



29 July 2021

Belinda Giles  
Advisor, Listings Compliance (Perth)  
Australian Stock Exchange Limited  
Level 40, Central Park  
152-158 St George's Terrace  
PERTH WA 6000

Dear Belinda,

### **Response to ASX Appendix 3X – Initial Directors Interest Notice Query**

Desert Metals Limited (ASX: DM1) (“the Company”) refers to your letter dated 28 July 2021 regarding an Initial Directors Interest Notice Query (Query) and responds to your questions as follows:

1. Please explain why the Appendix 3X was lodged late.

*The late lodgment of the Appendix 3X for Mr Keith Murray was an administrative oversight.*

2. What arrangements does DM1 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 acknowledges its disclosure obligations under Listing Rule 3.19A and has in place policies to enable it to comply with its continuous and other disclosure obligations (see, for example, the Continuous Disclosure Policy, referred to in section 5.1 of the Company's Corporate Governance Statement). In particular, it is a provision of the agreements which the Company has with each of its Directors, including Mr Murray, that they give the Company the information within their knowledge which it requires to enable it to comply with LR 3.19A and related rules. The Director gave the Company the required information at the time of his appointment, however lodgment of an Appendix 3X reflecting that information was overlooked by inadvertence.*

3. If the current arrangements are inadequate or not being enforced, what additional steps does DM1 intend to take to ensure compliance with Listing Rule 3.19B?

*It is considered that the Company's current arrangements are adequate and are enforced, with the exception of this single, inadvertent breach.*

*The Company understands the importance of complying with the Listing Rules and has placed additional controls internally to ensure it is following its policies closely and there are adequate processes in place to ensure compliance with the Listing Rules including Listing Rule 3.19B.*

Yours Sincerely,

Johnathon Busing  
Joint Company Secretary

[admin@desertmetals.com.au](mailto:admin@desertmetals.com.au)



28 July 2021

Reference: 37149

Mr Jonathon Busing  
Company Secretary  
Desert Metals Limited

By email

Dear Mr Busing

**Desert Metals Limited ('DM1'): Appendix 3X – Initial Director's Interest Notice Query**

ASX refers to the following:

1. DM1's Appendix 3X lodged on the ASX Market Announcements Platform ('MAP') on 27 July 2021 for Mr Keith Murray (the 'Notice').
2. 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.'*

3. Listing rule 3.19B which states that:

*'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.'*

As the Notice indicated that Mr Murray was appointed on 8 July 2021, it appears that the Notice should have been lodged with ASX by 15 July 2021. As the Notice was lodged on 27 July 2021, it appears that DM1 may have breached listing rules 3.19A and/or 3.19B. It also appears that Mr Murray may have breached section 205G of the *Corporations Act 2001* (Cth).

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## 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 explain why the Appendix 3X was lodged late.
2. What arrangements does DM1 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?
3. If the current arrangements are inadequate or not being enforced, what additional steps does DM1 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 **10:00 AM AWST Monday, 2 August 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, DM1'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 DM1 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 DM1'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.

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 DM1's securities under Listing Rule 17.3.

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

In responding to this letter, you should have regard to DM1'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 DM1'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 faithfully

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**Belinda Giles**

Adviser, Listings Compliance (Perth)