

7 February 2024

ASX Compliance

By email: ListingsComplianceSydney@asx.com.au

To Whom It May Concern,

Response to Query Letter

We refer to the Query Letter by the Australian Securities Exchange dated 30 January 2024.

In response to the specific questions of the query and using the same numbering:

1. NRZ received the correspondence from the proposed strategic partner at 12.57 pm (AEDT) on 4 January 2024 and reviewed the material following receipt.

2.

- 2.1. NRZ did not disclose the information in the 4 January 2024 update (Letter) as NRZ believed that the information was not information that investors would reasonably require under s 708(7)(b) of the *Corporations Act 2001* (Cth). NRZ formed this view for the same reason that NRZ did not disclose this information under Listing Rule 3.1, in that the information remained vague and not definite enough to disclose. The Company did not want to mislead investors and sought clarification on its meaning so appropriate disclosure could be made.

The Letter on 4 January 2024 stipulated that the investment profile of the proposed transaction between the parties did not align with the proposed strategic partner's risk appetite, and therefore, corporate and shareholder approvals were not obtained. As a result, they would not be proceeding with the proposed transaction at this time. The Letter also noted the potential to discuss opportunities to work together in the future when the NRUP is at a more advanced stage.

NRZ had been in a lengthy due diligence process with the proposed strategic partner and had been informed several times with the last time shortly preceding the issuance of the Letter of the 4th of January that in fact all approvals other than the final stakeholder had been obtained. NRZ also had many verbal correspondences with the proposed strategic partner that were contradictory to what was in the Letter.

The feedback received following the due diligence process undertaken by the proposed strategic partner was contrary to the Letter. In particular NRZ believed that it had resolved all outstanding risk concerns. NRZ believed it was necessary to seek clarification and resolve this conflicting information. NRZ needed to fully understand the particular risk issues and the meaning of 'advanced stage'. NRZ wanted to ensure that the progress required by the proposed strategic partner had not in fact already

been achieved by NRZ (or nearing completion) and the proposed strategic partner was not aware of that detail. Or was it the case that what was required to progress was not imminent and therefore not worthy of immediate continued discussion between the parties.

- 2.2. For the reasons stated in 2.1 above, the Company is of the view that the Cleansing Notice was validly issued.
3. Provided (not for release to market).
4. NRZ is unable to provide a copy of the correspondence as the information was received via oral communication over the telephone between NRZ and the proposed strategic partner.
5. The Company is of the view that the Quarterly Report was an appropriate methodology for the release of the Strategic Partner information. The Quarterly Activities Report and Appendix 5B was released as a market-sensitive announcement, and the Strategic Partner Update was the first information displayed in the Quarterly, in a prominent position with clear headers and a clear description of its impact. Any person reading this announcement would have immediately seen this information. The Company understood the guidance note to suggest its preference for a standalone announcement in most circumstances but did not read this as to be mandatory. As the Company was also ready to release its Quarterly Activities Report, it seemed appropriate in the context of the overall position of the Company's activities as it would assist in providing a holistic view.
6. NeuRizer Ltd confirms that it is in compliance with the ASX listing rules and, in particular, with listing rule 3.1.
7. The Company confirms that this letter has been approved by the NeuRizer Ltd Board.

Yours sincerely,



Jordan Mehrtens

Company Secretary



30 January 2024

Reference: 87230

Ms Jordan Mehrtens
Company Secretary
NeuRizer Ltd
Level 11, 19 Grenfell Street
Adelaide SA 5000

By email: jordan.mehrtens@neurizer.com.au

Dear Ms Mehrtens

NeuRizer Ltd ('NRZ'): Query Letter

ASX refers to the following:

- A. NRZ's announcement titled "Cleansing Notice" released on the ASX Market Announcements Platform ('MAP') on 4 January 2024 at 6:37 pm (AEDT), which stated (relevantly):
- "As at the date of this notice there is no "excluded information" (as defined in subsection 708A(7) of the Corporations Act) which is required to be disclosed by the Company."*
- (the 'Cleansing Notice')
- B. Section 708A(7) of the Corporations Act 2001 (Cth) (the 'Act') which states:
- "For the purposes of subsection (6), excluded information is information:*
- (a) that has been excluded from a continuous disclosure notice in accordance with the listing rules of the relevant market operator to whom that notice is required to be given; and*
 - (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:*
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the body; or*
 - ii. the rights and liabilities attaching to the relevant securities."*
- C. ASX's letter to NRZ dated 22 January 2024 (the 'ASX Aware Letter') in which ASX sought NRZ's response to certain questions and requests for information in relation to (among other things) the timing of the disclosure of the following information included in NRZ's Quarterly Activities Report and Appendix 5B for the quarter ended 31 December 2023 released on MAP on 18 January 2024:
- "Strategic Partner Update*
- NeuRizer has been working for some time to finalise discussions with a potential strategic partner for the project. Whilst successful due diligence as completed, NeuRizer has now been informed that the potential strategic partner has declined to continue negotiations at this stage as it was unable to secure the required approvals to proceed with the partnership..."*
- (the 'Strategic Partner Information').
- D. NRZ's response to the ASX Aware Letter released on MAP on 25 January 2024 ('Aware Letter Response'), which disclosed (relevantly, emphasis added) that:

- NRZ considered the Strategic Partner Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities ('market sensitive information'); and
 - *"The Company sought a status report from the proposed strategic partner on the 29th of November 2023. The Company was informed that an update would be provided. No update had been provided, and on the 2nd of January 2024, the Company again sought an update on the status of the partnership negotiations. **On the 4th of January 2024, the Company received an update that the negotiations would not proceed at the moment.** The proposed partner had stated that they looked forward to working with the Company when the project was at a more advanced stage. Given the open-ended language used, and the extended length of the process, the Company decided to seek clarification to ensure its understanding. On the 6th of January 2024, the Company sought clarification of what was required to continue discussions. On the 17th of January 2024, the Company was given more detailed information on what a 'more advanced stage' meant, including further progression required on Stage 1 of the NRUP, along with timelines being closer to FID. The Company then determined that this detail was now complete and definite enough to inform the market of the status. The Company had been preparing its Quarterly Report and updated it immediately to include this information in relation to the strategic partner discussions, which was then released on the 18th of January 2024."*
- 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 5 situations 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. Section 4.14 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B, which provides (relevantly, emphasis added):

“The header for an announcement should also convey a fair and balanced impression of what the announcement is about so as not to mislead readers as to its contents or significance. For example, the header to an announcement that contains essentially negative information should not attempt to disguise that fact by picking out a small piece of positive information in the announcement and just mentioning that (sometimes referred to as “putting spin” on the announcement). Likewise, the header to an announcement that contains forward-looking information (such as earnings guidance or an exploration or production target) that is speculative or highly qualified should be careful not to overstate or sensationalise the true character of the information it contains.

*ASX has experienced difficulties in the past with announcements that have been given a fairly innocuous header (such as “Chairman’s Address to AGM”) but have had market sensitive material embedded in them. **ASX would ask entities to ensure that the header to such an announcement clearly identifies the fact that it contains market sensitive information (eg, “Chairman’s Address to AGM and Buyback Announcement”) or, better still, that market sensitive announcements are made on a stand-alone basis and not embedded in other announcements that may not be market sensitive.**”*

Request for information

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

1. At what time (AEDT) on 4 January 2024 did NRZ become aware of the update from the proposed strategic partner that negotiations would not be proceeding “at that moment”?
2. If NRZ became aware of the update referred to in question 1 prior to the release of the Cleansing Notice on MAP at 6:37 pm (AEDT):
 - 2.1 please explain why NRZ stated in the Cleansing Notice that it was not aware of any “excluded information”, noting that it appears to ASX that NRZ was at that time relying on Listing Rule 3.1A to not disclose the relevant update under Listing Rule 3.1.
 - 2.2 is NRZ of the view that the Cleansing Notice was validly issued? If so, please explain the basis for that view. If not, please outline the remedial action NRZ intends to take to address the defective issue of the notice under section 708A of the Act.
3. Please provide a copy of the correspondence NRZ received on 4 January 2024 from the proposed strategic partner confirming that negotiations would not be proceeding (not for release to market).
4. Please provide a copy of the correspondence NRZ received on 17 January 2024 from the proposed strategic partner providing the more detailed information which, in NRZ’s view, triggered the obligation to disclose the Strategic Partner Information under Listing Rule 3.1 (not for release to market).
5. Noting NRZ’s confirmation in the Aware Letter Response to the effect that it considers the Strategic Partner Information to be market sensitive information for the purposes of Listing Rule 3.1, please explain why NRZ did not seek to comply with Guidance Note 8 (paragraph H) by releasing the Strategic Partner Information as a standalone announcement.
6. Please confirm that NRZ is complying with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that NRZ’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 NRZ 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 **9:30 AM AEDT Monday, 5 February 2024**. 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, NRZ'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 NRZ 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 NRZ's securities under Listing Rule 17.1. 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*.

Suspension

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

Listing Rules 3.1 and 3.1A

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

Yours sincerely

ASX Compliance