

RESPONSE TO ASX MGU ANNOUNCEMENT

9 August 2022

Dean Litis
Principal Adviser, Listing Compliance (Melbourne)
ASX Limited

By email only: <ListingsComplianceMelbourne@asx.com.au>

Your reference: ODIN56212

Dear Dean

We refer to your letter dated 3 August 2022.

We respond to ASX's queries in relation to TYMLEZ's announcement dated 28 July 2022 regarding the agreement with Magnum Mining and Exploration Limited as follows:

1. *"Is the Agreement financially material to TYM? If so, please provide the basis for TYM's belief that it is material under Listing Rule 3.1?"*

The Agreement is material to TYMLEZ from both the strategic and financial perspectives because:

- a. it is TYMLEZ's first commercial contract since relocating its main operations to Australia and undertaking the major organisational restructure in mid-2021.
 - b. the business objectives of MGU is understood to include aspiring to be the first green pig iron producer in the United States and will be looking to use TYMLEZ technology to certify the guarantee of origin of their green pig iron product.
 - c. The contract is TYMLEZ's first revenue generating contract in Australia.
2. *"If TYM does not demonstrate its capabilities in providing a guarantee of origin to Magnum Mining and Exploration Limited's ('MGU') satisfaction, does MGU have any legal obligation to extend the Agreement beyond the initial 6 months?"*

There is no legal obligation that binds MGU to the Agreement beyond the initial 6 months. The contract with MGU specifies nine (9) in-scope or deliverable items which TYMLEZ are required to deliver to MGU. TYMLEZ is contractually required to deliver these items as required in order to continue performing the contract beyond the initial six (6) month period.

If TYMLEZ fails to deliver a guarantee of origin solution within six months then MGU would require TYMLEZ to continue the development of the solution beyond the (initial)

six month period (until the solution is developed). The Agreement specifies nine (9) in-scope or deliverable items which TYMLEZ are required to provide MGU in order to perform the contract.

3. *"If the answer to question 2 is 'yes', please provide details regarding the contractual obligations."*

Not applicable.

4. *"If the answer to question 2 is 'no', on what basis did TYM:*

4.1 state that the Agreement "signals the commencement of a multi-year journey between TYMLEZ and Magnum...";

4.2 make various references to a "commercial partnership"/"partnership" with MGU in the Announcement? and

4.3 not disclose that at the end of the 6 month term of the Agreement that any future agreements with MGU would be subject to MGU being satisfied with the trial of TYM's technology?"

As at the date of this letter, TYMLEZ is confident in its ability to deliver a guarantee of origin solution to MGU under the contract. This may occur during the initial 6 month period or beyond that period. If successful, TYMLEZ's guarantee of origin solution could be implemented in MGU's broader business. In that case, the relationship journey between TYMLEZ and MGU is likely to extend for multi-years.

The references to "commercial partnership" and "partnership" were made by TYMLEZ not in the context of a legal relationship (in the form of a legal partnership). Rather, the references were made in the customer relationship or marketing context and otherwise as used in general commercial discussions. For the avoidance of doubt, TYMLEZ and MGU are not partners under the partnership law or for purposes.

TYMLEZ was and remains confident of its ability to perform and deliver on its contractual obligations.

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

TYMLEZ believes that it is complying with ASX Listing Rule 3.1 by advising shareholders that a commercial agreement of strategic and financial significance has been entered into.

6. *"Please confirm that TYM'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 TYM with delegated authority from the board to respond to ASX on disclosure matters."*

Please see below. Confirmed.

Authorised by the TYMLEZ Board of Directors.

//End

For any queries relating to this announcement, please contact:

Investors

Matthew Park
SVP Corporate & External Affairs
investors@tymlez.com

Media

Janine MacDonald
Senior Consultant
Janine.macdonald@plcorporate.com.au

ABOUT TYMLEZ

TYMLEZ (ASX: TYM) is a pioneer in the development and delivery of carbon reporting and guarantee of origin solutions built using blockchain technology. TYMLEZ provides companies across the globe with world-class solutions designed to empower them in their decarbonisation journeys.

Visit tymlez.com for more information



3 August 2022

Reference: ODIN56212

Ms Belinda Cleminson
Company Secretary
TYMLEZ Group Limited

By email

Dear Ms Cleminson

TYMLEZ Group Limited ('TYM'): Query Letter

ASX refers to the following:

Agreement with Magnum Mining

- A. TYM's announcement titled "Tymlez partners with Magnum Mining and Exploration Limited" released on the ASX Market Announcements Platform ('MAP') on 28 July 2022 (the '**Announcement**'), which disclosed (relevantly, emphasis added) that:

*"The commercial agreement signals the commencement of a **multi-year** journey between TYMLEZ and Magnum...*

*... the agreement focusing on the delivery of a digital twin with payment to TYMLEZ of a **cost recovery fee** for service, **including costs for development and hosting of the solution.**"*

Listing Rules

- 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 (GN8) "When does an entity become aware of information."*
- 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. Section 7.10 of GN8: ‘Ramping Announcements’, which cautions an entity against announcing that it has entered into a seemingly material contract without disclosing key information that investors need to understand the materiality of the contract or transaction and to assess its impact on the price or value of the entity’s securities. The section provides as an example of this, contracts *“for an initial trial period only and may not proceed if the customer is not satisfied with the trial”*.
- F. Section 14 of Guidance Note 14 *ASX Market Announcements Platform*, which states that an *“announcement for release to the market must be accurate, complete and not misleading”*.

Request for information

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

1. Is the Agreement financially material to TYM? If so, please provide the basis for TYM’s belief that it is material under Listing Rule 3.1?
2. If TYM does not demonstrate its capabilities in providing a guarantee of origin to Magnum Mining and Exploration Limited’s (**‘MGU’**) satisfaction, does MGU have any legal obligation to extend the Agreement beyond the initial 6 months?
3. If the answer to question 2 is ‘yes’, please provide details regarding the contractual obligations.
4. If the answer to question 2 is ‘no’, on what basis did TYM:
 - 4.1 state that the Agreement *“signals the commencement of a **multi-year** journey between TYMLEZ and Magnum...”*;
 - 4.2 make various references to a *“commercial partnership”/“partnership”* with MGU in the Announcement? and
 - 4.3 not disclose that at the end of the 6 month term of the Agreement that any future agreements with MGU would be subject to MGU being satisfied with the trial of TYM’s technology?

Listing Rules

5. Please confirm that TYM is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that TYM’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 TYM 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, 8 August 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, TYM’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 TYM to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@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 TYM'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 TYM's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

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

Dean Litis
Principal Adviser, Listings Compliance (Melbourne)