

12 September 2025

ASX Compliance

By email: ListingsCompliancePerth@asx.com.au

Dear Sirs

Highfield Resources Limited: Financial condition – Response to ASX query

We refer to your letter to Highfield Resources Limited (ASX: HFR) (**Company, Highfield or HFR**), dated 8 September 2025 (**Letter**), and respond as set out below. Unless otherwise defined in this letter, capitalised terms used in this letter have the meanings given to them in the Letter.

1. On what date did HFR first become aware that Yankuang Energy and Beijing Energy had elected not to proceed with the Proposed US\$300m Raising?

As per paragraph A of the Letter, on 24 September 2024, Yankuang Energy and Beijing Energy entered into binding agreements with Highfield in relation to the US\$220m Raising. Separately (and as referenced in the quotation from HFR's 13 May 2025 announcement in paragraph G of the Letter), Qinghai Salt Lake Industry Co., Ltd. (**Qinghai Salt Lake**) entered into a non-binding letter of intent for cooperation for a proposed US\$300 million equity subscription.

Accordingly (and as clearly described in the Company's announcements and contrary to paragraph J of the Letter), the Proposed US\$300m Raising did not involve Yankuang Energy or Beijing Energy and, as such Highfield has not been advised by Yankuang Energy or Beijing Energy that they have elected not to proceed with the Proposed US\$300 million Raising.

For completeness, Highfield has:

- (a) not been advised by Yankuang Energy or Beijing Energy that they have elected not to proceed with the US\$220m Raising; and
 - (b) been advised by Qinghai Salt Lake that it would not proceed with the Proposed US\$300m Raising. Qinghai Salt Lake informed the Company of this on the afternoon of 15 August 2025 (European time). The next available opportunity to inform the market was prior to market open on 18 August 2025, when the Company released its announcement. As stated in that announcement, the Implementation Agreement with Yankuang Energy and the associated Equity Subscription Agreement with Beijing Energy (each relating to the US\$220m Raising) remains binding and in place. See below for more details.
- 2. Please provide an update as to the current status of the 'Implementation Agreement' originally disclosed in the 24 September 2024 announcement and referred to again by HFR in the 18 August 2025 announcement.**

The Implementation Agreement with Yankuang Energy, as originally disclosed on 24 September 2024, remains legally binding and in force. As stated in the Company's 18 August 2025 announcement, the Implementation Agreement has not been terminated by either party, although, given that the expiry date for satisfaction of its conditions precedent (as extended) has passed, it is terminable at any time by either

party in accordance with its terms. Highfield is in discussions with Yankuang Energy to determine what, if any, steps can be taken to progress the transaction as soon as possible. Once these discussions are finalised, the Company will make an ASX announcement.

3. Given that the Convertible Notes have matured following the election of Yankuang Energy and Beijing Energy not to proceed with the Proposed US\$300m Raising, how does HFR intend to repay/settle or otherwise discharge its obligations in relation to the Convertible Notes?

As noted above, the Company has not been advised by Yankuang Energy or Beijing Energy that they have elected not to proceed with the US\$220m Raising and the Implementation Agreement remains on foot.

The Company is currently in discussions with the Convertible Noteholders and has obtained a formal standstill confirming that the Convertible Noteholders will not enforce the Company's obligation to redeem the Convertible Notes until, subject to certain conditions, 31 October 2025 (or such later date as the parties agree) (**Standstill**). See the Company's announcement lodged with ASX on 11 September 2025 (titled 'Convertible Note Standstill Agreement').

The Standstill will give the Company time to consider a range of alternatives for dealing with the obligations under the Convertible Notes, including amendments to, equitisation of, or a partial settlement of the Convertible Notes, to ensure this matter is dealt with in a manner which preserves shareholder value. The Company is currently in discussions with the Convertible Noteholders regarding these alternatives. Once these discussions are finalised, the Company will make an ASX announcement.

4. Has HFR received any correspondence from the Convertible Note holders since the maturity of the Convertible Notes? If so, please provide a summary of the correspondence received to date.

Yes. Upon the maturation of the Convertible Notes, Convertible Noteholders associated with EMR Capital (being the largest and controlling Convertible Noteholders) (**EMR Noteholders**), informed the Company that they did not intend to take immediate enforcement action in relation to the Convertible Notes and related security and that they reserved all of their rights under and in connection with the Convertible Notes while they continue to engage constructively with Highfield on the Company's future plans and funding options.

