

26 July 2023

Shane Falconer
Adviser, Listings Compliance
ASX
Level 40, Central Park
152-158 St Georges Tce
Perth WA 6000

Dear Shane

**TG METALS LIMITED ("COMPANY")
SHARE TRADING POLICY QUERY**

We refer to your letter dated 24 July 2023 and respond as follows:

- 1. Please provide a copy of the request for approval to trade from Ms Zhang to TG6's Chairman, and the subsequent approval as required by section 10 of the Trading Policy (not for release to market).**

A copy of the request and subsequent approval to purchase 100,000 shares received from Ms Zhang on 14 July 2023 is attached. Requests from Ms Zhang to approve the purchase of 80,000 shares on 7 December 2022 and to sell an aggregate of 80,000 shares (comprising 76,160 shares on 14 July 2023 and 3,840 shares on 17 July 2023) were not received by the Chairman.

The Company notes that section 10 of the Trading Policy was not complied with in respect of the 80,000 shares purchased in a separate registered holding (Di Zhang) on 7 December 2022 and the subsequent divestment of an aggregate of 80,000 shares in July 2023. Ms Zhang inadvertently breached the obligation to request approval from the Chairman on 7 December 2022 and subsequently, upon realising her error, sold the shares on 14 July 2023 and 17 July 2023. The Company became aware of the unapproved on-market transactions on 18 July 2023.

- 2. Noting that the Transactions occurred 14 days prior to the deadline for TG6's Appendix 5B and quarterly activity report be lodged on MAP, is TG6 of the view that the Transactions complied with section 4.1 of the Trading Policy? If so, please explain the basis for that view.**

The Company concedes the on-market transactions on 17 July 2023 did not occur strictly within section 4.1 of the Trading Policy. The Company's interpretation of section 4.1 of the Trading Policy was that Monday, 17 July 2023 was the final day trading could occur prior to a closed period, being the 15th day prior to the lodgement deadline for the Company's Appendix 5B and quarterly activity report to be lodged on Monday, 31 July 2023 (calculated

including 31 July 2023). The Company confirms that at the time of the transactions neither the Company nor any of its officers, including Ms Zhang, were in possession of price sensitive information.

3. If the answer to question 2 is no, please explain why approval was given to Ms Zhang.

As noted above, the Company's interpretation of section 4.1 of the Trading Policy was that Monday, 17 July 2023 was the final day trading could occur prior to a closed period, being the 15th day prior to the lodgement deadline for the Company's Appendix 5B and quarterly activity report to be lodged on Monday, 31 July 2023 (calculated including 31 July 2023). As such, Ms Zhang was advised she was able to proceed with the purchase of 100,000 shares. The Company confirms that at the time of the transaction neither the Company nor any of its officers, including Ms Zhang, were in possession of price sensitive information. No approval was given to Ms Zhang for the sale of 80,000 shares on 14 and 17 July 2023. By the time the transactions came to the attention of the Board on 18 July 2023, the transactions had already occurred.

4. Noting that the Appendix 3Y bought and sold TG6 shares on the same day, is TG6 of the view that Ms Zhang complied with section 5 of the Trading Policy in relation to short term trading? If so, please explain the basis for that view.

Yes, the Company is of the view that Ms Zhang complied with section 5 of the Trading Policy. The total of 80,000 shares sold on 14 July 2023 and 17 July 2023 were traded to 'rectify' the purchase transaction which occurred in December 2022 in a separate registered holding (Di Zhang). The shares were not sold and purchased with the intent of short-term trading in the Company's securities.

5. If a breach was identified in questions 1-4 above, please explain the basis for TG6's comment that "The Company believes the arrangements it has in place with its directors are adequate" and outline what disciplinary and remedial action TG6 intends to take as a result of this breach of the Trading Policy.

The Company believes the arrangements it has in place with its directors are adequate based on the following arrangements in place:

- The Company's Trading Policy has been provided to each of its Key Management Personnel and is available on its website.
- The Company has an agreement in place with each of its directors which requires the director to provide the information needed to meet its disclosure requirements under ASX Listing Rule 3.19A.
- At each Board Meeting, the Board discuss ongoing compliance issues including confirmation of director holdings and interests.

Once the Company became aware of the breaches under the Trading Policy the following remedial actions have been taken:

- The Company has reiterated to all Key Management Personnel, including Ms Zhang, the requirements of the Trading Policy with respect to dealing in Company securities, to provide greater clarity around the closed periods and approval processes that need to be satisfied to ensure full compliance going forward.
- The Company has re-circulated the Trading Policy to each of its Key Management Personnel.
- Securities trading and compliance will be an action item on the Board minutes which will be considered by the Board at the next Board meeting scheduled for Thursday 31 August 2023.

Ms Zhang accepts that she has breached the Trading Policy, apologised for her oversight, and undertaken in writing to fully comply with the Trading Policy in respect of any transactions involving Company securities in the future. The Company has not implemented any disciplinary action as this was considered an isolated incident.

- 6. ASX observes that 100,498 TG6 shares traded on 17 July 2023, however, TG6 purports that Ms Zhang purchased 100,000 and sold 80,000 TG6 shares on 17 July 2023 (which would require at least 180,000 shares to have traded during the day). Did Ms Zhang purchase shares from herself on-market on 17 July 2023? If not, please explain this apparent discrepancy in the Appendix 3Y.**

Ms Zhang did not purchase shares from herself on market on 17 July 2023. Correspondence received from Ms Zhang's stockbroker stated that the sale of 80,000 shares was filled on 17 July 2023. Upon further investigation the Company has been advised that 76,160 shares were traded on 14 July 2023 and the balance of 3,840 Shares were traded on 17 July 2023, thus completing the order.

