



# Northwest

## Reporting Policy

### 1. Purpose

The purpose of the Reporting Policy is to:

- (a) ensure that Northwest Resources Limited (**Northwest**), as a minimum, complies with its continuous disclosure obligations under the Corporations Law, the Australian Securities Exchange (**ASX**) Listing Rules and other applicable laws and as much as possible seeks to achieve and exceed best practice;
- (b) provide shareholders and the market with timely, direct and equal access to information issued by Northwest; and
- (c) promote investor confidence in the integrity of Northwest and its securities.

This Reporting Policy was adopted by the Board on 27 July 2009.

### 2. Legal Requirements and Best Practice

#### 2.1 Legal requirements

Northwest is listed on the ASX. It is subject to continuous disclosure requirements under the Listing Rules and other applicable laws, in addition to periodic and specific disclosure requirements.

#### The Rule

The primary continuous disclosure obligation is in Listing Rule 3.1, which states 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”.

#### The Exception

Listing Rule 3.1A contains the only exception to LR 3.1:

“Listing Rule 3.1 does not apply to particular information while all of the following are satisfied:

- 3.1A.1 A reasonable person would not expect the information to be disclosed.

- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.
- 3.1A.3 One or more of the following applies:
- (a) It would be a breach of a law to disclose the information.
  - (b) The information concerned 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 internal management purposes of the entity.
  - (e) The information is a trade secret.”

ASX may request information to correct false market

Listing Rule 3.1B provides that if ASX considers that there is, or is likely to be, a false market in an entity’s securities, and requests information from the entity to correct or prevent the false market, the entity must give ASX the information needed to correct or prevent the false market.

Disclosure to ASX first

Listing Rule 15.7 further requires that an entity must not release information that is for release to the market to anyone until it has given the information to the ASX, and has received an acknowledgement from ASX that the information has been released to the market.

**2.2 Best Practice Guidelines**

In addition to the legal requirements, there are guidelines published by various bodies which, though not mandatory, set out various views of best practice in the area of continuous disclosure.

The most important of these guidelines are:

- (a) ASX Corporate Governance Council “Principles of Good Corporate Governance”, in particular Principle 5;
- (b) ASX Guidance Note 8 “Continuous Disclosure”; and
- (c) Australasian Investor Relations Association “Best Practice Guidelines for Communication between Listed Entities and the Investment Community”.

**3. Disclosure Principle**

- (a) Northwest will immediately notify the ASX of any information concerning it that a reasonable person would expect to have a material effect on the price or value of Northwest securities, unless exempted by the Listing Rules.
- (b) Northwest securities include fully paid ordinary shares and options over unissued shares.

#### 4. Material Price Sensitive Information

- (a) Any information concerning Northwest which would, or would be likely to, influence investors in deciding whether to acquire or sell Northwest securities (“material price sensitive information”) must be disclosed to the ASX in accordance with this Policy.
- (b) The Company Secretary is responsible for determining what information is to be disclosed. Where there is doubt as to whether certain information should be disclosed, the Company Secretary will discuss the issue with senior executives, and if necessary, seek external advice.
- (c) The following provides a guide to the type of information that is likely to require disclosure. This is not an exhaustive list. The determination of whether certain information is material price sensitive information which is subject to continuous disclosure necessarily involves the use of judgment. There will inevitably be situations where the issue is less than clear. If you come across information which potentially falls within the category of material price sensitive information, you should treat it as if it is material price sensitive information and leave the question for the Company Secretary to resolve.

