

## **CONTINUOUS DISCLOSURE POLICY**

### **1. PURPOSE**

The purpose of the Continuous Disclosure Policy (“Policy”) is to:

- ensure that the Company, at a minimum, complies with its continuous disclosure obligations under the Corporations Act, ASX Listing Rules, applicable Canadian securities laws and the rules of the TSX and, as much as possible, seeks to achieve and exceed best practice;
- provide shareholders and the market with immediate, factual, accurate, complete, direct and equal access to information issued by the Company; and
- promote investor confidence in the integrity of the Company and its securities.

This Policy applies to all directors, officers and employees of the Company. This Policy covers disclosure documents filed with Canadian and Australian securities regulators and other written statements made on the Company’s website, in press releases, letters and presentations as well as oral statements made in interviews, conferences news conferences, analyst calls and the like.

This Policy contains the general continuous disclosure requirements under the Listing Rules, the Corporations Act, applicable Canadian securities laws and the rules of the TSX, and incorporates best practice guidelines.

This Policy shall be reviewed periodically by the Board and any amendments to the Policy subject to approval by the Board.

### **2. LEGAL REQUIREMENTS**

The Company is a public company listed on the ASX and aiming to be listed on the TSX. It is subject to continuous disclosure requirements under the Corporations Act and the Listing Rules (which are given legislative force under section 674 of the Corporations Act) and, upon becoming a “reporting issuer” in a Canadian jurisdiction, will be subject to applicable Canadian securities laws and the rules of the TSX, in addition to the periodic and specific disclosure requirements.

The primary continuous disclosure obligations applicable to the Company are contained in Listing Rule 3.1, section 408 of the TSX Company Manual and section 75 of the *Securities Act* (Ontario).

#### **What is material price sensitive information?**

Information that a reasonable person would expect to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of those securities.

Material price sensitive information includes information that is a material change or a material fact.

A material change is a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of the Company's securities, and includes a decision to implement such a change by the Board or by senior management where confirmation by the Board is probable. The change must be to the business, operations or capital of the Company, which relieves the Company from interpreting information that is external, such as political, economic or social developments.

A material fact is a fact that significantly affects the market price or value of the Company securities or would reasonably be expected to have a significant effect on the market price or value of its securities.

**Disclosure requirement:** A news release reporting a material change must be immediately prepared and issued first to the TSX and the ASX. No such news release will be made to market or provided to the media or analysts before it has been given to the ASX and TSX and an acknowledgment from ASX has been received. The news release will then be disseminated through a national Canadian newswire service and filed with the applicable Canadian securities regulators and TSX on SEDAR.

**News releases:** News releases must be factual and balanced. Negative news must be disclosed as promptly and completely as positive news. Releases should be detailed enough to allow investors to understand the substance and importance of the change, but should not contain unnecessary details, exaggerated reports or promotional commentary.

**Material Change Report:** If the new information constitutes a "material change" (as defined above), Cardinal must prepare and file a Material Change Report (prescribed by Form 51-102F3) on SEDAR within ten (10) days of the date on which the change occurred. As noted, Cardinal must immediately issue and file a news release announcing the material change.

**Exceptions:**

- ASX Listing Rule 3.1 does not apply in circumstances where it would be a breach of a law to disclose the information; where the information concerns an incomplete proposal or negotiation; where the information comprises matters of supposition or is insufficiently definite to warrant disclosure; where the information is generated for the internal management purposes of the entity; where the information is a trade secret; or where the information is confidential and a reasonable person would not expect the information to be disclosed.
- Under the TSX Company Manual, in certain limited circumstances, and at the request of Cardinal, disclosure may be delayed or kept confidential for a limited period of time where immediate public release would be unduly detrimental to Cardinal's interests (i.e., where the harm to the Company's business from disclosing outweighs the general benefit to the market of immediate disclosure). In such instances, a confidential filing must be made to the appropriate Canadian securities regulator and may require renewal to maintain confidentiality every 10 days.

**Correction of false market:** ASX 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.

### 3. RESPONSIBILITY FOR DISCLOSURE

The Managing Director is responsible for determining what constitutes material information that is to be disclosed. Where there is doubt as to whether certain information should be disclosed, the full Board will be consulted, and if necessary, seek external advice. Where there is any doubt about whether particular information is material, the Company will err on the side of materiality and release the information publicly.

NP 51-201 sets out examples (not exhaustive) of material information that would require immediate disclosure:

- *changes in corporate structure* (e.g., changes in securities ownership that may affect control of the Company, major reorganizations, amalgamations or mergers, giving or receiving notice of takeover bids or offers);
- *changes in capital structure* (e.g., public or private sale of additional securities, planned repurchases or redemptions, planned splits, changes in distribution policies or payments, possible proxy fights);
- *change in financial results or forecasts* (e.g., a significant increase or decrease in near-term earnings prospects, unexpected changes in results for any period, shifts in financial circumstances, material changes in the Company's accounting policies);
- *changes in business and operations* (e.g., significant changes in capital investment plans or corporate objectives, significant new contracts or products, major labour disputes, changes to the Company's senior management, Board or auditors, new legal proceedings or allegation of any breach of law, by or against the Company or any material subsidiary of the Company, notice that a prior audit is not permissible, de-listing of the Company's securities);
- *acquisitions and dispositions* (e.g., significant acquisitions or dispositions of assets, property or joint venture interests, mergers or combinations with other issuers); and
- *changes in credit agreements* (e.g., trade debts, credit, borrowing or lending of a significant amount of money, mortgaging or encumbering of the Company's assets, defaults under credit agreements, changes in rating agency decisions).

In addition to the guidance set out in NP 51-201 and the ASX Guidance on continuous disclosure, the following is a list of specific matters the Company has determined generally requires disclosure:

- significant exploration or mining results;
- a change in the quantum or nature of the Company's mineral resources and/or reserves;
- a recommendation or declaration of a dividend or distribution, or a decision one will not be declared;

- a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets (an amount of 5% or more would normally be significant but a smaller amount may qualify in a particular case);
- natural disasters or accidents that have particular relevance to the businesses of the Company;
- an agreement between the Company (or a related party or subsidiary) and a director (or a related party of the director); and
- the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade.