



ABN 63 009 193 980

BLACKTHORN RESOURCES LIMITED

DISCLOSURE POLICY

August 2011

BLACKTHORN RESOURCES LIMITED

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1. Purpose

- 1.1 Blackthorn Resources Limited ('Blackthorn Resources' or 'the Company') wishes to promote a fair market for the Company's securities through a process of open, full, fair and timely disclosure.
- 1.2 The Corporations Act 2001 (Cth) s674 and Australian Securities Exchange ("ASX") Listing Rule 3.1 require Blackthorn Resources to make public any information in its possession that is generally not available and which a reasonable person would expect, if such information was generally available, to have a material effect on the price or value of Blackthorn Resources' securities.
- 1.3 This Policy outlines the procedures to be followed to ensure directors and officers of Blackthorn Resources are aware of and comply with relevant disclosure obligations, and to reinforce the need for directors to consider their disclosure obligations in relation to significant matters that arise in the discharge of their duties as directors, to the Company, its shareholders, the Australian Securities and Investments Commission ("ASIC") and the ASX.
- 1.4 This Policy has important implications for Blackthorn Resources people. If you do not understand the implications of this Policy or how it applies to you, you should raise the matter with the Chief Executive Officer or the Company Secretary.
- 1.5 This Policy only provides a summary of applicable legal and regulatory issues which are complex, and should therefore only be used as a general guide, not as legal advice.

2. Disclosure Policy Framework

- 2.1 To ensure that Blackthorn Resources complies promptly with its disclosure obligations, the Board has established a process of reporting any information which a reasonable person would expect to have a material impact on the price or value of Blackthorn Resources' securities.
- 2.2 To assist with the management and disclosure of relevant information and compliance with this Policy, the Board has appointed the Company Secretary as the company's Reporting Officer.
- 2.3 All senior managers, executives and directors ("Responsible Officers") of Blackthorn Resources will in the normal course of the performance of their duties become aware of information which will be covered under this Policy. As a consequence, a Responsible Officer must report immediately to the

Reporting Officer any information which may be material or which the Responsible Officer is unsure as to its materiality.

If the Reporting Officer is not available, the information should be reported to the Chief Executive Officer.

- 2.4 As a general rule once Blackthorn Resources becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of Blackthorn Resources' securities, the Company must immediately tell the ASX that information.
- 2.5 Blackthorn Resources must not publicly disclose any price sensitive information until it has given that information to the ASX, and the ASX has acknowledged receipt of that information.
- 2.6 Blackthorn Resources will not provide "exclusive" interviews, stories or information to the media that contains material or price sensitive information before that information has been disclosed to the market.
- 2.7 Blackthorn Resources will not comment on market speculation and rumour unless there are factual errors which could materially affect the Company, or the price of Blackthorn Resources' securities is being influenced. In these circumstances, the Company's response should be confined to the correction of factual errors.
- 2.8 In order to maintain a fully informed, fair and transparent market in respect of Blackthorn Resources' securities, Blackthorn Resources will request a trading halt from the ASX where:
 - Confidential information about Blackthorn Resources is inadvertently made public and further time is required to enable the Company to prepare an appropriate public announcement; or
 - Blackthorn Resources is preparing to make a major announcement and is concerned that speculative or insider trading may take place.

3. Exception to Disclosure Obligations

- 3.1 ASX Listing Rule 3.1A provides the only exception to Blackthorn Resources' disclosure obligations. Disclosure is not required where:
 - A reasonable person would not expect the information to be disclosed; and
 - The information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
 - One or more of the following 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 insufficiently definite to warrant disclosure;

- the information is generated for the internal management purposes of Blackthorn Resources, or the information is a trade secret.

4. Definitions

4.1 What is price sensitive information?

For the purpose of this Policy, price sensitive information means any information relating to Blackthorn Resources that would, if the information were publicly known, be likely to:

- (i) have a material effect on the price or value of Blackthorn Resources' securities; or
- (ii) influence persons who commonly invest in securities in deciding whether or not to buy, sell or otherwise deal in Blackthorn Resources' securities.