Matters which generally require disclosure include:

- (a) a change in Northwest’s financial forecasts, resource or reserve statements or target mineralisations or expectations. As a guide, a variation in excess of 10% may be considered material. If Northwest has not made a forecast, a similar variation from the previous corresponding period may be considered material;
- (b) A recommendation or declaration of a dividend or distribution, or a decision one will not be declared;
- (c) changes in the Board of Directors, senior executives or auditors. In the case of the appointment of a new Managing Director, disclosure of the key terms and conditions of the relevant contract entered into (e.g. components of pay package) will be necessary;
- (d) a change in Northwest’s accounting policy;
- (e) an agreement between Northwest (or a related party or subsidiary) and a director (or a related party of the director);
- (f) events regarding Northwest shares, securities, financing or any default on any securities (e.g. under or over subscriptions to an issue of securities, share repurchase program);
- (g) giving or receiving a notice of intention to make a takeover offer;
- (h) a transaction for which the consideration payable or receivable is a significant proportion of the written down value of Northwest’s consolidated assets (an amount of 5% or more would normally be significant but a smaller amount may qualify in a particular case);
- (i) mergers, acquisitions/divestments, joint ventures or changes in assets;
- (j) significant developments in regard to new projects or ventures;
- (k) major new contracts, orders or changes in suppliers or customers;
- (l) industry issues that may have a material impact on Northwest;
- (m) legal proceedings against or allegation of any breach of the law, whether civil or criminal, by Northwest;

- (n) decisions on significant issues affecting Northwest by regulatory bodies;
- (o) natural disasters or accidents that have particular relevance to the businesses of Northwest or its suppliers;
- (p) the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by Northwest or any of its subsidiaries;
- (q) a copy of a document lodged with an overseas stock exchange or regulator containing market sensitive information not previously disclosed to the ASX;
- (r) a copy of any financial documents lodged with an overseas stock exchange or other regulator which is available to the public;
- (s) 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;
- (t) any rating applied by a rating agency to Northwest, or securities of Northwest, and any change to such rating; and
- (u) a proposal to change Northwest's auditor.

## 5. Roles and Responsibilities – At a Glance

This Policy will be administered by several key personnel within Northwest. However, employees at every level have a role to play to ensure that Northwest achieves the objectives of this Policy.

The responsibilities under this Policy are divided as follows:

- (a) **Board of Directors** - the Board will be responsible for signing off on any subsequent amendments recommended by the Company Secretary. The Board may be involved in the review of significant ASX announcements;
- (b) **Company Secretary** – responsible for the overall administration of this Policy and all communications with the ASX (see below);
- (c) **Authorised Spokespersons** – the only Northwest employees authorised to speak on behalf of Northwest to external parties (see below); and
- (d) **Other Employees** – report any material price sensitive information to the Company Secretary. Observe Northwest's "no comment" policy.

## 6. Company Secretary

The Company Secretary is responsible for the overall administration of this Policy, and in particular, is responsible for:

- (a) ensuring that Northwest is compliant with its continuous disclosure obligations;
- (b) all communications with the ASX;
- (c) reviewing proposed external announcements, and consulting with appropriate members of the Board, senior executives and/or external advisors as necessary;

- (d) implementing reporting processes and determining divisional guidelines (financial or qualitative) for materiality of information;
- (e) reporting on continuous disclosure issues regularly to the Board of Northwest;
- (f) keeping a record of all ASX and other announcements that Northwest has made;
- (g) monitoring the effectiveness of the Policy, including the understanding by employees in general of the principles and spirit of continuous disclosure; and
- (h) regularly reviewing this Policy for legislative changes or development of best practice, and communicating any amendments to Northwest employees.

## 7. Authorised Spokespersons

- (a) The authorised spokespersons are the Chairman and Managing Director and other persons authorised by the Board from time to time. They are the only Northwest employees who may speak to the media or other external parties in relation to matters subject to this Policy.
- (b) Authorised spokespersons should be briefed by the Managing Director about prior disclosures by Northwest before speaking with external parties. When communicating with external parties, an authorised spokesperson:
  - (i) should ensure all comments relate to information within the public domain and/or are not material, as the disclosure of confidential information, even if inadvertent may result in the information no longer falling within the exception to Listing Rule 3.1 and therefore becoming disclosable to the ASX immediately;
  - (ii) may clarify information that Northwest has released to the ASX but must not comment on material price sensitive information that has not previously been released;
  - (iii) should limit any comments to his or her area of expertise as much as possible; and
  - (iv) should report to the Company Secretary after the external communication is made, to determine if any confidential information has been disclosed and whether as a consequence any disclosure to the ASX is necessary.

