in ASX quoted securities or derivatives of those securities. Reflecting this, Parliament has given the rule statutory force in section 674 of the *Corporations Act*. A listed company which breaches Listing Rule 3.1 may also breach section 674 and this can attract serious legal consequences for the company and its officers.

3.2 Interaction with other disclosure obligations

The Company’s continuous disclosure obligations are separate to, but operate together with, its obligations to notify ASX of:

- the specific matters referred to in Listing Rules 3.4 to 3.21¹; and

¹ This includes notifications of specific information about takeover bids, buy-backs; changes in capital; the release of restricted securities and securities subject to voluntary escrow; changes in the exercise price of, or the entry of underwriting agreements for, the exercise of options; auctions of forfeited shares by NL companies; security holder meetings; changes to the entity’s registered and principal administrative officers; changes to the location or the closing of any register of securities; changes in chairperson, directors, chief executive officer, company secretary or auditor; the material terms of employment service or consultancy agreements entered into with the CEO or a director of an entity or their related parties; documents sent to security holders; substantial holdings; requisitions received from security holders; financial documents given to overseas exchanges; in the case of an entity that is not established in Australia, changes to the law of its home jurisdiction that materially affect the rights or obligations of security holders; ownership limits; directors’ interests; record dates; and dividends and distributions.

- a significant change to the nature or scale of its activities under Listing Rule 11.1.

If the Company notifies ASX of information under any of these rules, it will also satisfy the obligation to notify ASX of that information under Listing Rule 3.1 provided, in each case, the notification is given within the timeframe required under Listing Rule 3.1.

The continuous disclosure obligations in Listing Rule 3.1 also operate in parallel with:

- the periodic disclosure obligations in chapters 4 and 5 of the Listing Rules;
- the half-yearly and annual financial reporting requirements in the Corporations Act; and
- the disclosure obligations in relation to a prospectus, PDS, cleansing notice, bidder's statement, target's statement and scheme document under the *Corporations Act*,

(together, **periodic disclosure documents**). The Responsible Officer must be familiar with these additional disclosure obligations. Once these periodic disclosure documents have been released to the market, the information in them is regarded by ASX as "generally available" and therefore not something that requires a separate disclosure under Listing Rule 3.1.

All other things being equal, a listed entity is not expected to release the information in a periodic disclosure document ahead of the scheduled release date for the that document. Sometimes, however, in the course of preparing a periodic disclosure document, market sensitive information may become apparent that ought to be disclosed immediately under Listing Rule 3.1. Two areas where this issue commonly arises are "earnings surprises" and material post-balance date events.

If in the course of preparing a periodic disclosure document it becomes apparent to a listed entity that its reported earnings will differ materially from market expectations to an extent which is market sensitive, the entity must disclose the information to ASX immediately under Listing Rule 3.1. It cannot wait until the periodic disclosure document is released. The same is true for information about a market sensitive post-balance date event.

The Company should include commentary on its 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 Company's activities and results.

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.

4 Responsibilities

4.1 Responsible Officer

The Responsible Officer is primarily responsible for ensuring that the Company complies with its disclosure obligations. The responsibilities of the Responsible Officer include:

- (a) subject to paragraph (b) below, assessing and deciding what information will be disclosed. In carrying out this responsibility, the Responsible Officer is entitled, where appropriate, to consult with other senior executives, the Board and any other relevant party (for example, external advisers);
- (b) ensuring that all Significant Company Announcements (defined below) are submitted to the full Board for approval, or if time does not permit the convening of the full Board, to the Chair and Managing Director for their joint approval;

- (c) the vetting and authorisation of all Company announcements;
- (d) reviewing, overseeing and coordinating information provided to ASX, analysts, brokers, shareholders, the media and the public;
- (e) remaining up to date with the *Corporations Act* and *Listing Rule* requirements in relation to continuous disclosure, including ASX Listing Rules Guidance Note 8;
- (f) educating directors, officers, employees and contractors about continuous disclosure and confidentiality and ensuring the *Policy on Continuous Disclosure* is distributed to all directors, officers, employees and contractors;
- (g) identifying any potentially market sensitive information by reviewing the Company's operating report, financial report and Board minutes on a monthly basis;
- (h) providing information to the Company Secretary to enable the Company Secretary to maintain a record of disclosure decision making (see section 3.3 below);
- (i) ensuring compliance with these *Compliance Procedures*; and
- (j) the control and overall conduct of these *Compliance Procedures*.

