



10 June 2019

Mr James Rowe
Manager, Listings Compliance (Perth)
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear James

ALKANE RESOURCES LIMITED ('ALK'): AWARE QUERY

With reference to your letter dated 6 June 2019 the Company's response is set out below, using definitions in your letter unless otherwise indicated:

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

ALK Response: No.

- 2. If the answer to question 1 is "no", please advise the basis for that view and, in particular, why ALK tagged the Announcement as sensitive when lodged on MAP.**

ALK Response: The ASX Market Announcement Platform advises that the selection of sensitive or not "...is an indication only. ASX will make the final determination whether an announcement is market sensitive and tag it accordingly...". The Company notes, over recent weeks, there has been elevated attention on companies with interests in rare earth minerals and as such elected to err on the side of caution when submitting the Information.

- 3. When did ALK first become aware of the Information, in particular:**

- 3.1. When was the agreement executed?**

ALK Response: Approximately 3:00 pm (South Korea time)/4:00 pm AEST on 5 June 2019.

- 3.2. When was the signing ceremony held?**

ALK Response: Approximately 11:30 am (South Korea time).

- 3.3. Which representatives from ALK or its subsidiaries were present?**

ALK Response: ALK attendees were: Ian Gandel, Chairman; Nic Earner, Managing Director; Ian Chalmers, Technical Director; Brendan Ward, General Manager – Commercial and Legal; and Alister Macdonald, General Manager - Marketing.



4. ***If ALK first became aware of the Information before the Announcement, please explain why ALK did not disclose the Information at an earlier time. In doing so, comment specifically on when you believe ALK was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps ALK took to ensure that the Information was released promptly and without delay.***

ALK Response: The Company considers it has complied with the spirit, intention and purpose of Listing Rule 3.1 especially in light of the fact that the obligation to disclose was triggered during a period when licensed security markets in Australia were not operating or on the cusp of closing. Despite the signing ceremony banner indicating 11:00 am this ceremony was delayed. After the ceremony, a period of final document review followed during which period Company representatives were escorted on a tour of the counter-parties laboratory facilities. Once the execution document has been reviewed by the counterparty the agreement was formally executed. The Information was then finalised and sent to the Company Secretary for submission to the ASX MAP.

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

ALK Response: The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

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

ALK Response: The Company confirms that the responses provided in this letter have been authorised and approved by the Board.

If you require further clarification, please do not hesitate to contact the undersigned.

Yours faithfully
for **ALKANE RESOURCES LTD**

Dennis Wilkins
Company Secretary



6 June 2019

Mr Dennis Wilkins
Company Secretary
Alkane Resources Limited
Ground Floor, 89 Burswood Road
Burswood WA 6100

By email

Dear Mr Wilkins

Alkane Resources Limited ('ALK'): Aware Query

ASX refers to the following:

- A. ALK's announcement entitled "Investment in Clean Metal Processing Technology tagged as sensitive by ALK and lodged on the ASX Market Announcements Platform ('MAP') at 11.20 PM AEST on Wednesday, 5 June 2019 and released at 8.23 AM AEST today, Thursday 6 June 2019 (the 'Announcement') disclosing, amongst other things, that ALK through its wholly owned subsidiary, has executed a binding agreement with South Korean company Zirconium Technology Corporation (the 'Information').
- B. The image entitled "Signing Ceremony at Chungnam University, Daejeon, South Korea (5 June 2019)" on page 3/5 of the Announcement, in which the banner states that the date and time of the signing ceremony was 5 June 2019 at 11:00 AM (in South Korea).
- C. 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.
- D. 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."

- E. 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.”

- F. 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 ALK to respond separately to each of the following questions and requests for information:

1. Does ALK consider the Information 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 and, in particular, why ALK tagged the Announcement as sensitive when lodged on MAP.
3. When did ALK first become aware of the Information, in particular:
 - 3.1 When was the agreement executed?
 - 3.2 When was the signing ceremony held?
 - 3.3 Which representatives from ALK or its subsidiary were present?
4. If ALK first became aware of the Information before the Announcement, please explain why ALK did not disclose the Information at an earlier time. In doing so, comment specifically on when you believe ALK was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps ALK took to ensure that the Information was released promptly and without delay.
5. Please confirm that ALK is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that ALK’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 ALK 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 **7.00 AM AWST Monday, 10 June 2019**.

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, ALK’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 ALK to request a trading halt immediately.

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;

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- 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*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

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.

Listing Rules 3.1 and 3.1A

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

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in ALK's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

James Rowe
Manager, Listings Compliance (Perth)