



21 October 2022

Zufishan Anjum
ASX Compliance Pty Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Zufishan,

RESPONSE TO ASX AWARE QUERY

In response to your request for information in your letter dated 20 October 2022 NOVONIX Limited (“NVX”) offers the following:

1. Does NVX 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?

Yes. NVX does 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.

N/A.

3. When did NVX first become aware that it would be selected for the grant? Please provide the date and time.

NVX first became aware that it would be selected for the grant on 14 October 2022 at 12:56am (AEST).

4. When did the US Department of Energy (‘DOE’) publicly release the Information? Please provide the date and time.

The DOE publicly released the information on 20 October 2022 at approximately 1:00am (AEST).



5. If the answer to question 1 is “yes” and NVX first became aware of the Information prior to entering into the trading halt, please explain:

5.1 why this information was not released to the market at an earlier time, commenting specifically on when you believe NVX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NVX took to ensure that the information was released promptly and without delay.

The Information was not released to the market at an earlier time because NVX was relying on the exception in Listing Rule 3.1A.1.

On 14 October 2022 NVX was advised by the DOE that it had been selected to enter negotiations to receive grant funding from the DOE. NVX was advised by the DOE that the award of the grant funding is subject to completion of negotiations and execution of a funding agreement with the DOE. At the time that NVX first became aware of the Information, it was considered an incomplete proposal or negotiation.

The correspondence from the DOE stated that NVX was prohibited from disclosing its selection for negotiation of a financial award prior to the DOE making a public announcement about the matter. NVX was advised by DOE that failure to abide by this requirement could result in forfeiture of the opportunity. In the opinion of NVX, a reasonable person would not have expected NVX to disclose its selection for grant funding by the DOE while that selection remained confidential and subject to further negotiations with the DOE, if the consequence of such disclosure was loss of the opportunity to secure the grant from the DOE.

The DOE made a public announcement about NVX's selection for grant funding on 20 October 2022 at approximately 1:00am (AEST). Once the DOE had made this announcement, the Information was no longer confidential, NVX was no longer entitled to rely on the exception in Listing Rule 3.1A and NVX issued an ASX announcement containing the Information prior to market open on that day.



5.2 why a trading halt of NVX securities was not requested during trading hours on 18 October 2022 given the significant price increase.

It was publicly known that the DOE was going to announce the successful applicants for this grant funding before the mid-term elections in the USA and, most likely, in the first two weeks of October and NVX was considered a logical candidate for the grant funding given the nature and profile of the company.

Since being advised by the DOE on 14 October 2022 that it had been selected by the DOE to enter negotiations for a financial award, NVX had been monitoring information sources for any suggestion that confidentiality in the Information had been lost and watching NVX trading volumes and prices very closely.

NVX was aware of general speculation that NVX may be selected to enter negotiations for grant funding with the DOE but NVX was not aware of any credible media articles or other public sources of information which referred to specific details about the grant, such as the amount of the grant, timing or conditions, and as a result, NVX never formed the view that confidentiality in the Information had been lost prior to its announcement by the DOE.

NVX noted the increase in NVX trading volume and prices over the course of 18 October 2022 and despite the fact that NVX believed confidentiality in the Information had not been lost, NVX decided that it would be prudent to go into a trading halt from 19 October 2022 in order to manage its continuous disclosure obligations until such time as it was in a position to announce the Information.

6. Does NVX have any other explanation for the trading in its securities prior to the trading halt and the Announcement?

No. NVX does not have any other explanation for the trading in its securities prior to the trading halt and the Announcement.

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

NVX confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.



8. Please confirm that NVX'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 office of NVX with delegated authority from the board to respond to ASX on disclosure matters.

NVX confirms that the responses set out above have been authorised and approved in accordance with its published continuous disclosure policy.

Yours sincerely,

A handwritten signature in black ink, appearing to read "S. Yeates".

Suzanne Yeates
Company Secretary



20 October 2022

Reference: 61835

Ms Suzanne Yeates
Principal
Outsourced Accounting Solutions Pty Limited
Level 8, 46 Edward Street
Brisbane, QLD, 4000

By email: suzanne.yeates@oasolutions.com.au

Dear Ms Yeates

Novonix Limited ('NVX'): Aware Query

ASX refers to the following:

- A. The change in the price of NVX's securities from a low closing price of \$1.79 on 17 October 2022 to a high of \$2.15 on 18 October 2022, a 20.1% increase.
- B. The significant increase in the volume of NVX's securities traded on 18 October 2022.
- C. NVX's request for a trading halt, released on the ASX Market Announcements Platform ('MAP') on 19 October 2022.
- D. NVX's announcement titled 'NVX SELECTED FOR US\$150 MILLION GRANT FROM US DEPT OF ENERGY' (the '**Announcement**'), released on MAP on 20 October 2022, which disclosed that a division of NVX "was selected to enter negotiations to receive US\$150 million in grant funding from the U.S. Department of Energy (DOE) to expand its domestic production of high-performance, synthetic graphite anode materials." (the '**Information**').
- 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.
- F. 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."
- G. 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."*

- H. 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

ASX asks NVX to respond separately to each of the following questions and requests for information:

1. Does NVX 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 NVX first become aware that it would be selected for the grant? Please provide the date and time.
4. When did the US Department of Energy ('DOE') publicly release the Information? Please provide the date and time.
5. If the answer to question 1 is "yes" and NVX first became aware of the Information prior to entering into the trading halt, please explain:
 - 5.1 why this information was not released to the market at an earlier time, commenting specifically on when you believe NVX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NVX took to ensure that the information was released promptly and without delay
 - 5.2 why a trading halt of NVX securities was not requested during trading hours on 18 October 2022 given the significant price increase.
6. Does NVX have any other explanation for the trading in its securities prior to the trading halt and the Announcement?
7. Please confirm that NVX is complying with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that NVX'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 NVX 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 **9.15 AM AEDT Monday, 24 October 2022**. 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, NVX'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 NVX 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, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in NVX'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 NVX's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to NVX'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 NVX'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

We reserve the right to release a copy 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.

Regards

Zufishan Anjum

Senior Compliance Advisor, Accounting, Listings Compliance (Sydney)