## 8. Company Announcements – The Procedures

The management of Northwest’s external announcements depends largely on the effective system of internal reporting and announcement preparation. The following procedures will apply in relation to all external announcements:

- (a) **Identification and notification of material price sensitive information** – as soon as an employee becomes aware of material price sensitive information which has not been previously released by Northwest, he or she should immediately notify the Company Secretary.
 

“Continuous disclosure issues” will be a permanent item on the agenda for every Board meeting, committee meetings and all other meetings.
- (b) **Review of material price sensitive information** – after receiving any material price sensitive information, the Company Secretary will review the information (in consultation with senior executives and/or external advisors if necessary), to determine whether the information is required to be disclosed.

- (c) **Prepare external announcement** – if the information is required to be disclosed, the Company Secretary will prepare a draft announcement. Such announcements should be factual, relevant and expressed in an objective and clear manner. The use of emotive or intemperate language should be avoided.
- (d) **Obtain sign off** – The draft company announcement must be signed off by at least two of, and preferably each of, the Managing Director, the Chairman and the Company Secretary.
- (e) **Lodge announcement** – The Company Secretary will lodge the announcement with ASX electronically.
- (f) **Post announcement on Northwest website** – **AFTER** receiving an acknowledgement from ASX that the announcement has been released to the market, post the announcement onto Northwest’s website (under the section “Investor Relations”) within 24 hours of receiving the ASX’s acknowledgement.

In light of Northwest’s obligation to disclose any material price sensitive information “as soon as it becomes aware” of the information, the above steps, where required, should be taken as a matter of urgency.

## 9. Joint Announcements

In situations where Northwest needs to issue a joint announcement with a joint venture or project partner, Northwest will seek to give the partner the opportunity to review the announcement prior to its release, provided that it does not compromise Northwest’s ability to comply with its disclosure obligation.

## 10. Timing

Northwest must not release material price sensitive information publicly until it has disclosed it to the ASX and received confirmation of its release by the ASX.

## 11. Disseminating Announcements

- (a) After receiving the ASX’s confirmation that an announcement has been released to the market, Northwest will disseminate the information as soon as possible by posting the announcement on Northwest’s website (within 24 hours after receiving the ASX’s confirmation), and broadcasting via email and/or fax to major stakeholders.
- (b) The Northwest website (under the “Investor Relations” section) will contain relevant information on Northwest such as:
  - (i) ASX announcements; and
  - (ii) Annual reports and other financial results.
- (c) The Company Secretary must review the relevant information prior to it being posted on the website. The “Investor Relations” section of the website will be reviewed continuously to ensure that it is up-to-date, complete and accurate.

## 12. Pre-Result Periods

To prevent inadvertent disclosure of material price sensitive information, during the periods between the end of its financial periods (31 December and 30 June) and the actual results release, Northwest will not discuss any financial information, broker estimates and forecasts, with institutional investors, stock broking analysts, or the media unless the information being discussed has previously been disclosed to the ASX.

### **13. Media and Market Speculation**

- (a) Northwest has a general “no comment” policy in relation to market speculation and rumours, which must be observed by employees at all times. However, Northwest may issue an announcement in response to a market speculation or rumour where it is necessary to comply with the continuous disclosure obligations, for example, for the purpose of correcting factual errors or responding to a formal request from the ASX for information.
- (b) Employees who are approached by the media or any external parties for information should observe the “no comments” policy and notify the Company Secretary as soon as possible.

### **14. Briefings/Meetings/Conference Calls with Analysts or Investors**

- (a) As part of Northwest’s management of investor relations and to enhance stock broking analysts’ understanding of its background and technical information, it conducts briefings with analysts or investors from time to time, including:
  - (i) one-to-one discussions (for the purpose of this Policy, this includes any communications between Northwest and any analyst/investor);
  - (ii) group briefings; and
  - (iii) conference calls(collectively referred to as “briefings”).
- (b) Northwest’s policy for conducting these briefings is not to disclose any information which is, or potentially is, material price sensitive information, that has not been announced to the ASX and the market generally.

