



27 May 2019

ANO Formal Response to Aware Query

ANO has received an Aware Query and email from the ASX Friday, regarding share trading activity in ANO on Wednesday and Thursday of this week. The share price fluctuations were the results of daily turnover of less than 5 one hundreds of 1% on the total number of shares on issue.

The Board released the ASX announcement Friday morning upon confirmation of forthcoming additional orders received at 5:07am that morning. Further to the ASX query, the Board responds as follows. The Board's action in relation to the email received was as follows:

- The email was opened by the Managing Director upon arrival to work.
- The contents of the email were carefully considered.
- The Managing Director drafted an ASX announcement which, as per ANO's Corporate Governance Policy, is required to be reviewed by all Directors.
- The contents of the announcement was finalised and released to market at 10:36am.

The Board confirms that in no way can it possibly predict what the share price movements will be with any of its announcements. There was very little trading or movement in the share price during the 36 minutes that market opened. In response to the ASX Aware Query, the ANO share price increased after the ASX announcement, indicates to the Board that this information was not already in the public domain. The only explanation we could possibly have for share trading on Wednesday and Thursday is a number of articles published



on Hot Copper, referring to chemical active ingredients used in sunscreens, which our zinc oxide is a substitute to, that have been found to be toxic and in some cases have been banned or may well be banned in the future. We can only assume that some small shareholders have placed importance on these articles in their share trading. It appears that these shareholders have understood the implications of the articles, unlike ANO Board, were able to predict potential increase in orders for zinc oxide. Apart from two trades by Directors a week ago between \$4.35 and \$4.40, totalling 6,798 shares, there has been no trading by any Directors or Officers of the company during this period.

ANO confirms we are complying with the Listing Rules, in particular, Listing Rule 3.1. ANO confirms that this response has gone through the normal Board approval process.

Geoff Acton (B.Com CA)
Managing Director



24 May 2019

Mr Geoff Acton
Company Secretary
Advance Nanotek Limited
1821 Ipswich Road
Rocklea, QLD, Australia, 4106
By email: antaria.geoff@gmail.com

Dear Mr Acton

Advance Nanotek Limited ('ANO'): Aware Query

ASX refers to the following:

- A. ANO's announcement entitled "Unexpected Increase in Sales Orders" lodged on the ASX Market Announcements Platform [and released at 10:37 AM] on 24 May 2019 (the 'Announcement'), disclosing an uplift of close to 100,000 additional orders at the current pricing ('Information').
- B. The increase in ANO's share price over the course of the week prior to the Announcement, from an open of \$4.75 on Monday, 20 May 2019, to a close of \$5.83 on Thursday, 23 May (an increase of 22.7%), including a 13.95% increase on Wednesday, 22 May 2019.
- C. 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.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 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 is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

- F. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for Information

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

1. Does ANO consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did ANO first become aware of the Information?
4. If the answer to question 1 is "yes" and ANO first became aware of the Information before the relevant time, did ANO make any announcement prior to the relevant time which disclosed the Information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ANO was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ANO took to ensure that the information was released promptly and without delay. If relevant, ANO should also discuss whether or not the increase in share price prior to the Announcement indicated that confidentiality may have been lost.
5. Please confirm that ANO is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that ANO'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 ANO 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 **10 AM AEST Tuesday, 28 May 2019**.

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, ANO'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 ANO to request a trading halt immediately.

If you wish to request 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*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

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.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to ANO'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 ANO'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.

Suspension

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

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Regards

Lauren Osbich
Compliance Adviser, Listings Compliance (Sydney)