

ASX ANNOUNCEMENT

8 June 2023



Mr Shane Falconer
Adviser
Listings Compliance (Perth)
ASX Compliance Pty Ltd

By email: ListingsCompliancePerth@asx.com.au.

RESPONSE TO ASX QUERY – PRICE AND VOLUME QUERY

Dear Shane

I refer to your letter dated 5 June 2023 and provide responses below.

1. **Is DYM aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?**

Yes. The only information concerning DYM of which DYM is aware that had not been announced to the market which, if known by some in the market, could explain the recent trading in its securities, was the recently completed drilling program at the Lake Percy Project, for which DYM has now received all assay results and prepared all necessary disclosures in accordance with the ASX Listing Rules and the JORC Code. DYM has provided an update to the market of this information today (**Announcement**).

2. **If the answer to question 1 is “yes”:**

a. Is DYM relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in DYM’s securities would suggest to ASX that such information may have ceased to be confidential and therefore DYM may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.

Completion of reconnaissance drilling at the Lake Percy Project was announced on 9 May 2023, with preliminary assay results received on 29 May 2023. In accordance with standard industry practice those preliminary assay results were subject to review, analysis, quality assurance/quality control (QAQC) and interpretation. The QAQC process and interpretation of results was being completed by DYM at the time DYM received the price query but remained substantially incomplete.

DYM was relying on Listing Rule 3.1A not to disclose the assay results on or before 5 June 2023. In this respect, DYM notes that:

- DYM has no reason to believe that confidentiality of the assay results had been lost at any time prior to it requesting a trading halt on 5 June 2023. DYM does not consider that any such loss of confidentiality was the reason for the recent trading in its securities. Rather, DYM considers that the matters summarised in paragraph 3 below explain the recent trading.

- Whilst DYM believes it was able to rely on Listing Rule 3.1A not to announce the assay results under Listing Rule 3.1, in light of the increase in price and volume, DYM contacted ASX and requested a trading halt in order for the QAQC and interpretation to be completed, and for DYM to accelerate the preparation of the Announcement;
- The completion of the QAQC and interpretation and preparation of a draft of the Announcement addressing the requirements of the JORC Code and ASX Listing Rules was accordingly accelerated and completed on Wednesday 7 June 2023; and
- Following review and approval by the Board, the Announcement was subsequently lodged by the Company Secretary on the ASX market announcement platform at 7.45am WST on 8 June 2023.

b. Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).

As outlined in the response to question 2(a), in light of the increase in price and volume of trading of DYM's securities, DYM accelerated the QA/QC process and interpretation of the assay results and released the Announcement as soon as practicable, while DYM's securities were in a trading halt.

c. If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

Not applicable.

3. If the answer to question 1 is “no”, is there any other explanation that DYM may have for the recent trading in its securities?

Whilst the answer to question 1 was “yes”, the following points may provide a further explanation for the recent trading in DYM securities:

- DYM released an announcement 31 May 2023 regarding highly prospective lithium tenure being granted; and
- DYM recently completed an investor roadshow subsequent to the 31 May 2023 announcement; and
- in DYM's view it is reasonable to believe that increased investor interest in the stock on the back of these developments was the cause of the increase in the price and trading volume in DYM's shares.

4. Please confirm that DYM is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

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

5. Please confirm that DYM'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 DYM with delegated authority from the board to respond to ASX on disclosure matters.

DYM confirm that its responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of DYM with delegated authority from the board to respond to ASX on disclosure matters.

Released with the authority of the board.

For further information on the Company and our projects, please visit: www.dynamicmetals.com.au

CONTACT

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5 June 2023

Reference: 75249

Mrs Nerida Schmidt
Company Secretary
Dynamic Metals Limited

By email: enquiry@dynamicmetals.com.au

Dear Mrs Schmidt

Dynamic Metals Limited ('DYM'): Price - Query

ASX refers to the following:

- A. The change in the price of DYM's securities from a low of \$0.24 at market close on 1 June 2023 to an intraday high of \$0.32 today, 5 June 2023.
- B. The significant increase in the volume of DYM's securities traded from 1 June 2023 to 5 June 2023.

Request for information

In light of this, ASX asks DYM to respond separately to each of the following questions and requests for information:

1. Is DYM aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is DYM relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in DYM's securities would suggest to ASX that such information may have ceased to be confidential and therefore DYM may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that DYM may have for the recent trading in its securities?
4. Please confirm that DYM is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that DYM's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of DYM 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 **3:30 PM AWST today, 5 June 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, DYM'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 DYM to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@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 DYM'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 DYM's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

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

Regards

Shane Falconer
Adviser, Listings Compliance