

30 December 2020

Stephanie Patchell  
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By email: [listingscomplianceperth@asx.com.au](mailto:listingscomplianceperth@asx.com.au)

Dear Stephanie

**Anax Metals Limited ('ANX'): Appendix 3Y – Change of Director's Interest Notice Query**

We refer to your letter dated 24 December 2020 regarding an Appendix 3Y – Change of Director's Interest Notice Query and respond to your questions as follows:

**1. Please confirm the date that the Options were exercised.**

The Company received the option exercise notice on 8 December 2020.

**2. Please explain why the Appendix 3Y was lodged late.**

The Company lodged the Appendix 3Y subsequent to the date of the allotment and issue of the shares as a result of the exercise of the options, which was 21 December 2020, rather than the date of receipt of the option exercise notice. Using the date of receipt of the option exercise notice as the starting date, the Appendix 3Y is deemed late.

Under the terms of the options the optionholder could exercise the options by lodging with the company before the expiry date a written notice of exercise (which the Company confirms was received prior to 10 December 2020), and the company was required to allot the number of shares required within 10 business days of receipt of the exercise notice (which the Company confirms occurred on 21 December 2020, within the 10-business day limit).

**3. What arrangements does ANX have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?**

The Company has the following arrangements in place: a) A share trading policy that requires directors to notify the Chairman and Company Secretary of any proposed trades and confirm that he/she is not in possession of 'Inside Information' before doing so; and b) Arrangements between the Company, the Directors and the Company's share registry to ensure that the Share Registry alerts the Company Secretary of any trading in securities by Directors, whether or not the Director(s) make such notification directly.

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

The Board believes that the current reporting arrangements are sufficient and ensure Directors are aware of their obligations to disclose all the information required by the Company to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rules 3.19A and B. This was purely an administrative error due to the interpretation of the Listing Rules. The notices were lodged immediately upon the Company's previous understanding of the requirements. The Company has now revised its procedures to ensure the disclosure in respect of the exercise of options is completed within the appropriate timeframe.

Authorised for release by the Board of Directors of the Company.

Kind regards,

Steven Wood  
Company Secretary



24 December 2020

Reference: 29178

Mr Steven Wood  
Company Secretary  
Anax Metals Limited

By email: [sw@grangeconsulting.com.au](mailto:sw@grangeconsulting.com.au)

Dear Mr Wood

**Anax Metals Limited ('ANX'): Appendix 3Y – Change of Director's Interest Notice Query**

ASX refers to the following:

1. ANX's announcement, entitled '*Options Exercise and Appendix 2A*' lodged on the ASX Market Announcements Platform ('MAP') on 22 December 2020 in relation to the exercise by Mr Geoff Laing of 2,700,000 unlisted options with an exercise price of \$0.031 and expiry date of 10 December 2020 ('Options') ('Announcement') which included a statement that:

*'It is confirmed the option exercise notice and cleared funds were received by the Company prior to the expiry date of the options.'*

2. ANX's Appendix 3Y lodged on MAP on 22 December 2020 for Mr Geoff Laing (the 'Notice').
3. 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.'*

4. The note to Listing rule 3.19A.2 which provides the following example of the timeframe for giving an Appendix 3Y to ASX:

*'The event giving rise to the requirement to give ASX an Appendix 3Y is the exercise of options. The entity has five business days after the date the options were exercised to give ASX the Appendix.'*

5. Listing rule 3.19B which states that:

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*'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'*

The Announcement indicates that a change in Mr Laing's notifiable interest occurred by 10 December 2020. It appears that the Notice should have been lodged with ASX by 17 December 2020. Consequently, ANX may have breached Listing Rules 3.19A and/or 3.19B.

### **Request for Information**

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please confirm the date that the Options were exercised.
2. Please explain why the Appendix 3Y was lodged late.
3. What arrangements does ANX have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
4. If the current arrangements are inadequate or not being enforced, what additional steps does ANX intend to take to ensure compliance with Listing Rule 3.19B?

### **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 **4.00 PM AWST on Monday, 4 January 2021**. 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, ANX'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 ANX to request a trading halt immediately.

Your response should be sent to me by e-mail at [ListingsCompliancePerth@asx.com.au](mailto: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 ANX'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.

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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 ANX's securities under Listing Rule 17.3.

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

In responding to this letter, you should have regard to ANX'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 ANX'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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**Stephanie Patchell**  
Adviser, Listings Compliance (Perth)