Further, as noted above, the Company and the EMR Noteholders have entered into the Standstill, pursuant to which they (as the controlling Convertible Noteholders) have agreed not enforce the Company's obligation to redeem the Convertible Notes until the conclusion of the Standstill.

The Company is also currently in discussions with the Convertible Noteholders regarding the alternatives for dealing with the obligations under the Convertible Notes. Once these discussions are finalised, the Company will make an ASX announcement.

5. Does HFR consider that its financial condition is sufficient to warrant the continued quotation of its securities and continued listing as required under Listing Rule 12.2?

Yes. While the Company acknowledges the recent maturity of the Convertible Notes, its cash position and the decision by Qinghai Salt Lake not to proceed, Highfield notes that:

- (a) the Implementation Agreement with Yankuang Energy remains binding and in place. While it is terminable at any time by either party in accordance with its terms, Highfield continues to engage with Yankuang Energy regarding next steps to try to bring the transaction to a conclusion;
- (b) while those discussions (and discussions on alternative transactions should the Original Transaction not proceed) continue, it is focussed on prudently managing working capital and minimising expenses across the Group to ensure that it is working towards the best outcome possible for creditors, investors and other stakeholders. In particular, the Company notes that all payments are tightly managed, generally requiring Board approval;
- (c) it has the support of its critical creditors and stakeholders, including the Noteholders and other secured creditors;

- (d) simultaneous with the progression of discussions with Yankuang Energy, it continues to pursue and source alternative options to deal with obligations under the Convertible Notes and ongoing funding needs (including alternative transactions should the Original Transaction not proceed); and
- (e) the Company has terminated its Senior Secured Project Finance Facility following the exit of the remaining lenders, thereby ensuring no further commitment fees accrue. See the Company's announcement lodged with ASX on 11 September 2025 (titled 'Project Finance Facility Update').

While the Company's financial statements for six months ended 30 June 2025 include an emphasis of matter in regard to a material uncertainty relating to going concern, for the above reasons, the Directors consider that they have reasonable grounds to believe that HFR is presently able to pay its debts as and when they become due and payable.

6. If the answer to question 5 is “yes”, please explain the basis for this conclusion, commenting specifically on the following:

(a) The maturity of the Convertible Notes;

As noted above, the Company has the benefit of the Standstill with the Noteholders and further support from other key creditors. The Company is in discussions with the Convertible Noteholders regarding the alternatives for dealing with the obligations under the Convertible Notes. Consistent with the representations of the EMR Noteholders, the Convertible Noteholders continue to engage constructively with Highfield on the Company's future plans and funding options.

(b) The decision by Yankuang Energy and Beijing Energy not to proceed with the Proposed US\$300 million Raising;

As noted above, this is not correct.

(c) The current status of the Original Transaction disclosed by HFR on 24 September 2024; and

As noted above, the Implementation Agreement (which governs the terms of the Original Transaction) remains legally binding and in force. As stated in the Company's 18 August 2025 announcement, the Implementation Agreement has not been terminated by either party, although, given that the expiry date for satisfaction of its conditions precedent (as extended) has passed, it is terminable at any time by either party in accordance with its terms. Highfield continues to engage with Yankuang Energy regarding next steps.

(d) The going concern disclosures in HFR's Annual Report.

The Board remains satisfied that, with the Implementation Agreement in place and financing discussions (including alternative transactions should the Original Transaction not proceed) ongoing, there are reasonable grounds to believe the Company will be able to meet its obligations.

7. If the answer to question 5 is “no”, please explain what steps HFR has taken or proposes to take, to warrant the continued quotation of its securities and its continued listing pursuant to Listing Rule 12.2?

Not applicable.

8. Do HFR's directors consider there are reasonable grounds to believe that HFR will be able to pay its debts as and when they become due and payable? In answering this question, please explain the basis for the directors' conclusion.