- 7. Please confirm that TG6 is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

We confirm that TG6 is complying with the Listing Rules and, in particular, Listing Rule 3.1.

- 8. Please confirm that TG6'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 TG6 with delegated authority from the board to respond to ASX on disclosure matters.**

The Company confirms that the above responses have been authorised and approved by the Board.

Regards

Nicki Farley
Company Secretary



24 July 2023

Ms Nicola Farley
Company Secretary
TG Metals Limited

By email: nicki@tridentcapital.com.au

Dear Ms Farley

TG Metals Limited ('TG6'): Securities Trading Policy Query

ASX refers to the following:

- A. TG6's announcement entitled '*Change of Director's Interest Notices*' released on the ASX Market Announcements Platform ('MAP') on 20 July 2023 which disclosed:
- (i) that TG6 director, Ms Gloria Zhang, purchased 100,000 TG6 shares and disposed of 80,000 TG6 shares on 17 July 2023 pursuant to an Appendix 3Y (the 'Transactions');
 - (ii) that TG6 director, Ms Gloria Zhang, purchased 80,000 shares on 7 December 2022 pursuant to an Appendix 3Y ('December Appendix 3Y'); and
 - (iii) that the December Appendix 3Y was lodged late due to an administrative oversight and that TG6 believes the arrangements it has in place with its directors are adequate.
- B. 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.'*
- C. 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.'*

- D. TGG's securities trading policy, released on MAP on 24 May 2022 (the 'Trading Policy'), which stated (relevantly):

At section 4.1:

"Key Management Personnel are not permitted to trade the Company's securities during the specific "Closed Periods" detailed below.

The Closed Periods are:

- (i) *the period two weeks prior to, and 48 hours after the release of the Company's quarterly reports..."*

At section 5:

"Key Management Personnel should never engage in short-term trading of the Company's securities except for the exercise of options where the resulting shares will be sold shortly thereafter."

At section 10:

10.1 Approval requirements

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

10.2 Approvals to buy or sell securities

- (a) *All requests to buy or sell securities as referred to in section 10.1 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.*

- E. Listing Rule 5.5 which states the following with regards to the lodgement date for Appendix 5Bs:

*A *mining exploration entity and an *oil and gas exploration entity must also complete an Appendix 5B and give it to ASX. It must do so immediately after the information is available for release to the market, and in any event within 1 month after the end of each quarter of its financial year.*

- F. Listing Rules 12.9 and 12.12 which require the following:

- 12.9 *An entity must have a +trading policy that complies with the requirements of ASX listing rule 12.12. An entity must give its +trading policy to the +market announcements office for release to the market.*
- 12.12 *At a minimum, an entity's +trading policy must include the following information:*
- 12.12.1 *The entity's +closed periods.*
- 12.12.2 *The restrictions on trading that apply to the entity's +key management personnel.*
- 12.12.3 *Any trading which is not subject to the entity's +trading policy.*

12.12.4 Any exceptional circumstances in which the entity's +key management personnel may be permitted to trade during a +prohibited period with prior written clearance.

12.12.5 The procedures for obtaining prior written clearance for trading under rule 12.12.4.

G. Guidance Note 27: Trading Policies which states:

Implicit in the requirement for an entity to have a trading policy is that it should also have appropriate measures to ensure that its KMP are aware of, and understand, their obligations under the policy and to monitor and enforce compliance with the policy. For it not to do so would be a failure to comply with its obligation under Listing Rule 19.2 to honour the spirit, intention and purpose of the Listing Rules.

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*.

Having regard to the above, ASX asks TG6 to respond separately to each of the following questions and requests for information:

1. Please provide a copy of the request for approval to trade from Ms Zhang to TG6's Chairman, and the subsequent approval as required by section 10 of the Trading Policy (not for release to market).
2. Noting that the Transactions occurred 14 days prior to the deadline for TG6's Appendix 5B and quarterly activity report be lodged on MAP, is TG6 of the view that the Transactions complied with section 4.1 of the Trading Policy? If so, please explain the basis for that view.
3. If the answer to question 2 is no, please explain why approval was given to Ms Zhang.
4. Noting that the Appendix 3Y bought and sold TG6 shares on the same day, is TG6 of the view that Ms Zhang complied with section 5 of the Trading Policy in relation to short term trading? If so, please explain the basis for that view.
5. If a breach was identified in questions 1-4 above, please explain the basis for TG6's comment that "*The Company believes the arrangements it has in place with its directors are adequate*" and outline what disciplinary and remedial action TG6 intends to take as a result of this breach of the Trading Policy.
6. ASX observes that 100,498 TG6 shares traded on 17 July 2023, however, TG6 purports that Ms Zhang purchased 100,000 and sold 80,000 TG6 shares on 17 July 2023 (which would require at least 180,000 shares to have traded during the day). Did Ms Zhang purchase shares from herself on-market on 17 July 2023? If not, please explain this apparent discrepancy in the Appendix 3Y.
7. Please confirm that TG6 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that TG6'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 TG6 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 **10:30 AM AWST Thursday, 27 July 2023**. 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, TG6'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 TG6 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 TG6’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 TG6’s securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to TG6’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 TG6’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

ASX reserves 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.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Regards

Shane Falconer
Adviser, Listings Compliance