

AUSTRALIAN BAUXITE LIMITED

CONTINUOUS DISCLOSURE POLICY

OVERVIEW

Companies should promote timely and balanced disclosure for all material matters concerning the Company. The Company is committed to ensuring it complies with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

This policy presents an overview of the Disclosure requirements under the ASX Listing Rules and the Company's policy and procedures to ensure Compliance with those requirements to ensure accountability at a senior executive level for that compliance.

1. CONTINUOUS DISCLOSURE POLICY

Price sensitive information concerning the Company must be immediately disclosed via an announcement to the ASX. The general disclosure obligation as per Listing Rule 3.1 provides that once a company 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 or the company's securities, the Company must immediately notify the ASX of this information.

Examples of types of information which would require disclosure to the ASX include:

- A significant change in the Company's financial forecasts;
- A transaction which potentially has a greater than 5% impact (positively or negatively) on the value of the Group's net assets;
- A recommendation of a dividend or distribution;
- The commencement or settlement of any significant litigation;
- A proposal to change the Company's auditor.

Disclosure is not required under the Listing Rules where all of the following conditions are met:

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; and
3. One or more of the following applies:
 - It would be a breach of 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 internal management purposes of the company;
 - The information is a trade secret

Information ceases to be confidential if the information becomes known either selectively or generally whether inadvertently or deliberately.

2. RESPONSIBILITIES FOR DISCLOSURE

The Board has ultimate responsibility for ensuring the Company complies with its continuous disclosure obligations.

The Company Secretary in consultation with the Chairman is responsible for communications with the ASX. The Company Secretary is also responsible for ensuring compliance with the Continuous Disclosure requirements of the ASX Listing Rules, and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the general public.

Directors, management and staff are required to inform the Company Secretary of any price sensitive or material information as they become aware of this information.

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3. DISTRIBUTION OF COMPANY ANNOUNCEMENTS AND MATERIAL INFORMATION

In accordance with ASX Listing Rules, all disclosures of price sensitive information will be made by a formal announcement to the ASX announcement platform.

Once formal confirmation from the ASX confirming that the announcement has been released to the market has been received, the announcement will be posted on the Company's website as soon as possible and emailed to investors who have elected to subscribe to the Company's email notification service. The Company will also upon request mail a copy of the announcement to shareholders.

4. MARKET SPECULATION

The Company has a policy of not responding to market speculation and rumours. If the Company receives a formal request from the ASX to release a statement or information to assist in correcting or preventing a false market in the Company shares the Company Secretary in liaison with the Company Directors is responsible for determining the statement or information to be released.

5. BRIEFING INVESTORS AND ANALYSTS

The Company must ensure that any information disclosed to analysts, investors and media is information that is already in the public domain. If information is inadvertently disclosed during briefings this information must be immediately brought to the attention of the Company Secretary for consideration to disclose to the market.

6. POLICY BREACHES

A breach of this Continuous Disclosure Policy may lead to disciplinary action being taken which may include termination of employment in serious cases.

7. REVIEW OF POLICY

The Board must review this Policy at appropriate times to ensure that it is effective and remains consistent with the ASX Listing Rules and Corporations Act.