

17 December 2021

Ms Madeleine Green
Principal Adviser, Listings Compliance Perth
ASX Limited
Level 40, Central Park
152-158 St Georges Tce
Perth WA 6000

By email: Madeleine.Green@asx.com.au
 ListingsCompliancePerth@asx.com.au.

Dear Madeleine

Response to “Firefinch Limited (‘FFX’): Aware Query”

We refer to your letter dated 14 December 2021 (**Letter**). Capitalised terms used in this letter have the meaning given in your Letter unless otherwise defined. Set out below is the response of Firefinch Limited (ABN 11 113 931 105) (**FFX**) to each of the questions in the Letter.

1. *Does FFX 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?*

Yes.

2. *If the answer to question 1 is “no”, please advise the basis for that view commenting on why FFX requested the Trading Halt to announce the Placement.*

Not applicable.

3. *When did FFX first become aware of the Placement? In answering this question, please specifically address whether FFX was aware of the Placement:*

- 3.1 *at the time of the Market Speculation Announcement; and/or*

No. At the time of the Market Speculation Announcement, FFX was carrying on business in the ordinary course. FFX regularly considers its capital raising requirements (including debt and equity funding). In the context of FFX’s strong share price performance over the previous 12 months, the ongoing development of the Morila Mine and the Goulamina Lithium Project, the proposed demerger of the Goulamina Lithium Project, the strength of gold and lithium prices and the general environment for listed gold and lithium companies, it is not unreasonable for FFX to consider its capital raising options. However, at the time of the Market Speculation Announcement, the board of FFX had made no decision regarding the Placement (including as to terms, structure, timing or quantum) or any other capital raising, and no mandate was in place with any joint lead managers to facilitate the Placement.

- 3.2 *at any time before the Trading Halt.*

Yes.

A formal mandate for the Placement from Canaccord Genuity (Australia) Limited and Jett Capital Advisors, LLC (together the **JLMs**) was delivered to FFX on 6 December 2021 (**JLM Mandate**) for consideration.

After close of the market on Wednesday, 8 December 2021, FFX held a board meeting during which the board of FFX:

- discussed the JLM Mandate and its various funding options, including debt funding and the Placement;
- subject to FFX and the JLMs being able to execute the Placement on agreed terms, authorised senior management of FFX to approve the Placement prior to market open on Thursday, 9 December 2021; and
- approved the execution of the JLM Mandate.

The executed JLM Mandate was subsequently email delivered to the JLMs after the board meeting on 8 December 2021.

In accordance with its delegated authority, senior management of FFX decided to proceed with the Placement before market open on Thursday 9 December 2021, at which time the Trading Halt was requested.

4. If the answer to question 1 is “yes” and FFX first became aware of the Placement before the Trading Halt, did FFX make any announcement prior to the Trading Halt which disclosed 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 FFX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps FFX took to ensure that the information was released promptly and without delay.

For the reasons set out in respect to question 3, and because FFX had not decided to proceed with the Placement, either informally or formally, until senior management of FFX made the decision to proceed at around 5.45am (WST) on Thursday, 9 November 2021, FFX considers there was no information in relation to the Placement for disclosure until the time of that decision (at which point it requested the Trading Halt, prior to market open).

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

FFX confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that FFX’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 FFX with delegated authority from the board to respond to ASX on disclosure matters.

Yes, FFX’s responses to the questions above have been authorised and approved by the board of FFX.

Yours faithfully

Nathan Bartrop
Company Secretary



14 December 2021

Mr Nathan Bartrop
Company Secretary
Firefinch Limited

By email: nbartrop@firefinchltd.com

Dear Mr Bartrop

Firefinch Limited ('FFX'): Aware Query

ASX refers to the following:

- A. FFX's announcement entitled "*Response to Media Speculation*" lodged on the ASX Market Announcements Platform ('MAP') on Thursday, 2 December 2021, which referred to an article in the Australian Financial Review on 1 December 2021 regarding speculation that FFX was undertaking a capital raising and confirmed that the speculation was not correct and that FFX does not current have a mandate in place to raise equity ('Market Speculation Announcement').
- B. FFX's request for trading halt prior to the commencement of trade on Thursday, 9 December 2021 pending an announcement in relation to a capital raising ('Trading Halt').
- C. FFX's announcement entitled "*Firefinch Successfully Completes A\$100m Placement*" lodged on MAP on Monday, 13 December 2021, disclosing that FFX had completed a \$100 million placement ('Placement').
- D. 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.
- E. 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."

- F. 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.”

- G. 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 FFX to respond separately to each of the following questions and requests for information:

1. Does FFX 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 commenting on why FFX requested the Trading Halt to announce the Placement.
3. When did FFX first become aware of the Placement? In answering this question, please specifically address whether FFX was aware of the Placement:
 - 3.1 at the time of the Market Speculation Announcement; and/or
 - 3.2 at any time before the Trading Halt.
4. If the answer to question 1 is “yes” and FFX first became aware of the Placement before the Trading Halt, did FFX make any announcement prior to the Trading Halt which disclosed 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 FFX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps FFX took to ensure that the information was released promptly and without delay.
5. Please confirm that FFX is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that FFX’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 FFX 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 **3:00 PM AWST Friday, 17 December 2021**. 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, FFX’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 FFX 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 FFX'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 FFX's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

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

Madeleine Green
Principal Adviser, Listings Compliance (Perth)