

29 April 2022



Yushra Haniff

Compliance Adviser, Listing Compliance - Sydney

Australian Securities Exchange Ltd

20 Bridge Street, Sydney NSW 2000

### **Oar Resources Limited Price Query**

We refer to your letter dated 27 April 2022 (“**Letter**”) to Oar Resources Limited (**ASX:OAR**) (“**OAR**” or the “**Company**”).

In response to your questions outlined in the Letter, we provide the following information:

1. The information in the Announcement which had not previously been disclosed on MAP is as follows:
  - a) The Company has reviewed the scoping study, conducted a site visit to the Project, and assessed the drill core from previous drilling conducted by OAR.
  - b) The outcome of the above activities was positive and in conjunction with prevailing graphite market conditions has led to OAR’s decision to recommence exploration and other project enhancing work at the Project.
  - c) OAR’s decision to extend the previous scoping study will take a staged approach focusing on potential to produce a concentrate suitable for purified spherical graphite production.
2. Yes.
- 3.1 OAR expects changes in market conditions relating to graphite or other battery minerals to have an impact on companies with exposure to those commodities. The impact may be further amplified by the developments undertaken by the Company, and which directly concern the Company, as noted in the reply to question 1 above.
- 3.2 The draft announcement was being finalised at the time of the ASX price query and had been shared with staff and professional advisers on a confidential basis with confidentiality agreements in place. Nonetheless, OAR will review its announcement preparation processes with the aim of identifying any improvements in its handling of sensitive information.
4. N/A.

5. The Company confirms that it is in compliance with the Listing Rules, in particular Listing Rule 3.1.
6. The Company confirms that the response to the questions above have been authorised and approved by its board of directors.

Yours sincerely

**Yugi Gouw**

**CFO & Company Secretary**



27 April 2022

Reference: 51094

Mr Yugi Gouw  
CFO & Company Secretary  
OAR Resources Limited  
Unit 3, 32 Harrogate Street  
West Leederville WA 6007

By email: ygouw@oarresources.com.au

Dear Mr Gouw

**OAR Resources Limited ('OAR'): Query Letter**

ASX refers to the following:

- A. The increase in the price of OAR's securities on 21 April 2022 from a previous close of \$0.005 to a high of \$0.009 (+80%) on elevated volumes.
- B. OAR's request for a trading halt, effective from 1:37pm (AEST) on 21 April 2022.
- C. OAR's response to ASX's Price Query letter, lodged on the ASX Market Announcements Platform ('MAP') on 21 April 2022, which stated the following:
  - i. when asked whether OAR was 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, OAR responded:  
*"Yes".*
  - ii. when asked if an announcement could not be made immediately, to explain why not and when the announcement will be made, OAR responded:  
*"As per the trading halt request submitted to ASX on 21 April 2022, the Company anticipates making an announcement on the Graphite Project in South Australia on 26 April 2022, with the announcement currently still being drafted and subject to review by the Competent Person."*
- D. OAR's announcement titled "Oakdale Graphite Project - Potential Supplier of Concentrate" (the '**Announcement**'), released on MAP on 26 April 2022, which disclosed (relevantly):
  - i. *"[OAR] has undertaken a detailed assessment of the Oakdale Project, which has included a review of the previous Scoping Study and JORC Resource completed at the Project (ASX announcement, 2 December 2015) and a recent site visit to the Project, which incorporated an assessment of drill core from previous drilling conducted by OAR."*
  - ii. *The outcomes of this review have been highly positive, and, in conjunction with the bullish prevailing supply and demand metrics in the graphite market, and considerable potential to grow the scale of the Resources, have provided OAR with the confidence to re-commence exploration and other project enhancing work at the Oakdale Graphite Project.*
- E. Guidance Note 8, titled "Continuous Disclosure: Listing Rules 3.1 - 3.1B", which provides (relevantly):
  - i. At section 4.1, in relation to information concerning an entity:

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*“Nevertheless, the qualification that the information must “concern” the entity is an important one. Generally speaking, an entity would not be expected under Listing Rule 3.1 to disclose publicly available information about external events or circumstances that affect all entities in the market, or in a particular sector, in the same way. That is not information “concerning it”. The situation may be different, however, if the information will have a particular impact on the entity different to the impact it will generally have on other entities in the market or that sector.”*

ii. At section 7.10:

*“ASX is alive to listed entities making market announcements with a view to “ramping up” the price of their securities. Ramping announcements come in many forms, including: ...*

- *an announcement that has no substance but seeks to ride on the back of strong market sentiment in a particular sector*

...

*Whenever ASX detects what it suspects to be a ramping announcement, it will give careful consideration to suspending the entity’s securities from trading and issuing a query letter to the entity<sup>298</sup> asking the entity:*

- *if it marked the announcement as market sensitive when it was lodged on MAP, to identify what information in the announcement the entity considered was market sensitive and why;*
- *if it marked the announcement as not being market sensitive when it was lodged on MAP, to explain its purpose in lodging the announcement on MAP, given its evident view that the information was not market sensitive and therefore not required to be disclosed under Listing Rule 3.1”*

F. 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.

G. 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.”*

H. 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*

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- *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.”*
- I. 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 OAR to respond separately to each of the following questions and requests for information:

1. Please identify succinctly what information in the Announcement had not previously been disclosed on MAP.
2. Is OAR of the view that the information identified at question 1 is information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is “yes”:
  - 3.1 Please explain the basis for that view, including a comment specifically on OAR’s regard to the excerpts from Guidance Note 8 identified at paragraph E above when the Announcement was prepared.
  - 3.2 Is OAR of the view that the Information remained confidential at the time of the elevated price and volume activity on 21 April 2022? If so, please provide the basis for that view. If not, please outline any planned improvements to OAR’s procedures surrounding the handling of sensitive information.
4. If the answer to question 2 is “no”, please explain why OAR sought to release the Announcement on MAP, given the Information was not required to be disclosed under Listing Rule 3.1.
5. Please confirm that OAR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that OAR’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 OAR 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 **9:30 AM AEST Monday, 2 May 2022**. 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, OAR’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 OAR to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@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

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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 OAR'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 OAR's securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**

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

Kind regards

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**Yushra Haniff**  
Compliance Adviser, Listings Compliance (Sydney)