

REY RESOURCES LIMITED

ACN: 108 003 890

CONTINUOUS DISCLOSURE POLICY

Continuous Disclosure obligations require Rey Resources Limited (Company) to keep the market fully informed of information that may have a material effect on the price or value of the Company's securities (material information) and to correct any material mistake or misinformation in the market. The Company discharges these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents (for example, the Company's Annual Report).

Information must not be selectively disclosed (ie. to analysts or the media) before it is announced to the ASX. See paragraph 4 below for further detail.

This document sets out the policy and procedures adopted by the Board in order to comply with its continuous disclosure obligations under the Corporations Act 2001 (particularly Sections 674 - 678) and the ASX Listing Rules (particularly Listing Rule 3.1).

1 . Consequences of Failure to Comply with Continuous Disclosure Obligations

If the Company contravenes its continuous disclosure obligations required by Listing Rule 3.1 by failing to notify ASX of information:

- (a) that is not generally available; and
- (b) that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of securities issued by the Company;

it, and its officers, may be guilty of an offence under the Corporations Act 2001.

If the Company contravenes its continuous disclosure obligations, it may face:

- criminal liability, with a fine of up to \$110,000;
- civil liability for any loss or damage suffered by any person as a result of the Company's failure to disclose relevant information to the ASX;
- de-listing from the ASX; and
- proceedings by ASIC under the ASIC Act 1989.

The Company's officers (including its directors), employees or advisers who are involved in a contravention by the Company, may also face criminal penalties (a fine of up to \$22,000 and/or 5 years imprisonment) and civil liability as outlined above.

The court also has power under the Corporations Act 2001 to order compliance with the listing Rules on the application of the ASX, ASIC or an aggrieved person (for example, a shareholder of the Company).

Contravention of its continuous disclosure obligations may also lead to unwanted publicity for the Company and may cause damage to its reputation in the market place which may adversely impact upon the market value of the Company's securities.

2 Continuous Disclosure Policy

The Company and its employees must comply in all respects with the requirements of the Corporations Act 2001 and the ASX Listing Rules in relation to their requirements as to Continuous Disclosure.

Accordingly, this policy applies to:

- (a) all directors of the Company; and
- (b) executives and management of the Company.

To that end, this document sets out the processes for:

- executives and senior management to identify potentially material information;
- reporting such information to the Company Secretary for review;
- ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules; and
- ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules.

This Continuous Disclosure Policy does not address guidelines for directors, executives and management in buying and selling securities in the Company. These guidelines are set out in the Company's Share Trading Policy.

3 Procedures

3.1 Standing Obligations of Directors, Executives and Senior Managers

As soon as a Director, executive or senior manager becomes aware of information that:

- is not generally available (ie. the information in question has not been included in any Annual Report, ASX Release or other publication of the Company); and

- may be price sensitive (ie. it is likely to have a financial impact or impact on the reputation of the Company that may be considered material), the Director, executive or Senior Manager must provide to the Company Secretary the following information:

- a general description of the matter;
- details of the parties involved;
- the relevant date of the event or transaction;
- the status of the matter (for example, final/negotiations still in progress/preliminary negotiations only);
- the estimated value of the transaction;
- the estimated effect on the Company's finances or operations; and
- the names of any in-house or external advisers involved in the matter.

3.2 Further Obligations of Executives and Senior Managers

The following procedures will apply at all times to safeguard against inadvertent breaches of the Company's continuous disclosure obligations:

- each member of the Company's senior management team must immediately notify the Company Secretary as soon as they become aware of potential material information that should be considered for release to the market. Indicative guidelines as to matters that may be considered as being potential market information are attached as Annexure A. It is not necessary for the senior management team member to consider whether an exemption to the requirement to disclose may apply.
- the Company Secretary will:
 - review the possibly material information reported by senior management;
 - consult with the Managing Director and, where appropriate the Directors, to determine what action, if any, is appropriate;
 - determine, in consultation with the Managing Director, the Chairman of the Board or other members of senior management, whether any of the information is required to be disclosed to the ASX;and
 - if such information is required to be disclosed, coordinate the actual form of disclosure with the relevant members of senior management.

