

26 August 2020

Stephanie Patchell
Adviser, Listings Compliance (Perth)
Level 40, Central Park,
152-158 St Georges Terrace, Perth WA 6000

By email: ListingsCompliancePerth@asx.com.au

Dear Ms Patchell

AWARE QUERY

We refer to your letter dated 26 August 20120 in relation to the “aware query” Astro Resources NL in relation to (**‘ARO’ or ‘the Company’**) placement, copy enclosed (**ASX Letter**).

On behalf of the Board of ARO, I respond to the questions raised in the ASX Letter under the heading “Request for information” (using the same numbering as that of the ASX Letter) as follows:

1. *Does ARO consider the Placement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

The Board of ARO considers the Placement to be material.

2. *If the answer to question 1 is “no”, please advise the basis for that view.*

Not applicable.

3. *When did ARO first become aware of the Placement?*

The Placement was first discussed at approximately 3.00pm with 180 Markets Pty Ltd (**180 Markets**) at approximately 3.00pm with Mr Vince Fayad. 180 Markets called approached the Company and at approximately 3.57pm, a note was sent to Mr Fayad confirming their willingness to proceed with the Placement. As detailed in question 7 below, the Company was at the time of lodging the investor presentation contemplating an Entitlement Offer.

4. *When did ARO first initiate discussions regarding a potential capital raising?*

ARO did not initiate the discussions. As noted in point 3 above, it was 180 Markets who approached the Company and that approach occurred on Friday (afternoon) 21 August 2020. Moreover, prior to the Placement, there was no relationship with 180 Markets.

5. *Please provide a copy of any terms sheet or mandate (or equivalent) signed with the lead manager or broker in relation to the Placement (not for release to the market). If no such documents exist, please confirm this.*

Attached is the signed document with 180 Markets the lead broker for the Placement.

6. *Please provide a schedule indicating the identity of the subscribers under Tranche 2 of the Placement and the number of shares each subscriber will receive (not for release to market).*

Refer to the attached schedule showing the composition of the Tranche 2 investors/subscribers.

7. *If the answer to question 1 is "yes" and ARO first became aware of the Placement before 24 August 2020, being the date that ARO requested a trading halt, did ARO make any announcement prior to 24 August 2020 which disclosed details of the Placement? 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 ARO was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ARO took to ensure that the information was released promptly and without delay.*

As will be signed by the signed mandate letter and the cover email from the Chairman who counter signed the letter on Saturday 22 August 2020 at 10.22am. This was following a negotiation with 180 Markets on the terms and structure of the capital raising subsequent to 3.57pm on the 21st August 2020 and the Executive Director reached agreement with 180 Markets at 12.47am on the 22 August 2020.

We note also like to comment that ARO announced in the 30 June 2020 quarterly activities statement that the Company was considering an Entitlement Offer as a form of capital raising.

Our investor presentation lodged on the 21st August 2020 (page 44) also makes it quite clear that the Company was seeking to raise capital. This would be clearly evident from previous reports lodged on the ASX which showed a poor cash position and a need for funding. The approach by 180 Markets was seen to be an opportunity for the Company to raise funds in a timely and cost efficient manner.

8. *Please confirm that ARO is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

We confirm that the Company is complying with the Listing Rule and in particular, Listing 3.1.

9. *Please confirm that ARO'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 ARO with delegated authority from the board to respond to ASX on disclosure matters.*

We confirm that this letter has been approved by the Board.

I trust that the attached deals with your requirements.

Yours sincerely



Vince Fayad
Company Secretary and Director



26 August 2020

Reference: 23092

Mr Vince Fayad
Company Secretary
Astro Resources NL

By email: vince.fayad@vfassociates.com.au

Dear Mr Fayad

Astro Resources NL ('ARO'): Aware Query

ASX refers to the following:

- A. The increase in the price of ARO's securities from a low of \$0.002 at the close of trade on 20 August 2020 to an intraday high of \$0.023 on 21 August 2020, being a 1,050% increase, and the increase in the volume of securities traded on 21 August 2020.
- B. ASX's price and volume query letter dated 21 August 2020 ('Price and Volume Query') and ARO's response to the Price and Volume Query dated 21 August 2020, released together on the ASX Market Announcements Platform ('MAP') at 10.42pm WST, in which ARO responded to each question as follows (responses in italics):

1. Is ARO 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?

The Board of ARO is not aware of any information that has not been announced to the market which if known, could explain the increase in the value of the securities and the volume in trading. However, the company has released a market presentation earlier today providing an update on its projects, including work plans and its current funding arrangements. The information contained in the presentation bring the market up to date in relation to its activities.

2. If the answer to question 1 is "yes".

- a. Is ARO relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in ARO's securities would suggest to ASX that such information may have ceased to be confidential and therefore ARO 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?

This is not applicable.

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

The Board of Astro is unable to provide any explanation which would explain for the sudden increase in the value of its securities.

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

The Board of Astro confirms that it is complying with the Listing Rules and in particular, its continuous disclosure obligations under listing rule 3.1.

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

This response has been issued with the approval of the Board of ARO.

- C. ARO's request for a trading halt provided to ASX and released on MAP at 7.18am WST on 24 August 2020. ARO requested the trading halt be granted pending the release of an announcement by ARO in relation to a capital raising. The trading halt was granted on this basis and put in place prior to market open on 24 August 2020. The trading halt was to remain until the earlier of commencement of trading on 26 August 2020 or when the announcement was released to the market.

- D. ARO's announcement entitled "Completion of Capital Raising" lodged on MAP and released at 8.50 AM WST on 26 August 2020 (the 'Announcement'), disclosing that ARO had:

- (a) issued 190,814,597 shares pursuant to its listing rule 7.1 capacity to raise \$667,851 ('Tranche 1'); and
 - (b) received further firm bids for another 534,781,159 shares, subject to shareholder approval, to raise approximately \$2,078,234 ('Tranche 2'),
- ('Placement').

- 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."

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- 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

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

1. Does ARO consider the Placement 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 ARO first become aware of the Placement?
4. When did ARO first initiate discussions regarding a potential capital raising?
5. Please provide a copy of any terms sheet or mandate (or equivalent) signed with the lead manager or broker in relation to the Placement (not for release to the market). If no such documents exist, please confirm this.
6. Please provide a schedule indicating the identity of the subscribers under Tranche 2 of the Placement and the number of shares each subscriber will receive (not for release to market).
7. If the answer to question 1 is "yes" and ARO first became aware of the Placement before 24 August 2020, being the date that ARO requested a trading halt, did ARO make any announcement prior to 24 August 2020 which disclosed details of the Placement? 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 ARO was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ARO took to ensure that the information was released promptly and without delay.
8. Please confirm that ARO is complying with the Listing Rules and, in particular, Listing Rule 3.1.
9. Please confirm that ARO'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 ARO 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 **11.00am WST on Monday, 31 August 2020**. 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, ARO'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 ARO 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 ARO'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 ARO's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

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

Yours sincerely

Stephanie Patchell

Adviser, Listings Compliance (Perth)