

20 November 2020

Sandra Wutete  
Senior Adviser, Listings Compliance (Perth)  
ASX Limited

Dear Ms Wutete

**NTM Gold Limited (“NTM” or the “Company”) Aware Query**

NTM refers to ASX's Aware Query letter dated 8 October 2020 and responds to the specific queries in that letter as set out below. Terms which are defined in ASX's Aware Query have the same meaning where used in this letter, unless the context requires otherwise.

1. Discussions with Dacian concerning the Merger commenced on 28 August 2020.

NTM gave Dacian access to the NTM data room on 15 July 2020, when the parties signed the 15 July 2020 Confidentiality Agreement referred to in your letter. However, Dacian did not make its initial non-binding indicative merger proposal to NTM, and discussions in relation to the Merger did not commence, until 28 August 2020.

During the period between execution of the 15 July 2020 Confidentiality Agreement and Dacian making its initial non-binding indicative merger proposal to NTM on 28 August 2020:

- Dacian was one of a number of parties who had signed confidentiality agreements with NTM in order to obtain access to the NTM data room; and
- NTM did not and had not received any proposal from Dacian or any of those other parties in relation to a merger or acquisition involving NTM or any of its assets.

As is common in the current market for gold companies, NTM has granted data room access to a number of parties to review confidential information in relation to its projects for the purposes of considering potential transactions involving NTM and/or its assets including, but not limited to:

- merger and acquisition transactions involving NTM or its assets;

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**Company Secretary Email:** [mmaine@ntmgold.com.au](mailto:mmaine@ntmgold.com.au)

**Accounts Email:** [admin@ntmgold.com.au](mailto:admin@ntmgold.com.au)

**ASX Code:** NTM

**ABN:** 24 119 494 772



- joint venture and farm-out transactions; and
- offtake and toll treatment arrangements.

At the time of granting due diligence access to a party, there is no guarantee that any transaction will occur with or even be proposed by the party.

Following receipt of Dacian's initial non-binding indicative merger proposal on 28 August 2020, NTM was unable to come to an agreement on terms for a transaction, and the NTM Board resolved on 1 October 2020 to terminate discussions with all parties. On 2 October 2020, NTM sent:

- a letter to Dacian terminating the discussions concerning the Merger; and
- notices to all other parties to whom NTM had entered into confidentiality agreements, terminating discussions with those parties.

Discussions concerning a potential merger with Dacian re-commenced when representatives of NTM and Dacian met on 20 October 2020. These discussions led to Dacian making a further non-binding indicative merger proposal to NTM on 23 October 2020.

Following NTM's receipt of the new non-binding indicative merger proposal, the parties began work to complete confirmatory due diligence on one another and negotiate a binding scheme implementation deed. The scheme implementation deed was executed on 15 November 2020 and announced on ASX pre-market open on 16 November 2020.

The announcement was lodged with ASX for release pre-market open on 16 November 2020.

2. No, NTM was not in discussions with Dacian concerning the Merger at the time of the Price Query. As noted above, the initial discussions with Dacian concerning the Merger were terminated on 2 October 2020. As noted in your letter, the Price Query was not received until 8 October 2020.
3. Not applicable.
4. Yes, Dr Ruane complied with Section 5(a) of NTM's Securities Trading Policy and notified NTM's Chairman or Board of his intention to carry out the On-market Acquisitions.



In relation to the On-market Acquisitions made during the period from 30 July to 31 August 2020, Dr Ruane requested the Chair's consent to those On-market Acquisitions by phone on or about 28 July 2020.

In relation to the On-market Acquisitions made during the period from 2 to 13 October 2020, Dr Ruane notified the other Board members of his intention to carry out those On-market Acquisitions at the Board meeting on 1 October 2020 referred to in the response to query 1 above (where the NTM Board resolved to terminate discussions concerning the Merger).

5. Yes, the Chairman or Board advised Dr Ruane that there was no known reason to preclude him from dealing in NTM's securities before he entered into the On-market Acquisitions.

In relation to the On-market Acquisitions made during the period from 30 July to 31 August 2020:

- The Chair granted Dr Ruane's request for consent to those On-market Acquisitions by email dated 28 July 2020. A copy of the email from the Chair of NTM giving the requested consent, has been provided to ASX with this response to ASX's aware query (not for public release).
- This consent was withdrawn when NTM received Dacian's initial non-binding indicative merger proposal after close of market on 28 August 2020. Immediately after the proposal was received, the NTM directors were immediately notified by email that NTM had entered a blackout period under its Securities Trading Policy.
- The On-market Acquisitions referred to in your Aware Query as having occurred after 28 August 2020, were all executed on ASX prior to NTM receiving Dacian's initial non-binding indicative merger proposal and then entering into a blackout period under its Securities Trading Policy, but did not settle until after that time.

In relation to the On-market Acquisitions made during the period from 2 to 13 October 2020, when Dr Ruane notified the Board of his intention to carry out those On-market Acquisitions at the Board meeting on 1 October 2020 referred to in the response to query 1 above, the other NTM Directors confirmed that there was no known reason to preclude him from dealing in NTM's securities following the issue of termination notices (the NTM Board having resolved to terminate discussions). Dr Ruane verbally advised the NTM Company Secretary on 13 October 2020 that he did not intend to trade any further NTM securities on-market at that time.



6. NTM has confirmed with Dr Ruane that he became aware of the Confidentiality Agreements on or about the dates on which they were executed, by virtue of being aware that:
- NTM had granted data room access to Dacian around the time the 15 July 2020 Confidentiality Agreement was executed; and
  - that NTM was commencing its own confirmatory due diligence on Dacian around the time the other Confidentiality Agreement was executed.

NTM has confirmed with Dr Ruane that he became aware of re-engagement with Dacian in relation to the potential merger discussions when contacted by NTM's Managing Director on 19 October 2020 with a request to attend a meeting between representatives of NTM and Dacian on 20 October 2020.

7. NTM confirms that it is in compliance with the Listing Rules, in particular Listing Rule 3.1.
8. NTM confirms that its responses to the questions above have been authorised and approved by NTM's Chairman on behalf of the NTM Board.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Maine', with a large, stylized flourish.

**Mark Maine**  
Company Secretary



17 November 2020

Reference: 27864

Mr Mark Maine  
Company Secretary  
NTM Gold Limited

By email

Dear Mr Maine

**NTM Gold Limited('NTM'): General – Aware Query**

ASX refers to the following:

- A. NTM's announcement entitled "Dacian and NTM Agree Merger" lodged on the ASX Market Announcements Platform ("MAP") and released at 3:00 PM on 16 November 2020, disclosing that NTM and Dacian Gold Limited ("Dacian") have entered into a binding scheme implementation deed, under which the two companies will merge by way of a NTM scheme of arrangement under which Dacian will acquire 100% of the shares of NTM ("Merger");
- B. NTM's announcement entitled 'Scheme Implementation Deed' lodged on MAP and released at 8:31 AM on 16 November 2020 ('SID') pertaining to the Merger, disclosing, among other things, the confidentiality agreements between Dacian and NTM dated on or about 15 July 2020 ("15 July 2020 Confidentiality Agreement") and 29 October 2020 ('Confidentiality Agreements').
- C. The change in the price of NTM's securities from a closing price of \$0.086 on 1 October 2020 to an intra-day high of \$0.14 on 8 October 2020 and a significant increase in the volume traded over this period.
- D. The price query from ASX dated 8 October 2020 in which ASX queried the increased price and volume movement in NTM's securities ('Price Query').
- E. NTM's response to the Price Query dated 8 October 2020, that was lodged on MAP and released on the same day ('Response to ASX'), in which NTM stated, among other things, that:

*"NTM is not 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 NTM securities."*

- F. NTM's announcements lodged on MAP on the following dates disclosing changes in Dr Michael Ruane's notifiable interests in NTM relating to on-market acquisitions ("On-market Acquisitions") as follows:

| Release Date on MAP | Date of Change     | Number of Shares Acquired | Value of Consideration | Traded During a Closed Period | Written Clearance provided to allow the trade to proceed | Date written clearance was provided |
|---------------------|--------------------|---------------------------|------------------------|-------------------------------|--|-------------------------------------|
| 13-October-2020     | 12-13 October 2020 | 1,056,798                 | \$ 125,916             | No                            | n/a  | n/a                                 |
| 08-October-2020     | 07-October-2020    | 979,077                   | \$ 90,174              | No                            | n/a  | n/a                                 |
| 06-October-2020     | 2-6 October 2020   | 2,065,000                 | \$ 186,524             | No                            | n/a  | n/a                                 |

|                |                |         |           |     |     |     |
|----------------|----------------|---------|-----------|-----|-----|-----|
| 31-August-2020 | 25-August-2020 | 527,340 | \$ 45,004 | No  | n/a | n/a |
| 24-August-2020 | 21-August-2020 | 500,000 | \$ 43,280 | No  | n/a | n/a |
| 17-August-2020 | 13-August-2020 | 650,000 | \$ 54,767 | No  | n/a | n/a |
| 14-August-2020 | 13-August-2020 | 650,000 | \$ 38,547 | No  | n/a | n/a |
| 03-August-2020 | 30-July-2020   | 100,000 | \$ 8,580  | Yes | Yes | n/a |

