



17 October 2023

Ms Madeleine Green
Principal Adviser, Listing Compliance
ASX Limited

By email: ListingsCompliancePerth@asx.com.au

Dear Madeleine,

Response to Aware Query Letter

We refer to your letter dated 13 October 2023 to Neometals Ltd (ASX: NMT) ("**Neometals**" or the "**Company**").

The Company responds to the numbered questions in your letter as follows:

1. Yes. Neometals is a multi-project company, and the Barrambie Project is one of several projects being developed. When the original 20 April 2023 announcement foreshadowing a pathway to a potential binding offtake transaction with Jiuxing Titanium Materials (Liaoning) Co. Ltd ("**Jiuxing**") was lodged ("**20 April Announcement**"), Neometals was of the view that this constituted information that a reasonable person would expect to have a material effect on the price or value of its securities. Neometals similarly considered that once it had formed the view that a binding offtake transaction with Jiuxing could no longer be agreed on terms acceptable to Neometals within a timeframe in line with indicative timetables previously advised to the market, that this information was information that a reasonable person would expect to have a material effect on the price or value of its securities.
2. Not applicable.
3. Neometals and Jiuxing had been in ongoing and continual discussions regarding an offtake transaction since prior to the execution of the term sheet the subject of the 20 April Announcement. This included the exchange of draft formal agreements for the transaction between May and mid-September 2023. This also included a trip to Perth and Barrambie, by Jiuxing personnel during late August 2023. The Company had previously indicated to the market in milestone timeline announcements that it hoped to execute binding offtake agreements with Jiuxing by the end of the September quarter 2023.

On 23 September 2023, Neometals managing director, Christopher Reed, received communication regarding changes to Jiuxing's plans to secure Barrambie titanium ores (based on changes to Jiuxing's production plans) and potential difficulties for Jiuxing to execute the transaction in its proposed form. Cognisant of the indicative timetables that Neometals had advised to the market, Mr Reed asked members of the Barrambie project team to engage further to better understand Jiuxing's communications and to ascertain whether it would still be possible for the parties to negotiate an offtake transaction on terms acceptable to Neometals.

Internal analysis followed within Neometals management team regarding Jiuxing's latest communication and alternative offtake transaction structures that may be capable of execution with Jiuxing. Jiuxing had indicated that it was willing to continue to engage with Neometals.

Following this analysis, further internal discussions occurred between Mr Reed and the relevant members of Neometals' management team on 2 October 2023, where it was determined that an offtake transaction with Jiuxing on terms acceptable to Neometals was no longer achievable and that Neometals should focus on other development pathways for the project. Neometals considers that at the time this conclusion was reached, it was in possession of information that ought to be released to the market. Neometals then released the announcement promptly and without delay.

4. Not applicable. Neometals did not make any announcement prior to the relevant date as Neometals' management were continuing to assess the available information regarding whether an acceptable offtake transaction with Jiuxing could be agreed. The Information remained confidential and incomplete until Neometals' management determined that an acceptable offtake transaction was no longer achievable. At this time the announcement was lodged.
5. The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. I confirm that the Company's response to the questions raised in your letter is in accordance with the Company's published continuous disclosure policy.

Yours faithfully



Jason Carone
Company Secretary



13 October 2023

Mr Jason Carone
Company Secretary
Neometals Limited

By email:

Dear Mr Carone

Neometals Limited ('NMT'): Aware Query

ASX refers to the following:

- A. The change in NMT's share price from a high of \$0.41 at the open of trade on Monday, 25 September 2023 to a low of \$0.345 during trade on Monday, 2 October 2023, representing a 15% decrease.
- B. NMT's announcement entitled "Barrambie" lodged on the ASX Market Announcements Platform and released at 12:56 PM AEDT on 2 October 2023 (the 'Announcement'), disclosing that NMT and Jiuxing Titanium Materials Co had been unable to agree mutually acceptable offtake terms ('Information').
- 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 NMT to respond separately to each of the following questions and requests for information:

1. Does NMT 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 NMT first become aware of the Information?
4. If the answer to question 1 is “yes” and NMT first became aware of the Information before the relevant date, did NMT make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe NMT was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps NMT took to ensure that the Information was released promptly and without delay.
5. Please confirm that NMT is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that NMT’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 NMT 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 AM WST Thursday, 19 October 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, NMT’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 NMT 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, you should discuss with us whether it is appropriate to request a trading halt in NMT’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;

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- 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 NMT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

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

Yours sincerely

Madeleine Green
Principal Adviser, Listings Compliance