

5 December 2024

Damian Dinelli
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Australian Securities Exchange
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By email: damian.dinelli@asx.com.au and ListingsCompliancePerth@asx.com.au

Dear Damian,

Errawarra Resources Ltd (ASX: ERW) – Response to Aware Query Letter

Errawarra Resources Ltd (**Errawarra** or the **Company**) received an aware query letter from ASX on 3 December 2024 requesting for information on the recent price and volume query letter.

Request for Information from ASX

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

No. As evidenced when the Falcon joint venture (**JV**) was announced, the Company came out of the trading halt, and the share price stabilised to levels consistent with trading from previous weeks.

2. If the answer to question 1 is “no”, please advise the basis for that view.

The farm-in/JV with Falcon Metals pertains to their interest in pursuing a grassroots exploration opportunity, primarily to investigate a gold soil anomaly. The Company has previously reported the gold soil anomaly without any significant market reaction.

3. When did ERW first become aware of information regarding the existence and terms of the Falcon JV as eventually announced in the JV Announcement? In answering this question, please provide a specific date and time.

In February 2024, Falcon Metals initiated contact and expressed an interest in the Company’s Errabiddy gold project.

In March 2024, the Company signed a non-disclosure agreement (**NDA**) with Falcon, and the Company provided a data package for review.

In June 2024, the Company provided Falcon with a draft term sheet.

In August 2024, Falcon responded to the draft term sheet.

In September 2024, a first draft JV Agreement was received from Falcon and the terms were subject to ongoing discussions over the ensuing 2 months.

On 24 November 2024 at 4:49 pm (AWST), a near final draft of the JV Agreement was received from the lawyers for review, final confirmations, and board approval.

4. If ERW first became aware of the information referred to in question 1 before the date of the JV Announcement, did ERW make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe ERW was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ERW took to ensure that the information was released promptly and without delay.

Errawarra could not announce the JV Agreement as it was incomplete and remained under negotiation until 26 November 2024. Certain terms were still being finalised, and the JV Agreement had not reached a stage where disclosure could occur without risking the negotiations. A reasonable person would not expect information about the JV to be disclosed until both parties agree to finalise the terms. The Company ensured the information was promptly disclosed following the finalisation and execution.

5. When did a document substantively representing the material terms of the Falcon JV come into receipt or possession of ERW or any of its officers? Please answer this question by providing a specific date and time of receipt or possession.

A near final draft of the JV Agreement was received at 4:49 pm (AWST) on 24 November 2024, during which the Company was still negotiating with Falcon Metals to finalise the terms.

However, the Company had to expedite the negotiation process between 25 and 26 November 2024 due to the trading halt provided to ASX. The Board approved the JV Agreement on 26 November 2024, and the JV was announced on 27 November 2024.

6. When did the board of ERW adopt the proposal inherent in the JV Agreement? Please answer this question by:

- 6.1 providing a specific time and date on which the proposal was adopted; and

The Board resolved to approve the Falcon JV during a board meeting held at 10:30 am (AWST) on Tuesday, 26 November 2024.

- 6.2 detailing how the board of ERW adopted the proposal.

The Board reviewed the Falcon JV terms and resolved to approve the JV Agreement with Falcon.

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

Yes.

8. Please confirm that ERW'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 ERW with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed.

Yours sincerely,

Thomas Reddicliffe
Executive Chairman
Errawarra Resources Ltd



3 December 2024

Reference: 104055

Ms Mindy Ku
Company Secretary
Errawarra Resources Ltd

By email

Dear Ms Ku

Errawarra Resources Ltd ('ERW'): ASX Aware Letter

ASX refers to the following:

- A. The change in the price of ERW's securities from a low of \$0.061 on 22 November 2024 to an intraday high of \$0.105 on 25 November 2024, and a significant increase in the volume of securities traded over that timeframe.
- B. The pause in trade announcement released to the ASX Market Announcements Platform ('MAP') at 11:26 AM AWST on 25 November 2024.
- C. ERW's request for a trading halt pending the release of an announcement regarding a potential joint venture transaction and to respond to a price query from ASX released on MAP at 12:03 PM AWST on 25 November 2024.
- D. ERW's announcement titled 'Errawarra enters into gold focused JV with Falcon Metals' ('JV Announcement') released to MAP at 7:20 AM AWST on 27 November 2024 disclosing the following amongst other things:

"Errawarra is pleased to advise that it has entered into an Earn-in, Joint Venture and Mineral Rights Agreement with ASX listed Falcon Metals Ltd (Falcon or FAL) for exploration on the Errabiddy project tenement E09/2457 for all materials excluding graphite..."

The key term of the joint venture include: JV focused on gold and base metals with Errawarra retaining 100% graphite mineral rights

- *\$80,000 up front payment;*
- *Minimum spend of \$200,000;*
- *Stage 1 - spend of \$750,000 (minimum spend of \$200,000) to earn up to 51%;*
- *Stage 2 - spend of \$1,250,000 to earn an additional 19%, which allows Falcon to earn up to 70%; and*
- *Thereafter, the parties contribute on a pro rata basis (further details are set out in Appendix A.)"*

('Falcon JV').

- E. ERW's announcement titled 'Response to ASX Price Query' released to MAP at 7:20 AM AWST on 27 November 2024 disclosing the following:

"1. Is ERW 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 its securities?"

The Company was amid advance discussions on a potential joint venture transaction when it received the price query letter. However, it does not believe the information would explain the recent trading in its securities. The Company is regularly in discussion regarding potential transaction opportunities that align with its strategic objectives and are aimed at delivering value to shareholders.

During the trading halt, the Company executed a joint venture transaction with a third party, with the announcement released on Wednesday, 27 November 2024.”

(‘Price Query Response’)

F. 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.

G. 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.”

H. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled “When does an entity become aware of information?”

I. *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* (“Guidance Note 8”) in section 4.4 in (titled “When does an entity become aware of information?”) and section 4.5 which relevantly states that:

“ASX will expect an entity to act particularly quickly if ASX asks it to make an announcement under Listing Rule 3.1B because of a sudden and significant movement in the market price or traded volumes of its securities or otherwise to correct or prevent a false market in its securities.⁵⁴ In such cases, if the entity is not in a position to issue its announcement to the market straight away, ASX will generally expect it to request a trading halt...”

⁵⁴ *Indicating that the information in question may have leaked ahead of the entity’s announcement.”*

J. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

“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 5 situations 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.”

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- K. The concept of “confidentiality” 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 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 is no longer a secret and it ceases to be confidential information for the purposes of this rule.”

- L. The concept of ‘Incomplete proposals or negotiations’ detailed in section 5.4 of Guidance Note 8, which states that:

“A proposal involving an entity is incomplete unless and until the entity has adopted it and is committed to proceeding with it. Negotiations are incomplete unless and until they result in a legally binding agreement or the entity is otherwise committed to proceeding with the transaction being negotiated...”

It is not acceptable, however, for an entity to commit itself to an agreement (eg, by “hand shake” or side letter) but to delay signing in an attempt to delay its disclosure. As soon as an agreement is legally binding on an entity or it is otherwise committed to proceeding with the transaction in question, the proposal inherent in that agreement and the negotiations about it are completed and this exception no longer applies.”

Request for information

Having regard to the above, ASX asks ERW to respond separately to each of the following questions:

1. Does ERW consider the Falcon JV 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.
3. When did ERW first become aware of information regarding the existence and terms of the Falcon JV as eventually announced in the JV Announcement? In answering this question, please provide a specific date and time.
4. If ERW first became aware of the information referred to in question 1 before the date of the JV Announcement, did ERW make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe ERW was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ERW took to ensure that the information was released promptly and without delay.
5. When did a document substantively representing the material terms of the Falcon JV come into receipt or possession of ERW or any of its officers? Please answer this question by providing a specific date and time of receipt or possession.
6. When did the board of ERW adopt the proposal inherent in the JV Agreement? Please answer this question by:
 - 6.1 providing a specific time and date on which the proposal was adopted; and
 - 6.2 detailing how the board of ERW adopted the proposal.
7. Please confirm that ERW is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that ERW’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 ERW 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 **11:00 AM AWST Friday, 6 December 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, ERW's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require ERW to request a trading halt immediately if trading in ERW's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us 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 ERW's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

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