

Madeleine Green

Principal Adviser, Listings Compliance

Australian Securities Exchange

By email: **ListingsCompliancePerth@asx.com.au**

Dear Madeleine,

Response to: Trading during closed period & (Appendix 3Y) Query

We refer to your letter dated 2 August 2024 with respect to the subject matter and respond to your queries in the same order as raised:

1. *What date(s) were the agreement(s) made for each of the off market trades completed by the BMM directors?*

The off market transfers to which Fadi Diab, Ross Cotton and Karl Simich were parties were each entered into on Friday, 5 July 2024.

2. *Does BMM consider the agreement(s) pursuant to which the directors agreed to acquire the relevant shares off-market required disclosure by BMM under Listing Rule 3.1?*

No.

2.1 *If the answer to question 2 is 'no', please explain the basis for this view?*

The off market transfers undertaken by the Directors of BMM are not considered a material agreement requiring disclosure under Listing Rule 3.1. BMM initially intended that the off market transfers would occur shortly after the off market transfer forms were signed, with the relevant disclosures to be made soon thereafter in compliance with Listing Rule 3.19A. However, due to an unforeseen delay, the transfers occurred much later than originally anticipated.

BMM at the time considered that disclosure was required once the off-market transfer was completed, which it intended to undertake shortly after

the off market transfer forms were signed. However, the Company is now aware that the catalyst for disclosure was the date of signing, and as such the Company confirms that the disclosure should have been made within 5 business days of the date of signing regardless of when the actual transfer occurred.

3. Having regard to section 4.1 of BMM's Securities Trading Policy, does BMM believe the acquisition of shares by directors on 18 and 26 July 2024 occurred in breach of BMM's Securities Trading Policy?

No.

3.1 If the answer to question 3 is 'no', please provide the basis for this view, including how BMM believes the acquisition of shares by directors on 18 and 26 July 2024 occurred in accordance with BMM's securities trading policy.

The off market transfers were entered into prior to the closed period, thus BMM considers that no breach of the Securities Trading Policy has occurred.

3.2 If the answer to question 3 is 'yes', what disciplinary or remedial action is BMM proposing to take in relation to apparent breaches of BMM's securities trading policy?

N/A

4. Please explain why Ross Cotton's directors' interest notice relating to the performance rights was lodged late.

The late notice of expiration of Ross Cotton's performance rights was an administrative oversight and BMM views this as an isolated breach. The Company has reviewed its procedures around performance rights and believes that its current practices are adequate to ensure compliance with the ASX Listing Rules.

5. Please explain what arrangements BMM has in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A.

BMM has its Securities Trading Policy in place which the Directors and Officers are aware of and are reminded of black-out periods on a regular basis. Duties of

disclosure and obligations under the ASX Listing Rules are also discussed at each Board meeting.

6. If the current arrangements are inadequate or not being enforced, what additional steps does BMM intend to take to ensure compliance with Listing Rule 3.19B?

BMM is satisfied with its current policies and procedures concerning the notification of related party BMM share purchases and sales, however regular reminders (containing BMM's Securities Trading Policy) will continue to be circulated to ensure compliance.

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

BMM confirms that it is complying with the ASX Listing Rules, and in particular, Listing Rule 3.1.

8. Please confirm that BMM's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of BMM with delegated authority from the board to respond to ASX on disclosure matters.

BMM confirms that the responses to the questions above have been authorised and approved by the Board of BMM.