4.2 What type of information would have a material effect on the price or value of Blackthorn Resources securities?

It is not possible to provide a definitive list of information that may have a material effect on the price or value of Blackthorn Resources' securities. However, by way of example the following types of information would be likely to have a material effect on the price or value of Blackthorn Resources' securities:

- Information regarding the material increase or decrease of Blackthorn Resources' financial performance from previous results or as against budget or forecast results;
- A proposed material business or asset acquisition or disposal;
- Entry into or termination of a material contract;
- Exploration results;
- Proposed material legal proceedings to be initiated by or against Blackthorn Resources, and the settlement of material legal proceedings initiated by or against Blackthorn Resources;
- Regulatory action or investigations undertaken by a government authority such as ASIC or ASX;
- A proposal to undertake a new issue of securities or a material change in financing arrangements;
- A related-party transaction;
- Changes to Board members or key senior management.

4.3 What are securities?

For the purpose of this Policy, securities are any listed or unlisted class of share, right, option, warrant, convertible note, bond or debenture.

4.4 *What is deemed material?*

Materiality is a matter of professional judgement and can only be properly made based on the particular facts and circumstances. However, the following quantitative thresholds may provide guidance in considering the materiality of a particular amount:

- An amount greater than or equal to 10% of a relevant base amount is presumed prima facie to be material;
- An amount less than or equal to 5% of a relevant base amount is presumed prima facie to not be material.

Under this Policy, if a Responsible Officer is unsure whether a particular amount is material, it should be assumed to be material.

5. Procedures

- 5.1 The Reporting Officer will notify every Responsible Officer of Blackthorn Resources' disclosure obligations, and every Responsible Officer will be given a copy of this Policy.
- 5.2 Every Responsible Officer is required to notify the Reporting Officer or, in the Reporting Officer's absence, the Chief Executive Officer, immediately of any information which may have a material effect on the price or value of Blackthorn Resources' securities.
- 5.3 The Reporting Officer will promptly submit such information to the Chief Executive Officer. The Reporting Officer and the Chief Executive Officer will assess whether the information is material and requires disclosure under this Policy.
- 5.4 After due consideration, if it is deemed that the information should be disclosed under this Policy, an appropriate release will be prepared for approval by the Chief Executive Officer.

In drafting the release, where relevant, comments will be obtained from appropriate parties including, but not limited to, legal counsel, public relations, Competent Persons and directors.

- 5.5 Company announcements of significance will be referred by the Chief Executive Officer to the Chairman who will determine whether the relevant disclosure should be considered by the Board prior to release.

For the avoidance of doubt, the following disclosures will be considered significant:

- Release of any financial results or changes to financial forecasts or expectations, including quarterly, half-yearly and annual reports
- Recommendations on dividend payments
- Giving or receiving a notice of intention to make a takeover

- An agreement between the Company and any director or related party
 - Any material transaction relating to a Company asset by way of acquisition, divestment or scheme of arrangement
 - The issuing of any equity or debt securities
 - Any material litigation taken by or against the Company
 - Any material actions or investigations taken by government or regulatory bodies against the Company
 - Any changes to the Board and key executive positions
- 5.6 Once the release is finalised and approved by the Chief Executive Officer, or where relevant the Board, the release must be sent immediately to the ASX.
- A copy of all releases must be distributed to directors.
- 5.7 The Reporting Officer will maintain a record of all matters that are received and assessed in accordance with this Policy.
- 5.8 Blackthorn Resources must not publicly disclose any price sensitive information until it has given that information to the ASX, and the ASX has acknowledged receipt of that information.
- 5.9 The Board will consider its disclosure requirements at every Board meeting. The Board will note all disclosure matters recorded by the Reporting Officer since the last Board meeting, including all disclosures made to the market, and will consider whether or not any decisions made at the Board meeting should be disclosed as required under this Policy.

6. Publication of this Policy

- 6.1 This Policy will be made available to Blackthorn Resources' shareholders on request.
- 6.2 A copy of this Policy will be made available on Blackthorn Resources' website www.blackthornresources.com.au

Approved and adopted by the Board of Blackthorn Resources Limited in 30 August 2011.