As noted above, the Responsible Officer must ensure that all Significant Company Announcements are submitted to the full Board for approval, or if time does not permit the convening of the full Board, to the Chair and Managing Director for their joint approval. **Significant Company Announcements** are announcements that address matters of particular significance affecting the Company which would include:

- (a) final results;
- (b) interim results;
- (c) market updates;
- (d) earnings guidance;
- (e) equity capital raisings;
- (f) control transactions (as acquirer or target) (eg. takeovers, schemes of arrangement);
- (g) corporate actions (eg. buy backs, capital reductions, demergers, restructures);
- (h) related party transactions requiring shareholder approval;
- (i) other matters or transactions requiring shareholder approval; and
- (j) matters where the Board is making a recommendation to the Company's shareholders.

Before submitting a Significant Company Announcement to the full Board for approval (or to the Chair and Managing Director if time does not permit the convening of the full Board) the Responsible Officer should consider if the announcement should be submitted to the Company's lawyers for legal sign-off, particularly if the announcement contains references to legal terms or statements as to legal matters.

The Responsible Officer is entitled to request and receive any information, reports, resources and accounting records which are relevant for the 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 his or her responsibilities.

The Responsible Officer may delegate aspects of administering these *Compliance Procedures* to other Company directors, officers or employees.

4.2 Board

The responsibilities of the Board under these *Compliance Procedures* include:

- (a) approving these *Compliance Procedures* and any changes to the *Compliance Procedures*;
- (b) addressing continuous disclosure as a standing agenda item for each Board meeting. At each Board meeting, the Board should:
 - (i) note all announcements made to ASX since the last Board meeting and decide whether any additional information concerning those announcements needs be disclosed to ASX; and
 - (ii) consider if any other information requires disclosure to the market or should be flagged for potential disclosure;
- (c) approving all Significant Company Announcements or, if time does not permit the convening of the full Board, the Chair and Managing Director may jointly approve a Significant Company Announcement; and
- (d) appointing the person (or persons) under ASX Listing Rule 12.6 to be responsible for communications with ASX in relation to ASX Listing Rule matters and ensuring that the person:
 - (i) has the organisational knowledge to have meaningful discussions on disclosure matters;
 - (ii) can request a trading halt and issue an announcement to the market, if that is what is required;
 - (iii) (or at least one of the persons) is readily contactable by ASX by telephone and available to discuss any pressing disclosure issues that may arise during normal market hours and for at least one hour either side thereof (ie. from 9am to 5pm Sydney time) on each day that ASX is trading.

4.3 Company Secretary

The responsibilities of the Company Secretary under these *Compliance Procedures* include:

- (a) co-ordinating all communication with ASX;
- (b) releasing announcements electronically to ASX in accordance with the directions of the Responsible Officer;
- (c) circulating to the Responsible Officer and each member of the Board a copy of all announcements released to ASX;
- (d) promptly posting a copy of each announcement released to ASX on the Company's website after confirmation of receipt has been received from ASX;
- (e) establishing and maintaining a record of all information disclosed to ASX, and if a decision is made not to disclose information to ASX keeping a record of that information together with the reasons for that decision; and
- (f) keeping and maintaining on behalf of the Responsible Officer a file of all announcements given to ASX and an up-to-date copy of:

- (i) Listing Rules 3.1, 3.1A and 3.1B and ASX Guidance Note 8 entitled “Continuous Disclosure: Listing Rules 3.1 – 3.1B”; and
- (ii) Listing Rule 17.1 and ASX Guidance Note 16 entitled “Trading Halts and Voluntary Suspensions”.