Yours sincerely

Melanie Ross
Company Secretary



2 August 2024

Mr Simon Acomb and Ms Melanie Ross
Company Secretary
Balkan Mining and Minerals Limited

By email

Dear Mr Acomb and Ms Ross

Balkan Mining and Minerals Limited ('BMM'): Trading during closed period & (Appendix 3Y) Query

ASX refers to the following:

- A. The announcement titled 'Ceasing to be a substantial holder from SFR' lodged on the ASX Market Announcements Platform ('MAP') on 9 July 2024 which disclosed SFR ceased to be a substantial holder of BMM on 8 July 2024 via the sale of 11,520,000 BMM shares for \$460,800 (which equates to a sale price of \$0.04 per share).
- B. The announcement by BMM titled 'Change of Director's Interest x 2' lodged on MAP on 19 July 2024, which disclosed the following:
 - (i) The off-market purchase of 1,875,000 BMM shares for total consideration of \$75,000 (equivalent of \$0.04 per share) by Silbelle Diab, spouse of BMM Director Fadi Diab on 18 July 2024. The off-market purchase occurred during a closed period and no written clearance was provided to allow the trade to proceed. The following reason was provided as to why no prior written clearance was obtained *"the agreement for this off market trade was made at the start of July, in an open trade period and was not processed until the date as per above."*
 - (ii) The off-market purchase of 250,000 BMM shares for a total consideration of \$10,000 (equivalent of \$0.04 per share) by Ross Cotton and entities controlled by Ross Cotton on 18 July 2024. The off-market purchase occurred during a closed period and no written clearance was provided to allow the trade to proceed. The following reason was provided as to why no prior written clearance was obtained *"the agreement for this off market trade was made at the start of July, in an open trade period and was not processed until the date as per above."*
 - (iii) The disposal of 1,200,000 Class B and Class C performance rights by Ross Cotton, BMM Director on 6 July 2024 due to their expiry.
- C. The announcement by BMM entitled 'Change of Director's Interest Notice – KS' lodged on MAP on 29 July 2024, which disclosed:
 - (i) The off-market purchase of 1,875,000 BMM shares for total consideration of \$75,000 (equivalent of \$0.04 per share) by Karl Simich and entities controlled by Karl Simich on 26 July 2024. The off-market purchase occurred during a closed period and no written clearance was provided to allow the trade to proceed. The following reason was provided as to why no prior written clearance was obtained *"the agreement for this off market trade was made at the start of July, in an open trade period and was not processed until the date as per above."*
- D. BMM's Quarterly Activities Report and Appendix 5B Cashflow Report for the period ended 30 June 2024 lodged on MAP on 31 July 2024.
- E. Listing Rule 3.19A.2 requires an entity to tell ASX the following:

A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior

written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

- F. BMM's securities trading policy lodged on the ASX Market Announcements Platform on 12 July 2021 which is also available on BMM's website and which states, among other things, the following:

1. Introduction

These guidelines set out the policy on the sale and purchase of securities in the Company by its Key Management Personnel (as defined in the ASX Listing Rules).

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

The Company has determined that its Key Management Personnel are its Directors, executives and those employees directly reporting to the Chief Executive Officer / Managing Director.

Key Management Personnel are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.

The purpose of these guidelines is to assist Key Management Personnel to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act 2001 (Cth).

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4.1 General Rule

Key Management Personnel must not, except in exceptional circumstances, deal in securities of the Company during the following periods:

- (a) two weeks prior to, and 24 hours after the release of the Company's Annual Report;*
 - (b) two weeks prior to, and 24 hours after the release of the Half Year Report of the Company; and*
 - (c) two weeks prior to, and 24 hours after the release of the Company's quarterly reports (if applicable),*
- (together the **Closed Periods**)*

The Company may at its discretion vary this rule in relation to a particular Closed Period by general announcement to all Key Management Personnel either before or during the Closed Periods. However, if a Key Management Personnel is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at any time it is in possession of such information.

The Company may from time to time identify additional Closed Periods when Key Management Personnel are not allowed to trade. This is likely to occur when the Company is considering matters which are subject to Listing Rule 3.1A.