### **15. Broker-Sponsored Investor Conferences**

Northwest or its executives are from time to time invited to participate or present at broker-sponsored investor conferences. The policy and protocols for Northwest briefings apply to such conferences.

### **16. Responding to Analyst Reports and Forecasts**

- (a) Stock broking analysts frequently prepare reports on securities of list entities, including Northwest, which contain performance, mineral resources/reserves and financial forecasts. Northwest acknowledges the importance of analyst reports in facilitating the operation of the market in an informed and efficient manner.
- (b) However, Northwest is independent, and will do all things necessary to be seen as independent, to analysts. Northwest will not endorse any such reports, and will restrict its comments to factual matters and information which has been previously disclosed to the ASX and the market generally.

In particular, Northwest:

- (i) will not generally comment on analyst forecasts or disclose its own earnings projections, however, it may comment on analyst reports by:
  - (A) acknowledging the report’s range of estimates; and
  - (B) correcting factual errors or assumptions where the relevant information has already been disclosed;

- (ii) will include a disclaimer that Northwest is not responsible for, and does not endorse, the analyst report, in any response made to an analyst; and
  - (iii) may consider issuing a profit warning/statement if it becomes apparent that in general the market's earnings projections on it materially differ from its own estimates.
- (c) If a draft report has been sent to Northwest for comments, it should be forwarded immediately to the Company Secretary.

#### **17. Chat Rooms**

Northwest employees or associated parties must not participate in chat room discussions on the internet where the subject matter relates to Northwest.

#### **18. Responding to Unexpected Questions**

- (a) Northwest employees and executives are often faced with unexpected questions from external parties – for example, pre-arranged briefings sometime move outside the scope of intended discussion, or Northwest executives may be asked for information in situations other than formal briefings.
- (b) When faced with an unexpected question, respond only with information which has previously been disclosed to the market. If answering the question requires the disclosure of information that has not been disclosed, or if in doubt as to whether or not certain information has already been disclosed, decline to answer the question. Take the question on notice so that the formal process of releasing information can operate.

#### **19. Inadvertent Disclosure of Information**

- (a) Disclosure of material price sensitive information to an external party prior to disclosure to the ASX constitutes a breach of the Listing Rules. To prevent a breach and to minimize the consequences should such a breach occur, the following procedures apply.
- (b) A review should be done following any communication with an external party. If a Northwest employee becomes aware that:
  - (i) there may have been inadvertent disclosure of material price sensitive information (which has not been disclosed to the ASX) during any communication with external parties; or
  - (ii) confidential Northwest information may have been leaked (whatever its source);

he or she should immediately notify the Company Secretary. In such a situation Northwest will need to immediately issue a formal ASX announcement.
- (c) Where the confidential information disclosed during external communications is not price sensitive, Northwest will still ensure access to that information by posting it on its website.

#### **20. Trading Halts**

In certain circumstances, Northwest may need to request a trading halt from the ASX to maintain the efficient trading of its securities. The Company Secretary and Managing Director will make all decisions in relation to trading halts and are the only personnel authorised to request a trading halt on behalf of Northwest.

**21. Advisors and Consultants**

Northwest will require consultants and professional advisors engaged by Northwest or any of its subsidiaries to adhere to this Policy. Northwest may ask such consultants and professional advisors to sign a confidentiality agreement.

**22. Breach of Policy**

- (a) Northwest takes continuous disclosure very seriously. Non-compliance with continuous disclosure obligations may constitute a breach of the Listing Rules. This may result in fines for Northwest, personal liabilities for directors and other officers, and damage to Northwest's reputation.
- (b) Breaches of this Policy may result in disciplinary action against the employee including dismissal in serious cases.