4 Analyst/Media Briefings

Information provided to, and discussions with, analysts or the media are also subject to the Continuous Disclosure Policy.

Material information must not be selectively disclosed (ie. to analysts or the media) prior to being announced to the ASX. If a Director, executive or senior manager is proposing to present any information to analysts, journalists or customers, he/she should ensure that copies of the information are provided to the Company Secretary prior to presenting that information externally.

All inquiries from analysts must be referred to the Managing Director. All material to be presented at an analyst briefing must be approved by or referred through the Managing Director prior to briefing.

All inquiries from the media must be referred to the Managing Director or Company Secretary. All media releases must be approved by or referred through the Managing Director or Company Secretary prior to release to journalists.

All media releases and material to be presented (for example at seminars) must be approved by or referred through the Managing Director prior to release to journalists or other professional bodies.

Any person who is given permission by the Managing Director to give an interview or make a presentation must notify the Company Secretary of the date and time for the interview and must give a copy of any presentation to the Company Secretary. The Company Secretary will determine whether any such presentations should be released to the ASX.

Periods in which interviews may not be given or in which presentations may not be made without the specific permission of the Managing Director may be imposed. Relevant persons will be notified of any such interview/briefing black-out period.

5 The Role of the Company Secretary

The Company has nominated the Company Secretary as the person with primary responsibility for all communication with the ASX.

The Company Secretary is specifically responsible for:

- liaising with the ASX in relation to continuous disclosure issues;
- ensuring that the system for the disclosure of all material information to the ASX in a timely fashion is operating;
- co-ordinating the actual form of disclosure, including reviewing proposed announcements by the Company to the ASX and liaising with the Managing Director, the Chairman of the Board and the Board in relation to the form of any ASX releases;
- liaising with the Managing Director, the Board of Directors or senior management as appropriate, in relation to the disclosure of information;
- keeping a record of all ASX and other releases that have been made;
- periodically reviewing the Company's disclosure procedures in light of changes to the ASX Listing Rules or Corporations Act 2001 and recommending any necessary changes to the procedures to the Board; and
- preparing regular disclosure reports to the Board which advise of:
 - material matters considered and the form of disclosure (if any); and
 - any material changes to the Company's continuous disclosure processes or policy.

Annexure A - Information Disclosure Requirements

Set out below is an illustrative list of matters that may give rise to an obligation of the Company to make disclosure. This list is a guide only and should not be taken as an exhaustive list of matters to be disclosed:

- the financial condition, results of operations, Company-issued forecasts and earnings performance of the Company, which are significantly different from that anticipated by the Company or the market;
- a proposed acquisition or disposal of material assets to be announced by the Company;
- significant foreign activities (or significant proposed foreign activities), by the Company;
- events or occurrences that have an impact on the operations of the Company;
- natural disasters or accidents that have particular relevance to the businesses of the Company or its suppliers;
- significant changes in technology or the application of technology which could affect the Company's business;
- resolving to pay a dividend, or a recommendation that no dividend be paid;
- a material change in accounting policy adopted by the Company;
- legal proceedings against the Company or allegation of any breach of the law, whether civil or criminal, by the Company or any of its employees;
- any notification by a ratings agency that it will review the credit rating of the Company;
- the likely discovery of a major ore body;
- the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Company;
- changes in the Company's senior management or auditors;
- any negative publicity;
- entry by the Company or a company controlled by the Company into a new line of business or the discontinuance of a particular line of business; and
- planning to undertake a significant financing or security issue (whether debt or equity), or to take other action with respect to outstanding securities (for example, share repurchase program, redemption of bonds) or any default on any securities.