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5.1 Approval Requirements

- a) Any Key Management Personnel (other than the Chairperson of the Board) wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval of the Chairperson of the Board or the Board before doing so.*

- b) *If the Chairperson of the Board wishes to buy, sell or exercise rights in relation to the Company's securities, the Chairperson of the Board must obtain the prior approval of the Board before doing so.*

5.2 Approval to buy or sell securities

- a) *All requests to buy or sell securities as referred to [under Approval Requirements] must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.*
- b) *Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.*

5.3 Notification

Subsequent to approval obtained in accordance with paragraphs 5.1 and 5.2, any Key Management Personnel who (or through his or her Associates) buys, sells, or exercises rights in relation to Company securities must notify the Company Secretary in writing of the details of the transaction within two (2) business days of the transaction occurring. This notification obligation operates at all times and includes applications for acquisitions of shares or options by employees made under employee share, performance right or option schemes and also applies to the acquisition of shares as a result of the exercise of options under an employee performance right or option scheme.

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5.5 Exemption from Closed Periods restrictions due to exceptional circumstances

*Key Management Personnel who are not in possession of inside information in relation to the Company, may be given prior written clearance by the Managing Director (or in the case of the Managing Director, by all other members of the Board) **to sell** or otherwise dispose of Company securities in a Closed Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy."*

- G. Guidance Note 22: *Director Disclosure of Interests and Transactions in Securities – Obligations of Listed Entities* which was published to assist listed entities with their obligations under Listing Rules 3.19A and 3.19B and to give an overview of ASX policy in relation to disclosure of directors' interests and transactions in securities, and Guidance Note 27: *Trading Policies* which was published to assist listed entities to comply with their obligations under Listing Rules 12.9-12.12 regarding trading policies ASX notes the Announcement disclosed that the Transaction took place during a closed period.
- 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. Listing Rule 3.19A which requires an entity to tell ASX the following:
- 3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
- *On the date that the entity is admitted to the official list.*
 - *On the date that a director is appointed.*
- The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*
- 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether*

prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

ASX understands the following:

1. BMM's closed period commenced on 17 July 2024, being 2 weeks prior to the release of BMM's 30 June 2024 Quarterly Report.
2. Each BMM director appears to have acquired shares off-market at \$0.04 per share during a closed period.
3. BMM's Securities Trading Policy does not appear to permit the purchase of shares by KMP during a closed period.
4. The director's interest notice lodged on 19 July 2024 for Ross Cotton indicates that a change to Mr Cotton's notifiable interest occurred on 6 July 2024, regarding the expiration of performance rights. It appears that a notice should have been lodged with ASX by 12 July 2024. Consequently BMM may have breached Listing Rules 3.19A

Request for information

Having regard to the above, and pursuant to Listing Rule 18.7, ASX asks BMM to respond separately to each of the following questions.

1. What date(s) were the agreement(s) made for each of the off market trades completed by the BMM directors?
2. Does BMM consider the agreement(s) pursuant to which the directors agreed to acquire the relevant shares off-market required disclosure by BMM under Listing Rule 3.1?
 - 2.1 If the answer to question 2 is 'no', please explain the basis for this view?
3. Having regard to section 4.1 of BMM's Securities Trading Policy, does BMM believe the acquisition of shares by directors on 18 and 26 July 2024 occurred in breach of BMM's Securities Trading Policy?
 - 3.1 If the answer to question 3 is 'no', please provide the basis for this view, including how BMM believes the acquisition of shares by directors on 18 and 26 July 2024 occurred in accordance with BMM's securities trading policy.
 - 3.2 If the answer to question 3 is 'yes', what disciplinary or remedial action is BMM proposing to take in relation to apparent breaches of BMM's securities trading policy?
4. Please explain why Ross Cotton's directors' interest notice relating to the performance rights was lodged late.
5. Please explain what arrangements BMM has in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A.
6. If the current arrangements are inadequate or not being enforced, what additional steps does BMM intend to take to ensure compliance with Listing Rule 3.19B?
7. Please confirm that BMM is complying with the Listing Rules and, in particular, Listing Rule 3.1.

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8. Please confirm that BMM's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of BMM 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 **12pm AWST Thursday, 8 August 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, BMM'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 BMM 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.

Suspension

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

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to BMM'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 BMM'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 all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance