

31 August 2023

ASX Announcement Office

Via email: ListingsComplianceSydney@asx.com.au

Ref: ODIN78930

Dear Inderprit Singh,

Green Critical Minerals Limited ('GCM'): Query Letter

We refer to your letter dated 29 August 2023 in relation to the recent placement conducted by GCM and provide the following responses:

- 1. Please provide a list of participants for both the Placement and the Revised Placement and their respective allocations (not for release to market).**

Please see **attached** spreadsheet (not for release).

- 2. Please explain what GCM meant by 'firm commitments' in the announcement released on MAP on 2 August 2023.**

At the time of GCM's announcement on 2 August 2023, the lead manager for GCM's Placement (GTT Ventures) had received accepted firm commitment offer letters (via the Complii Fintech Solutions management software) from each of the subscribers to the Placement detailing each participants' agreed share allocation, the total the monies payable by the participant and placement timing.

- 3. Under the terms agreed by the investors to participate in the Placement, did GCM have the option to proceed with the Placement at an issue price of \$0.013? Please provide a copy of the term sheet (not for release to market).**

Please see **attached** copy of Lead Manager's capital raising term sheet for the Placement (not for release).

Yes, GCM did have the option to proceed with the Placement at the issue price of \$0.013.

- 4. If the answer to question 3 is:**

- 4.1 "yes", please explain how GCM's board was acting in the best interest of GCM security holders by electing to decrease the issue price to \$0.01, despite having the option to proceed at an issue price of \$0.013; or**

The Placement was offered to sophisticated and professional investors. Information provided to the potential participants about GCM was based on GCM's previous announcements and disclosures to its shareholders. As noted above, the Placement participants entered into their firm allocation letters prior to 2 August 2023 and funds were received soon after.

In-between 2 August 2023 and GCM's intended date for issuing the Placement shares (along with the required cleansing notice), the GCM Board became aware of new preliminary and incomplete information regarding metallurgical test work on the McIntosh Graphite Project undertaken by its external consultant in Canada. The GCM Board determined that it could not continue with completing

the Placement and issuing the cleansing notice whilst this information was not yet announced. Accordingly, the GCM Board entered into a trading halt and announced the information on 11 August 2023 (**Announcement**).

As a result of the Announcement, GCM's share price traded down to \$0.01 (being a reduction of 28.6%) at the close on 11 August and \$0.008 (being a reduction of 20%) at the close on 16 August.

In light of the Announcement and the material change in GCM's share price (which occurred in-between the Placement participants entering into their firm allocation letters and the issue of the Placement Shares), the GCM Board believed that it was in its best interests for the Company (including GCM's future capital raisings) to allow the Placement participants the option to withdraw from the Placement if they elected to. Several of the participants indicated that they no longer wished to participate in the Placement at the original price. The GCM Board believed that forcing the Placement participants to continue with the Placement at the original price, in light of the timing of the Announcement and the decline in the share price, may have opened the Company up to legal action from Placement participants and would have severely impacted the Company's reputation with investors and ability to undertake future placement capital raisings.

The GCM Board considered the matter further and determined it was in the best interest of the Company to:

- reprice the capital raising from \$0.013 to \$0.010 per share, which was in line with value of the GCM share price after the Announcement had been absorbed by the market, to secure the necessary funding for GCM's activities; and
- as a result of the reduction in the Revised Placement Price, the GCM Board wanted to allow existing shareholders to be able to participate on the same terms as the Revised Placement participants by way of a share purchase plan (please note that there was no share purchase plan opportunity for existing security holders as part of the original Placement).

4.2 "no", please explain how the header of the announcement released on 2 August 2023, 'Completion of Private Placement' was not misleading, and why GCM failed to disclose in this announcement that the terms of the Placement may still be subject to change.

Not applicable.

5. Please explain why GCM deemed it appropriate to lodge the First Draft without including relevant data such as the screen size analysis or standard JORC disclosures, and how GCM considered the First Draft to be compliant with its Listing Rule 3.1 obligations.

