

24 January 2024

ASX Compliance

By email: ListingsComplianceSydney@asx.com.au

To Whom It May Concern,

Response to Aware Letter

We refer to the Aware Letter by the Australian Securities Exchange dated the 22nd of January 2024.

In response to the specific questions of the query and using the same numbering:

1. Yes.
2. No.
3. Not applicable.
4. The decision by the Department of Climate Change, Energy, the Environment and Water (DCCEEW) that Stage 1 was a controlled action has been in the public domain since November 2023. NeuRizer Ltd (the Company) was advised that a statement of reasons would be provided to the Company to assess its options, which could have included accepting the controlled action decision, seeking an internal review, or appealing the decision.

The controlled action decision was not a determination of approval of Stage 1 but simply a process for an Environmental Impact Study (EIS) to be undertaken and assessed by the DCCEEW. The determination meant that instead of the South Australian Government assessing the Company's Environmental Impact Report, the Federal Government would assess the EIS. The Company is still waiting for the terms of reference to be provided by the DCCEEW in relation to the EIS to understand what will be required.

Alongside the controlled action process, the Federal Government passed an amendment to the EPBC Act in the Senate on the 9th of December 2023. This information was also in the public domain at that time. The government did not consult with any of the affected parties prior to the changes to the EPBC Act in relation to the new 'water trigger' sections. The Company was and is still unsure of the impact of the changes to the legislation. The Company has not yet been notified as is required under the new "water trigger" that the new legislation will apply to Stage 1 of the NeuRizer Urea Project (NRUP). The Minister is still within the timeframe to make this notification.

The Company took the view then and still does now that the decision that Stage 1 is a controlled action is not material and that the information was already in the public domain. The impact of the amendment to the EPBC Act to Stage 1 of the NRUP is still unknown as the Minister has yet to inform the Company of any decision. As such, it was determined by the Company to update the market in the Quarterly Activities Report rather than wait for the Minister's decision on the new legislation or for the terms of reference for the EIS.

5.

5.1. The Company sought a status report from the proposed strategic partner on the 29th of November 2023. The Company was informed that an update would be provided. No update had been provided, and on the 2nd of January 2024, the Company again sought an update on the status of the partnership negotiations. On the 4th of January 2024, the Company received an update that the negotiations would not proceed at the moment. The proposed partner had stated that they looked forward to working with the Company when the project was at a more advanced stage. Given the open-ended language used, and the extended length of the process, the Company decided to seek clarification to ensure its understanding. On the 6th of January 2024, the Company sought clarification of what was required to continue discussions. On the 17th of January 2024, the Company was given more detailed information on what a 'more advanced stage' meant, including further progression required on Stage 1 of the NRUP, along with timelines being closer to FID. The Company then determined that this detail was now complete and definite enough to inform the market of the status. The Company had been preparing its Quarterly Report and updated it immediately to include this information in relation to the strategic partner discussions, which was then released on the 18th of January 2024.

5.2. The Company was informed of the decision that Stage 1 was a controlled action on the 20th of November 2023. The Company became aware of the amendment to the EPBC Act on the 10th of December 2023 through the media. The Company is still waiting for both the EIS terms of reference and the decision of the Minister on whether the "water trigger" applies to Stage 1 of the NRUP.

6. See the above answer to question 5.1. Until the 17th of January 2024, the actual status of the proposed transaction was unclear. The reasons given to the Company on the 17th of January 2024 were sufficiently clear and definite for the Company to confirm negotiations had ceased until a future undetermined date. On receipt of this information, the Company completed the disclosure wording immediately, and sent it to the Board for review and approval. Drafting and Board approval took time on the 17th of January 2024, as all the directors were overseas. The Company notes that on the afternoon of the 17th of January 2024 there was no unusual trading activity.

7. Not applicable.

8. NeuRizer Ltd confirms that it is in compliance with the ASX listing rules and, in particular, with listing rule 3.1.

9. The Company confirms that this letter has been approved by the NeuRizer Ltd Board.

Yours sincerely,



Jordan Mehrtens

Company Secretary



22 January 2024

Reference: 87000

Ms Jordan Mehrtens
Company Secretary
NeuRizer Limited
Level 11, 19 Grenfell Street
Adelaide SA 5000

By email: jordan.mehrtens@neurizer.com.au

Dear Ms Mehrtens

NeuRizer Ltd ('NRZ'): Aware Query

ASX refers to the following:

- A. NRZ's announcement titled "NeuRizer appoints Barrenjoey Capital Partners as financial and corporate advisor" released on the ASX Market Announcements Platform ('MAP') on 10 March 2023, which stated (among other things):

"To assist in the potential introduction of a strategic partner to the NeuRizer Urea Project and with assessing and negotiating a strategic partnership agreement, Neurizer is pleased to announce that it has appointed Barrenjoey Capital Partners as its exclusive financial and corporate advisor in relation to the potential transaction..."