5 Correcting or preventing a false market

5.1 What is a “false market”?

The term **false market** refers to a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery. This may arise, for example, where:

- a listed entity has made a false or misleading announcement;
- there is other false or misleading information, including a false rumour, circulating in the market; or
- a segment of the market is trading on the basis of market sensitive information that is not available to the market as a whole.

5.2 Procedures to correct or prevent a false market

The Company has in place the following procedures to seek to correct or prevent a false market in its securities:

- (a) The Company will monitor changes in the market price or traded volumes of the Company’s securities to identify any unusual fluctuations which may signal a false market. The Responsible Officer will appoint a Share Price Officer to be responsible for monitoring these changes. The Share Price Officer must immediately notify the Responsible Officer of any unusual fluctuation in the market price or traded volumes of the Company’s securities.
- (b) If there is a leak or inadvertent disclosure of market sensitive information, the Company must immediately give the information to ASX under Listing Rule 3.1 in a form suitable for release to the market. The Responsible Officer must also contemporaneously with or as soon as possible after such announcement, notify the Board of the announcement and the leak or inadvertent disclosure. Even if leaked or inadvertently disclosed information is not considered to be market sensitive information, to give investors equal access to the information, the information should be posted on the Company’s website.
- (c) If the Responsible Officer becomes aware of a media or analyst report or market rumour about the Company circulating in the market that could lead to a false market in the Company’s securities, the Responsible Officer will contact the Company’s ASX listings adviser to discuss the situation.
- (d) The Company’s policy is not to comment on speculation in media or analysts’ reports or market rumours about it circulating the market. However, where a media or analyst report or market rumour appears to contain or to be based on credible market sensitive information (whether that information is accurate or not) and:
 - (i) there is a material change in the market price or traded volume of the Company’s securities which appears to be referable to the report/rumour (in the sense that it is not readily explicable by any other event or circumstance); or

- (ii) if the market is not trading at the time but the report/rumour is of a character that when the market does start trading, it is likely to have a material effect on the market price or traded volume of the Company's securities,

the Responsible Officer will consider if an announcement is required. If ASX requires the Company to give it information to correct or prevent a false market under Listing Rule 3.1B, the Responsible Officer must respond to such request immediately. If an announcement is required, and the Company needs time to prepare the announcement the Responsible Officer should request a trading halt.

6 Trading halts

If the market is or will be trading at any time after the Company first becomes obliged to give market sensitive information to ASX under Listing Rule 3.1 and before it can give ASX an announcement with that information for release to the market, the Responsible Officer needs to consider carefully whether it is appropriate to request a trading halt.

Before any request for a trading halt is made, the Responsible Officer must first make an assessment as to whether the particular information is market sensitive information and therefore needs to be disclosed under Listing Rule 3.1. If the Company is unsure about whether it should be requesting a trading halt (or voluntary suspension) to cover the period required to prepare an announcement, the Responsible Officer should contact the Company's listing adviser at ASX to discuss the situation.

Only the Responsible Officer may request, or authorise another person to request, a trading halt. ASX Guidance Note 16 entitled Trading Halts and Voluntary Suspensions contains guidance on how to apply for a trading halt.

If the Company decides not to request a trading halt (or voluntary suspension) to prevent the market trading ahead of an announcement, the Responsible Officer should monitor the market price of the Company's securities; major national and local newspapers; if it has access to them, major news wire services such as Reuters and Bloomberg; any investor blogs, chat-sites or other social media it is aware of that regularly posts comments about the Company; and enquiries from analysts or journalists, for signs that the information to be covered in the announcement may have leaked and, if it detects any such signs, the Responsible Officer should contact ASX immediately to discuss whether it is appropriate to request a trading halt.

