

PACIFIC BAUXITE LIMITED

Procedures for Complying with the ASX Listing Rules Disclosure Requirements and Ensuring Senior Management Accountability

Purpose

To ensure that Pacific Bauxite Limited, as an ASX Listed Public Company, complies with the disclosure requirements of the ASX Listing Rules.

To ensure that senior management are accountable for ensuring compliance with these requirements.

Requirements

ASX Listing Rules, Chapter 3, requires the immediate notification of material information and other defined information.

LR 3.1 - 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.

LR 3.1 does not apply to particular information while all of the following are satisfied:

1. A reasonable person would not expect the information to be disclosed
2. The information is confidential and ASX has not formed a view that the information has ceased to be confidential.
3. One of more of the following applies:
 - a. It would be a breach of a law to disclose the information.
 - b. The information concerns an incomplete proposal or negotiation.
 - c. The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
 - d. The information is generated for the internal management purposes of the entity.
 - e. The information is a trade secret.

The only exception to this is where the ASX Listing Rules do not require such information to be disclosed.

Upon confirmation of receipt from the ASX, the Company will post all information disclosed in accordance with this policy on the Company's website in an area accessible by the public.

Primary Procedure

- a) Information is determined by the MD, Board, Company Secretary or other employee of the Company as being of a type or nature that may warrant disclosure to the ASX;
- b) If not known by the MD, all information should be reported to the MD;
- c) The MD will determine the nature and extent of the information and consult with the Chairman to determine the form and content of any ASX Release (Release);
- d) The MD and Chairman will jointly agree on the text of the proposed Release and will be responsible for ensuring that the Company establishes a vetting procedure to ensure that the announcements are factual and do not omit any material information. They will also be responsible for ensuring that Company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions. The Company Secretary may also be required to draft the Release for review and will liaise with the MD and Chairman to ensure all announcements are made in a timely manner.
- e) Depending on the nature of the release, the sensitivity of the information, availability of the Board, the MD and Chairman will then determine whether the Board, as a whole, should be involved in the review of the Release;
- f) The Company Secretary will then release the ASX Release to the market, and ensure that the Website is updated.

Additional Procedures

Measures for seeking to avoid the emergence of a false market in the company's securities

The Company recognises that a false market in the Company's securities may result if the Company provides incomplete information to the ASX or if the Company fails to respond to market and media speculation that may, or may be likely to, have an impact on the price of the Company's securities.

While the Company does not, in general, respond to market speculation or rumours unless required to do so by law or the ASX, the Company is committed to disclosing as much information as possible, without harming the Company, to a wide audience of investors through media releases of important milestones, including

information that may not strictly be required under continuous disclosure requirements. Information given to the ASX for market release will also be provided to investors through media releases. Such media releases will be posted on the Company's website.

Where appropriate, the Company will request a trading halt from the ASX to prevent trading in the Company's securities by an inefficient and uninformed market until the Company can make an announcement to the market.

Safeguarding confidentiality of corporate information to avoid premature disclosure

All employees are advised of the confidentiality of Company information. In addition, the Company imposes communication blackout periods for financial information between the end of financial reporting periods and the announcement of results to the market via the ASX. To protect against inadvertent disclosure of price sensitive information, the Company does not hold meetings or briefings to discuss financial information with individual investors, institutional investors, analysts or media representatives during the communication blackout periods, unless such meetings or briefings are the subject of a specific announcement to the market via the ASX.

Media contact and comment

The Board has designated the MD and Chairman (where applicable) to speak to the press on matters associated with the Company. In speaking to the press, the MD will not comment on price sensitive information that has not already been disclosed to the ASX, however, they may clarify previously released information. To assist in safeguarding against the inadvertent disclosure of price sensitive information, the MD will be informed of what the Company has previously disclosed to the market on any issue prior to briefing anyone outside the Company.

The Chairman is authorised to comment on:

- Annual and half yearly results at the time of the release of the annual or half yearly report
- Resolutions to be put to General Meetings of the Company
- Changes in Directors, any matter related to the composition of the Board or Board processes
- Any speculation concerning Board meetings or the outcomes of Board meetings
- Other matters specifically related to shareholders.

The MD is authorised to comment on:

- The Company's future outlook
- Any operational matter
- Media queries concerning operational issues which reflect either positively or negatively on the Company

- Proposed or actual legal actions
- Queries and general discussion concerning the Company's industry.

There will be times when Directors and employees will be approached by the media for public comment. On such occasions, the Director(s) or employee(s) should comply with the following:

1. refer the person to the MD or Chairman of the Board as appropriate for comment;
2. refrain from disclosing any information, documents or other forms of data to the person without the prior consent of the MD or the Chairman of the Board;
3. report the person who contacted the Director/employee, the reason (explicit or inferred) for the contact and a summary of any other relevant information as soon as possible to the MD or the Chairman.

External communications including analyst briefings and responses to shareholder questions

The Company discloses its financial and operational results to the market each half year and quarterly for cash flow and activity purposes (Appendix 5B), as well as informing the market of other events throughout the year as they occur. Quarterly activity and cashflow reports and half yearly financial reports, media releases and AGM speeches are all lodged with the ASX and subsequently posted to the Company's website. As all financial information is disclosed through the ASX, the Company will only comment on factual errors in information and underlying assumptions when commenting on market analysts' financial projections, rather than commenting on the projections themselves.

In addition to the above disclosures, the Company may conduct briefings and discussions with analysts and institutional investors. However, price sensitive information will not be discussed unless that particular information has been formally disclosed to the market via an ASX announcement. Slides and presentations used in briefings will also be released immediately prior to the briefing to the market via the ASX and posted on the Company's website.

After the conclusion of each briefing or discussion, it will be reviewed to determine whether any price sensitive information has been inadvertently disclosed. If any price sensitive information was disclosed, it will be announced immediately to the ASX and then posted on the Company's website.

Similarly, when answering shareholder questions, price sensitive information will not be discussed unless that particular information has been formally disclosed to the market via an ASX announcement.

Where a question can only be answered by disclosing price sensitive information, the Company will decline to answer it or take it on notice and announce the information to ASX prior to responding.

If any new price sensitive information is to be used in briefing media, institutional investors and analysts or in answering shareholder queries, written materials containing such information will be lodged with the ASX prior to the briefing commencing. These briefing materials may also include information that may not strictly be required under continuous disclosure requirements. The briefing material will be posted to the Company's website as soon as the ASX confirms that this information has been received.

This policy will form a component of the induction process for all new employees (managers).

The Company is committed to the full and accurate reporting of its financial results. Consequently, when complying with its periodic disclosure requirements, the Company will provide commentary on its financial results. The purpose of the commentary will be to clarify and balance the information in the financial results. This commentary will be delivered in a manner that is neutral, free from any bias and easy to understand. This may involve the provision of both positive and negative information about the Company that the Company believes is necessary to keep investors fully informed.

Responsibility

1. Primary Responsibility

MD

2. Secondary Responsibility

Board of Directors, Company Secretary