As noted in the First Draft and the final Announcement, the metallurgical test work results were the outcome of work undertaken on stored samples from two historical holes completed by the previous owners of the Project. The GCM Board was informed by its Chief Executive Officer and Competent Person (who is based in the United States) that these results were preliminary and ongoing. Out of an abundance of caution and being mindful of its continuous disclosure requirements (particularly in light of the upcoming cleansing notice), the Board considered it was prudent to make a market announcement regarding the information. Accordingly, notwithstanding the guidance to the GCM Board that the information was preliminary and the testwork was ongoing, the Board decided to lodge the First Draft with the ASX for compliance with its Listing Rule 3.1 obligations.

However, after consultation with ASX on the First Draft, the GCM Board obtained and disclosed the further details regarding the screen size analysis and the JORC disclosure as requested.

6. Please confirm that GCM is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

7. **Please confirm that GCM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GCM with delegated authority from the board to respond to ASX on disclosure matters.**

The Company's responses to the questions above have been authorised and approved by the GCM Board.

Signed for and on behalf of Green Critical Minerals Limited Board.

A handwritten signature in black ink, appearing to read "L. Pretorius".

Leon Pretorius

Executive Chairman

Green Critical Minerals



29 August 2023

Reference: ODIN78930

Ms Anna MacKintosh
Company Secretary
Green Critical Minerals Limited
349 Hay Street
Subiaco WA AU 6008

By Email: anna@gttventures.com.au

Dear Ms MacKintosh

Green Critical Minerals Limited ('GCM'): Query Letter

ASX refers to the following:

- A. GCM's announcement titled "Completion of Private Placement" released on the ASX Market Announcements Platform ('MAP') on 2 August 2023, which disclosed that:

"[GCM] has received firm commitments in a placement of ordinary shares to sophisticated and professional investors to raise A\$1,725,000 (before costs)" (the 'Placement').

ASX notes that the shares would be issued at a price of \$0.013.
- B. GCM's first submission of the Announcement titled 'PRELIMINARY METALLURGICAL TEST WORK MCINTOSH PROJECT', submitted to MAP on 10 August 2023 but not released to market ('First Draft'). ASX notes that the First Draft omitted the 'Third Cleaner Concentrate Screen Size Analysis' (named 'Table 1' by GCM), and Table 1 as required by the JORC Code.
- C. GCM's announcement titled 'PRELIMINARY METALLURGICAL TEST WORK MCINTOSH PROJECT', released on MAP on 11 August 2023 which, after discussions between ASX and GCM, contained the information noted above (the 'Announcement').
- D. GCM's announcement titled 'Revised Placement and Share Purchase Plan', released on MAP on 15 August 2023, which disclosed (relevantly) that:
 - i. the issue price of the previously announced placement had decreased from \$0.013 to \$0.01, and the amount raised had decreased from \$1,725,000 to \$1,332,000 ('Revised Placement'); and
 - ii. a Share Purchase Plan ('SPP') would be introduced at \$0.01 to raise an additional \$2,500,000.
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX 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.

Request for information

Having regard to the above, ASX asks GCM to respond separately to each of the following questions and requests for information:

1. Please provide a list of participants for both the Placement and the Revised Placement and their respective allocations (not for release to market).
2. Please explain what GCM meant by 'firm commitments' in the announcement released on MAP on 2 August 2023.

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3. Under the terms agreed by the investors to participate in the Placement, did GCM have the option to proceed with the Placement at an issue price of \$0.013? Please provide a copy of the term sheet (not for release to market).
 4. If the answer to question 3 is:
 - 4.1 “yes”, please explain how GCM’s board was acting in the best interest of GCM security holders by electing to decrease the issue price to \$0.01, despite having the option to proceed at an issue price of \$0.013; or
 - 4.2 “no”, please explain how the header of the announcement released on 2 August 2023, ‘Completion of Private Placement’ was not misleading, and why GCM failed to disclose in this announcement that the terms of the Placement may still be subject to change.
 5. Please explain why GCM deemed it appropriate to lodge the First Draft without including relevant data such as the screen size analysis or standard JORC disclosures, and how GCM considered the First Draft to be compliant with its Listing Rule 3.1 obligations.
 6. Please confirm that GCM is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 7. Please confirm that GCM’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GCM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEST Friday, 1 September 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, GCM’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require GCM to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in GCM’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in GCM's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to GCM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that GCM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

Inderprit Singh
Compliance Officer, Listings Compliance