7 Safeguarding confidentiality of corporate information to avoid premature disclosure

The continuous disclosure regime is intended to strike an appropriate balance between the interests of the market in receiving information that will affect the price or value of, or which is needed to correct or prevent a false market in a listed entity's securities at the earliest reasonable time, and the interests of the entity in not having to disclose information prematurely or where it would clearly be inappropriate to do so.

The Responsible Officer is responsible for educating directors, officers, employees and contractors about continuous disclosure and confidentiality, and ensuring that the *Policy on Continuous Disclosure* is distributed to all directors, officers, employees and contractors.

The Responsible Officer must make sure that all third parties involved in a market sensitive transaction or otherwise in receipt of any confidential information about the Company or its related companies are bound by obligations of confidentiality pursuant to a non-disclosure or confidentiality agreement or otherwise before any confidential information is provided to them. Such third parties may include advisers (such as investment banks, lawyers, accountants, tax advisers, specialist valuers, financial communications consultants) or other services providers (such as credit rating agencies, trading banks, stockbrokers, registries and printers). The Responsible Officer should confirm that third parties have in

place policies and practices relating to the handling and control of confidential market sensitive information that satisfy the terms of the non-disclosure or confidentiality agreement.

When the Company is involved in a market sensitive transaction or other event that may constitute market sensitive information, the Responsible Officer must remind all directors, officers, employees and contractors who are aware of the market sensitive transaction or other event of their confidentiality and other obligations as outlined in the Company's *Policy on Continuous Disclosure*. Further, the Company will limit the number of people within the Company with access to market sensitive information to the minimum number possible in the circumstances and maintain a register of both internal and external people who are insiders on market sensitive transactions. The Company will also implement such physical document management and information barriers and information technology controls as are considered necessary in the circumstances of the market sensitive transaction or other event that may constitute market sensitive information.

Where the Company's banks or advisers intend to seek direct market feedback from potential or existing investors about a market sensitive transaction on behalf of the Company, the Company should seek to have a good understanding of the process that their banks or advisers intend to undertake so that formal procedures can be put in place to ensure that there is no breach of continuous disclosure or insider trading laws.

Where the Company is relying on Listing Rule 3.1A to not disclose information about a market sensitive transaction it is negotiating, the Responsible Officer should monitor the market price of the Company's securities and of the securities of any other listed entity involved in the transaction; major national and local newspapers; if the Company or the Company's advisers have access to them, major news wire services such as Reuters and Bloomberg; any investor blogs, chat-sites or other social media the Company is aware of that regularly post comments about the Company; and enquiries from analysts or journalists, for signs that information about the transaction may no longer be confidential and have a draft letter to ASX requesting a trading halt and a draft announcement about the negotiations ready to send to ASX to cater for that eventuality.

8 Media contact and comment

To control the Company's market sensitive information and limit the number of person's authorised to speak on the Company's behalf, the Responsible Officer is authorised to appoint a Media Officer(s). The Media Officer(s) is the only person(s) authorised to speak to the media.

When speaking to the media, only information which has been released to the market through ASX can be discussed.

Care must be taken to ensure that comments are not made to the media that could result in rumours or market speculation, or result in unauthorised disclosure of market sensitive information.

9 Analysts, brokers, shareholders and other external parties

The Media Officer(s) is the only person(s) authorised to speak to analysts, brokers, shareholders and other external parties on behalf of the Company.

9.1 Briefings and discussions

When talking with brokers, analysts, shareholders and other external parties, only information which has been released to the market through ASX can be discussed. If a question can only be answered by disclosing market sensitive information, the person speaking must decline to answer the question or take it on notice. If the question is taken on notice and the response would involve the disclosure of market sensitive information, the information must be released through ASX before responding.

The Media Officer(s) must seek to avoid any response that may suggest that the Company's or the market's current projections are incorrect. The Media Officer(s) must also refrain from expressing 'comfort' with analysts' consensus forecasts or a range of analysts' forecasts. The Responsible Officer should be aware of all information disclosures in advance of them being made, including information to be presented at private briefings, to analysts and others, including answers to investor questions. The Responsible Officer must review any information that is to be provided at private briefings to analysts and others to assess whether the information constitutes market sensitive information. If it is determined by the Responsible Officer that the information requires disclosure to the market, the Responsible Officer must immediately make the appropriate announcement to ASX.

The Responsible Officer must review any discussions with analysts, brokers or other persons after they have been held to check whether any market sensitive information has been inadvertently disclosed and if so, the Responsible Officer is to ensure that any market sensitive information inadvertently provided to analysts, brokers or other persons is given to ASX for release to the market.

Any slides and presentations used in briefings must be given to ASX before the briefing and posted on the Company website.

9.2 Responding on analyst's financial projections and reports

Comments provided to an analyst on their financial projections must be confined to errors in factual matters and underlying assumptions. Seek to avoid any response which may suggest that the company's or the market's current projections are incorrect. The way to manage earnings expectations is by using the continuous disclosure regime, and publicly announcing any change in expectations before commenting to anyone outside the Company.

9.3 Pre-results period

The Company has a policy of not holding briefings with analysts, brokers or institutional investors or otherwise discussing financial performance or earnings estimates (except to the extent information has already been released to the market) in the period before the release of its results – in the case of the half-year results, from 1 December, and in the case of the full year's results, from 1 June until release.

10 Guide to drafting company announcements

All Company announcements are to be factual and presented in a clear and balanced way, including both positive and negative information.

- (a) Are all the statements in the announcement accurate, complete and not misleading?
- (b) Are any opinions in the announcement honestly held and balanced and clearly identified as a statement of opinion rather than a statement of fact?
- (c) Do any forward looking statements in the announcement have a reasonable basis in fact? If a person makes a representation with respect to any future matter and the person does not have reasonable grounds for making the representation, the representation is taken to be misleading. ASX also encourages the inclusion of material assumptions and qualifications as it provides context and will help the market understand the basis for the forward looking statements.
- (d) Has any material information been omitted?
- (e) Is the announcement expressed clearly and objectively to allow investors to assess the impact of the information when making investment decisions?
- (f) Is the header fair, accurate and focussed on sensitive information?

- (g) Has a lawyer checked references to legal terms used in the announcement such as statements concerning the enforceability of agreements?

Tips:

- (a) include the Company's name, address, corporate logo and ASX code
- (b) identify title of body, or name and title of officer, who authorised document to be given to ASX
- (c) if it is a LR 3.1 announcement, to include name, title and contact details of persons who security holders or other interested parties can contact if they have any queries (LR 15.1)
- (d) start with a two sentence summary (state the news and why it is important)
- (e) provide the detail, perhaps using the 5 Ws – who, what, when, where and why
- (f) make sure it is written in current time
- (g) be concise
- (h) put the names of other companies in bold/italics
- (i) stipulate if any further action is to be taken (eg. takeover details will be mailed to shareholders)
- (j) consider the tone of the announcement and how it will be interpreted by your audience
- (k) give a brief description of the Company so that potential investors and/or the media understand the business
- (l) include a link to the Company's website

Further guidelines on the contents of announcements under Listing Rule 3.1 can be found in Guidance Note 8 – Continuous Disclosure: Listing Rules 3.1 – 3.1B.

11 Consequences of breach

If there is a breach of 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 ASX if necessary and notifying the Board).

12 Review of Compliance Procedures

The Responsible Officer will review these *Compliance Procedures* at least annually and make recommendations to the Board about any proposed changes, including in response to changes to the *Corporations Act*, Listing Rules or the Company's business and operations.

The Responsible Officer must keep a register of any actual or potential breaches of the *Compliance Procedures* to determine whether changes to the *Compliance Procedures* are required to prevent future breaches of the same kind.