

8 November 2023

Sean Maloney
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA, 6000

By email: Sean.Maloney@asx.com.au and ListingsCompliancePerth@asx.com.au

Dear Sean,

Nanollose Limited ('NC6'): General – Response to Aware Query

Nanollose Limited (ASX:NC6) ('Nanollose' or 'the Company') refers to ASX's aware query letter dated 3 November 2023 ('the Query Letter') and provides the following responses.

Capitalised terms used in these responses have the same meaning given in the Query Letter.

- 1. Does NC6 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?**

No

- 2. If the answer to question 1 is "no", please advise the basis for that view. In answering this question, please specifically address the Estimated Available Funding and the Response to Q8.6.2 in the context of NC6's ability to fund its operations.**

Investors are aware that the Company receives its R&D Rebate each year. In order to provide non-dilutive funding to the Company, pending the outcome of near-term milestones, the Company undertook a decision to secure a short-term loan secured against the Company's upcoming R&D Rebate. Such facilities are commonly used amongst eligible companies in the ordinary course of business. The Company formed the view that the short term funding arrangement was not likely to have a material effect on the price or value of its securities on the basis that the cost of the finance is immaterial, the Company has a mature R&D rebate program which provides a strong level of certainty on the R&D claim, and as such, the risk to the Company is minimal. The arrangement is not more than a timing difference.

- 3. When did NC6 first become aware of the Information? In answering this question, please specify the date NC6 entered into the \$300,000 prepayment facility disclosed in the Quarterly Report.**

The Company entered into the agreement on 25 October 2023

- 4. If the answer to question 1 is "yes" and NC6 first became aware of the Information before the relevant date, did NC6 make any announcement prior to the relevant date 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 NC6 was obliged to release the information under Listing Rule 3.1 and 3.1A and what steps NC6 took to ensure that the information was released promptly and without delay.**

N/A

- 5. Does NC6 consider that the financial condition of NC6 is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2? In answering this question, please also explain the basis for this conclusion.**

Yes. The Company is sufficiently funded to continue to pursue its goals. The Company has a number of months of funding (refer Appendix 4C) and is confident it will be able to access additional capital if required in the future. The Company is anticipating achieving some significant milestones in the near term.

- 6. Please confirm that NC6 is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

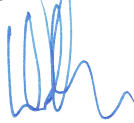
Confirmed

- 7. Please confirm that NC6'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 NC6 with delegated authority from the board to respond to ASX on disclosure matters.**

Confirmed.

If you have any queries, please do not hesitate to contact me.

Kind Regards,



Winton Willesee
Non-Executive Director



3 November 2023

Reference: 83881

Ms Eryn Dawson
Company Secretary
Nanollose Limited

By email:

Dear Ms Dawson

Nanollose Limited ('NC6'): General – Aware Query

ASX refers to the following:

A. NC6's announcement entitled "Quarterly Activities/Appendix 4C Cash Flow Report" lodged on the ASX Market Announcements Platform and released at 5:46 AM AWST on 31 October 2023 (the 'Quarterly Report'), disclosing the following, among other things:

I) *"Post quarter end, the Company entered into a \$300,000 prepayment facility, secured by its anticipated R&D Tax Incentive rebate, with interest payable at 16% per annum. Funds have been received by the Company, and are repayable out of the Company's R&D Tax Incentive rebate, and otherwise on 31 March 2024. The Company anticipates repaying the loan within 3 months"*

('Information').

II) That as at 30 September 2023:

a. NC6 had an operating cash outflow for the quarter of \$327,000;

b. NC6 had cash and cash equivalents of \$233,000;

c. NC6 had no unused finance facilities available; and

d. NC6 had 0.71 quarters of funding available.

('Estimated Available Funding').

III) NC6's response to question 8.6.2 regarding the steps it has taken to raise further cash to fund its operations, which states the following:

"The Company has entered into a prepayment facility secured by its anticipated R&D Tax Incentive rebate. The facility is \$300,000 and this money has been received by the Company."

('Response to Q8.6.2').

B. 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.

C. 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."

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- D. 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.”

- E. 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.”

- F. Listing Rule 12.2 which states:

12.2 An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

Request for information

Having regard to the above, ASX asks NC6 to respond separately to each of the following questions and requests for information:

1. Does NC6 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. In answering this question, please specifically address the Estimated Available Funding and the Response to Q8.6.2 in the context of NC6’s ability to fund its operations.
3. When did NC6 first become aware of the Information? In answering this question, please specify the date NC6 entered into the \$300,000 prepayment facility disclosed in the Quarterly Report.
4. If the answer to question 1 is “yes” and NC6 first became aware of the Information before the relevant date, did NC6 make any announcement prior to the relevant date 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 NC6 was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NC6 took to ensure that the information was released promptly and without delay.

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5. Does NC6 consider that the financial condition of NC6 is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2? In answering this question, please also explain the basis for this conclusion.
 6. Please confirm that NC6 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 7. Please confirm that NC6'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 NC6 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 **1:30 PM AWST Wednesday, 8 November 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, NC6'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 NC6 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 NC6'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 NC6's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to NC6'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 NC6'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

Sean Maloney
Senior Adviser, Listings Compliance