- B. NRZ's announcement titled "Market Update" released on MAP on 18 September 2023 which stated (among other things, emphasis added):

*"NeuRizer confirms that discussions are well advanced and continuing for the securing of a strategic partner for both the Company and the project. We can confirm that due diligence with one of the parties has been completed and the relevant approvals are being sought. It is not expected that any significant delays in the process will occur. NeuRizer notes that all discussions are confidential and incomplete and there is no guarantee that negotiations will be successfully concluded. **NeuRizer will keep the market updated of any material changes as and when required.**"*

- C. NRZ's 2023 Annual Report for the financial year ended 30 June 2023 released on MAP on 2 October 2023 which:

- disclosed (on page 46) that the following was one of various factors that the Directors' considered necessary for the Group to have sufficient cash to continue as a going concern:

"Success in securing a strategic partner for both the Group and the NRUP. At the date of this report, the Directors confirm that discussions are well advanced and continuing for securing a strategic partner, that due diligence with one of the parties has been completed, and the relevant approvals are being sought. While it is not expected that any significant delays in the process will occur, NeuRizer notes that discussions are confidential and incomplete, and there is no guarantee that negotiations will be successfully concluded." . . . ; and

- further stated (on page 46) that:

"Should the Group be unsuccessful in achieving the matters set out above, a material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial statements."

- D. NRZ's Entitlement Issue Prospectus released on MAP on 30 October 2023 in which NRZ stated (among other things), in relation to the risk factor described as *"Raising funds to complete the EPCC"*, that:

"The Company is well advanced in discussions with a potential strategic partner, with due diligence complete and the parties seeking the necessary approvals. . ."

- E. The decisions of the Department of Climate Change, Energy, the Environment and Water in respect of Stage 1 of NRZ's NeuRizer Urea Project ('NRUP') and the accompanying statement of reasons published online on the 'EPBC Act Public Portal' on 20 November 2023 and 22 December 2023 respectively.¹

- F. NRZ's Quarterly Activities Report and Appendix 5B for the quarter ended 31 December 2023 released on MAP at 9:56 AM on 18 January 2024 ('Relevant Time') which stated (among other things):

- *"Strategic Partner Update*

NeuRizer has been working for some time to finalise discussions with a potential strategic partner for the project. Whilst successful due diligence as completed, NeuRizer has now been informed that the potential strategic partner has declined to continue negotiations at this stage as it was unable to secure the required approvals to proceed with the partnership..."

(the 'Strategic Partner Information'); and

- *"Stage 1 Update*

...Despite the Company's submission, the Department of Climate Change, Energy, the Environment and Water have determined that Stage 1 of the project should be assessed by an Environmental Impact Statement as set out in the EPBC Act..."

(the 'Stage 1 Information').

- G. The decrease in the price of NRZ's shares by 44% from a closing price of \$0.0125 on 17 January 2024 to a closing price of \$0.007 on 18 January 2024 and significantly elevated trading volumes on that day.
- H. 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.
- I. 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."

- J. 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;*

¹ <https://epbcpublicportal.awe.gov.au/all-referrals/project-referral-summary/project-decision/?id=001d7af9-772a-ee11-9966-000d3a794f17>
<https://epbcpublicportal.awe.gov.au/all-referrals/project-referral-summary/project-decision/?id=c9f380fb-772a-ee11-9966-000d3a794100>
<https://epbcpublicportal.awe.gov.au/all-referrals/project-referral-summary/project-decision/?id=0c3ad3b4-b089-ee11-be36-000d3a794b49>

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

1. Does NRZ consider the Strategic Partner Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. Does NRZ consider the Stage 1 Information to be 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 1 is “no”, please advise the basis for that view.
4. If the answer to question 2 is “no”, please advise the basis for that view.
5. When did NRZ first become aware of each of the following (respectively):
 - 5.1 the Strategic Partner Information?
 - 5.2 the Stage 1 Information?
6. If the answer to question 1 is “yes” and NRZ first became aware of the Strategic Partner Information before the Relevant Time, did NRZ make any announcement prior to the Relevant Time 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 NRZ was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NRZ took to ensure that the information was released promptly and without delay.
7. If the answer to question 2 is “yes” and NRZ first became aware of the Stage 1 Information before the Relevant Time, did NRZ make any announcement prior to the Relevant Time 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 NRZ was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NRZ took to ensure that the information was released promptly and without delay.
8. Please confirm that NRZ is complying with the Listing Rules and, in particular, Listing Rule 3.1.

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9. Please confirm that NRZ'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 NRZ 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 AEDT Thursday, 25 January 2024**. 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, NRZ'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 NRZ 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 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 NRZ's securities under Listing Rule 17.1. If you wish to request 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 NRZ's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

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

Yours sincerely

ASX Compliance