G. NTM's securities trading policy located on NTM's website ("Securities Trading Policy") which states, among other things, the following:

"1(c) *The purpose of this Securities Trading Policy is to assist the Directors and employees to avoid conduct known as 'insider trading' which is prohibited under the Corporations Act. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act.*

#### 4.1 *General rule*

- (a) *Directors and employees are not permitted to trade in the Company's securities during the specific "prohibited periods" detailed below:*
- (b) *The prohibited periods are the period of two weeks immediately leading up to and including each of the following days:*
  - (i) *the day quarterly results are announced;*
  - (ii) *the day half year results are announced;*
  - (iii) *the day full year results are announced; and*
  - (iv) *the day of the annual general meeting.*
- (c) *The Company may at its discretion vary this rule in relation to a particular prohibited period by general announcement to all Directors and employees either before or during the period. In particular, the Company may announce additional prohibited periods during which the Company's securities may not be traded, including while it considers matters which are exempt from immediate disclosure to ASX under the continuous disclosure rules.*
- (d) *However, if a Director or employee of the Company 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, even if such trading might otherwise be permitted by the securities trading policy.*

#### 4.6 *Exceptions*

- (b) *Exceptional Circumstances:*
  - (i) *A Director or an employee, who is not in possession of inside information in relation to the Company, may be given prior written clearance to sell or otherwise dispose of the securities of the Company other than during a window period under the trading policy where the such person is in severe financial hardship or there are other exceptional circumstances.*

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5 APPROVAL AND NOTIFICATION REQUIREMENTS

- (a) Any Director wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior approval of the Chairman or the Board before doing so.
- (d) Any Director or employee who (or through his or her Associates) buys, sells, or exercises rights in relation to Company securities **must** notify the Company Secretary of the details of the transaction within five business days after the transaction occurring. This notification obligation operates at all times but does not apply to acquisitions of shares, options or performance rights by employees made under an employee incentive scheme operated by the Company, nor does it apply to the acquisition of shares as a result of the exercise of options or performance rights under an employee incentive scheme operated by the Company.
- (e) The form to complete and send to the Company Secretary available on request from the Company Secretary."
- 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;*
  - *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*

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*disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

- L. Guidance Note 27: *Trading Policies*, with specific reference to section 10.5: *Directors trading in closed periods without prior clearance*, which was published to assist listed entities with their obligations under Listing Rules 12.9 to 12.12 regarding trading policies and to give an overview of ASX policy in relation to entities regulating trading in their securities by their directors and key management personnel.

### **Request for information**

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

1. When did NTM commence discussions with Dacian about the Merger?
2. Was NTM in discussions with Dacian concerning the Merger at the time of the Price Query?
3. If the answer to question 2 is “yes” and in light of NTM’s Response to ASX, did NTM consider that a breach of confidentiality regarding the Confidentiality Agreements had occurred? If not, why not?
4. Did Dr Ruane comply with Section 5(a) of NTM’s Securities Trading Policy and notify NTM’s Chairman or Board in writing, or otherwise, of his intention to carry out the On-market Acquisitions? If so, please provide a copy of the written communications (not for release to market). If not, why not?
5. Did the Chairman or Board advise Dr Ruane in writing, or otherwise, that there is no known reason to preclude him from dealing in the NTM’s securities before he entered into the On-market Acquisitions? If so, please provide a copy of the written communications (not for release to market). If not, why not?
6. When did Dr Ruane become aware of the Confidentiality Agreements and/or the Merger?
7. Please confirm that NTM is complying with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that NTM’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 NTM 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 **3:00 PM AWST Friday, 20 November 2020**. 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, NTM’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 NTM 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.

### **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 NTM’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;

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- 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 NTM's securities under Listing Rule 17.3.

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

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

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**Sandra Wutete**  
Senior Adviser, Listings Compliance (Perth)