The Directors consider that they have reasonable grounds to believe that HFR is presently able to pay its debts as and when they become due and payable, given:

- (a) that the Implementation Agreement with Yankuang Energy remains binding and in place. While it is terminable at any time by either party in accordance with its terms, Highfield continues to engage with Yankuang Energy regarding next steps;

(b) the Company has the benefit of the Standstill and is in discussions with the Convertible Noteholders regarding the alternatives for dealing with the obligations under the Convertible Notes and ongoing funding needs (including alternative transactions should the Original Transaction not proceed). Consistent with the representations of the EMR Noteholders, the Convertible Note holders continue to engage constructively with Highfield on the Company's future plans and funding options; and

(c) management has taken steps to preserve cash and reduce operating expenditure.

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

The Company confirms it is in compliance with the ASX Listing Rules, including Listing Rule 3.1.

10. Please confirm that HFR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of HFR with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that these responses have been authorised for release under its Continuous Disclosure Policy by the Board.

Please do not hesitate to contact me if further information is required.

Yours faithfully



Ms Katelyn Adams
Company Secretary
Highfield Resources Limited



8 September 2025

Reference: 112022

Ms Katelyn Adams
Company Secretary
Highfield Resources Limited

By email

Dear Ms Adams

Highfield Resources Limited ('HFR'): Financial condition - Query

ASX refers to the following:

- A. HFR's announcement titled 'Muga Funding and Creation of a New Globally Diversified Potash Company' released on the ASX Market Announcements Platform ('MAP') on 24 September 2024 regarding the binding agreement with Yankuang Energy Group Co., Ltd ('Yankuang Energy'), Beijing Energy International Holding Co., Ltd ('Beijing Energy') and Singapore Taizhong Global Development Pte. Ltd. ('Taizhong') to raise of US\$220 million in equity capital ('US\$220m Raising').
- B. HFR's annual report to shareholders for the year ended 31 December 2024 ('Annual Report') released on MAP on 28 March 2025 disclosing the following, among other things:

Financial Metrics

- (i) Cash and cash equivalents of \$11,959,572
- (ii) A net working capital deficiency of \$20,923,101
- (iii) Loss before income tax of \$19,234,078.

Financing Arrangements

- C. At Note 20 – Financial Risk Management

"The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to meet all its financial commitments and maintain the capacity to fund its exploration and evaluation activities, which primarily relate to the Muga Potash Project."

- D. At Note 13 - Convertible Notes and Conversion Option

In relation to the convertible notes issued to EMR and Tectonic Investment Management ('TIM') on 22 May 2023 ('Convertible Notes'):

"On 22 May 2023, the Group entered into a Convertible Note agreement with EMR and Tectonic Investment Management for approximately A\$25 million. The agreement with a maturity date of 24 months consisted in the issuance of 1,938 notes (arrangement fee at 2% added to the original 1,900 notes instead of being paid in cash at inception) bearing an interest rate of 14% annually (Tranche 1). The interest will be paid in kind via addition to the convertible notes amount and will mandatorily be converted into fully paid ordinary shares in the Company before the first drawdown of the €320.60 million senior loan facility secured with a group of European banks to fund the Muga Project."

A further US\$6 million (A\$8.9 million) investment was secured in December 2023 in the form of 714 convertible notes (with a 2% arrangement fee added to the original 700 notes instead of being paid in cash at inception) issued on similar contractual terms to the previous issuance in May 2023 (Tranche 2). The

same strategic investors plus another institutional investor were the lenders. Proceeds from the notes owned by the institutional investor were received in December 2023 at which point 102 notes were issued. Proceeds from the remaining 612 notes were received in early 2024.

As a result, the corresponding notes were issued in January and February 2024. Upon execution of Tranche 2 the conversion price of the Tranche 1 options was amended. As a result of these two tranches a total of 2,652 notes are being held by the lenders as at the date of this report. The notes' maturity date is two years from the loan note completion date, 22 June 2025, and have therefore been reclassified to current liabilities as at the date of this report."

E. At Note 2(b) – Summary of Material Accounting Policies – Going Concern:

- (i) "During the year ended 31 December 2024 the Group recorded a loss of \$19.2 million (2023: \$12.1 million), net cash outflows from operating activities of \$8.8 million (2023: \$9.9 million) and was in a net current liability position of \$20.9 million as at 31 December 2024. Net assets as at 31 December 2024 were \$145.3 million (2023: \$143.3 million) and cash and cash equivalents of \$12.0 million (2023: \$14.1 million)."
- (ii) "Although the Group had a surplus cash balance at year end, it has no cash generating assets in operation."
- (iii) "To ensure the continuing viability of the Group funds are required to progress the Muga Project ("Muga") in Spain. The construction of the Muga Mine has been funded through the Senior Secured Project Financing facility of €320.6 million and the operating lease on equipment of €25 million."
- (iv) "During the year the Group entered into binding agreements with Yankuang Energy Group Co., Ltd ("Yankuang Energy") and a number of strategic investors including Beijing Energy International Holding Co., Ltd ("Beijing Energy") and Singapore Taizhong Global Development Pte. Ltd. ("Taizhong") whereby the Group will issue 687.5 million new ordinary shares for a consideration of US\$220 million, which is the remaining funding required to progress phase 1 of Muga. A condition of the above agreement with Yankuang Energy and the strategic investors requires that the Group acquire the Southey potash project in Canada for a consideration of the issuance of new ordinary shares in the Company. At the date of signing the financial report, this transaction is well progressed as it has received regulatory authorisations from Australia (refer ASX 14 January 2025, "Yankuang Energy receives FIRB Approval" and ASX 6 March 2025 "Beijing Energy receives FIRB approval"), and Canada (refer ASX 24 February 2025, "Highfield Satisfies Condition in relation to the Investment Canada Act to acquire Yancoal Canada") and has been approved by HFR's shareholders at the Extraordinary General Meeting ("EGM") held on 20 March 2025."
- (v) "If short-term funding is required before receiving the US\$220 million from the strategic investors, the Directors are of the view that they could obtain additional funding through a capital raise. The Group has a history of being able to raise equity as evidenced by the cash injection of \$7.9 million which was received in early 2025 from the issue of ordinary shares to the major shareholder (refer to note 24)."
- (vi) "The ability of the Group to continue as a going concern is therefore also dependent on the continued support of its shareholder base in the absence of other funding alternatives and until the funds from the strategic investors are effectively received."
- (vii) "The above conditions indicate a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern."

Auditor's Report

- F. Attached to the Annual Report, the Auditor's report contains a material uncertainty paragraph related to going concern:

"We draw attention to Note 2 in the financial report, which indicates that the continuing viability of the Group is dependent on obtaining further funds to progress the Muga project. This condition, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter".

- G. HFR's announcement titled 'LOI for Cooperation on Strategic Investment' released on MAP on 13 May 2025 which disclosed the following:

"Highfield Resources Limited (ASX: HFR) (Highfield or the Company) is pleased to announce that it has entered into a non-binding letter of intent for cooperation (LOI) with Qinghai Salt Lake Industry Co., Ltd. (Qinghai Salt Lake), an entity listed on the Shenzhen Stock Exchange and a subsidiary of China Minmetals Corporation (China Minmetals), for a proposed US\$300 million equity subscription to be used to advance the Company's flagship Muga potash project in Spain and other strategic opportunities.

This follows the transformative transaction announced on 24 September 2024 with Yankuang Energy Group Co., Ltd (Yankuang Energy) and other strategic investors (Original Transaction). Yankuang Energy and the EMR Shareholders (defined below) are also parties to the LOI.

...

Yankuang Energy and the Highfield shareholders associated with EMR Capital (together, the EMR Shareholders) have expressed their support for the Proposed Transaction. In the event of any conflicts or potential conflicts between the provisions and commitments of the Original Transaction and the Proposed Transaction, HFR, Yankuang, and EMR Capital intend to negotiate and enter into any required agreement to resolve all obstacles that may impede or delay the progress of the Proposed Transaction"

- H. HFR's Quarterly Activities Report for the period ending 30 June 2025 ('30 June 2025 Quarterly') released on MAP on 23 July 2025 disclosing, among other things:

- (i) *"The current priority for the Company remains the development and construction of the Muga Potash mine"*
- (ii) *"Cash as at 30 June 2025 was A\$6.4 million, a reduction of A\$1.9 million from the previous quarter. The bulk of the cash outflow related to G&A and Working Capital with cash outflows being reduced to A\$0.65 million per month while the funding process advances towards successful completion".*

- I. The Appendix 5B attached to HFR's 30 June 2025 Quarterly released on MAP on 23 July 2025 at section 7.6 – 'Unused financing facilities available at quarter end' disclosing, among other things:

"Other financing facilities refer to the convertible note formalised in two tranches in May 2023 and December 2023 (refer ASX 23 May 2023, "Key Strategic Investment of A\$25m Secured" and ASX 22 December 2023 "Highfield secures US\$6 million to advance Muga potash mine toward construction", respectively) and subscribed by EMR Capital Management Ltd., Tectonic Investment Management and another institutional investor as the lenders. The debt will accrue interest (at a 14% per annum) that will be paid in kind via addition to the convertible notes amount and will mandatorily be converted into fully paid ordinary shares in the Company before the first drawdown of the senior loan facility secured with a group of international banks to fund the Muga Project. The notes are secured by a share pledge

over all the shares in and shareholder loans to, the Spanish subsidiary, Geoalcali, S.L.U. which owns and is developing the Muga Project.”

- J. HFR’s announcement titled ‘Update on Proposed Strategic Investment’ released on MAP on 18 August 2025 regarding the non-binding Letter of Intent with Yankuang Energy and a number of strategic investors including Beijing Energy and Taizhong regarding the proposed approximately US\$300 million equity subscription in Highfield to provide the remaining funding for Phase 1 of the Muga Potash Project (‘Proposed US\$300m Raising’), disclosing the following, amongst other things:

(i) *“China Minmetals Corporation (CMC) and its subsidiary Qinghai Salt Lake Industry Co., Ltd. (QSL) have informed the Company of their decision not to proceed with the proposed strategic transaction contemplated under the non-binding Letter of Intent (LOI), details of which were announced to ASX on 13 May 2025, 4 July 2025 and 18 July 2025.*

...

(ii) *Highfield confirms that QSL’s decision means that the convertible notes issued by the Company to Potash (Muga) Investment Pte. Ltd and EMR Capital GP III Limited in its capacity as general partner of EMR Capital Resources Fund III, LP (together, EMR) and others have matured.*

...

(iii) *Highfield further confirms that as at the date of this announcement, the Implementation Agreement has not been terminated (but continues to remain terminable by either party at any time). Highfield remains committed to the strategic objectives that have underpinned recent transaction discussions, with a focus on delivering long term value to shareholders.”*

- K. 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.

- L. 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.”

- M. 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."*

- N. 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."

- O. Listing Rule 12.2 which states:

12.2 *An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.*

Request for information

In light of the above, we ask that you answer the following questions in a format suitable for release to the market under Listing Rule 18.7A.

1. On what date did HFR first become aware that Yankuang Energy and Beijing Energy had elected not to proceed with the Proposed US\$300m Raising?
2. Please provide an update as to the current status of the 'Implementation Agreement' originally disclosed in the 24 September 2024 announcement and referred to again by HFR in the 18 August 2025 announcement.
3. Given that the Convertible Notes have matured following the election of Yankuang Energy and Beijing Energy not to proceed with the Proposed US\$300m Raising, how does HFR intend to repay/settle or otherwise discharge its obligations in relation to the Convertible Notes?
4. Has HFR received any correspondence from the Convertible Note holders since the maturity of the Convertible Notes? If so, please provide a summary of the correspondence received to date.
5. Does HFR consider that its financial condition is sufficient to warrant the continued quotation of its securities and continued listing as required under Listing Rule 12.2?
6. If the answer to question 5 is "yes", please explain the basis for this conclusion, commenting specifically on the following:
 - 6.1 The maturity of the Convertible Notes;
 - 6.2 The decision by Yankuang Energy and Beijing Energy not to proceed with the Proposed US\$300 million Raising;
 - 6.3 The current status of the Original Transaction disclosed by HFR on 24 September 2024; and
 - 6.4 The going concern disclosures in HFR's Annual Report.
7. If the answer to question 5 is "no", please explain what steps HFR has taken or proposes to take, to warrant the continued quotation of its securities and its continued listing pursuant to Listing Rule 12.2?
8. Do HFR's directors consider there are reasonable grounds to believe that HFR will be able to pay its debts as and when they become due and payable? In answering this question, please explain the basis for the directors' conclusion.
9. Please confirm that HFR is in compliance with the Listing Rules, and in particular Listing Rule 3.1.

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10. Please confirm that HFR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of HFR with delegated authority from the board to respond to ASX on disclosure matters.

Once ASX has received and analysed the information above, it is likely to make further enquiries of HFR.

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 **12:00 PM AWST Friday, 12 September 2025**. 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, HFR'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 HFR 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 HFR'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 HFR's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to HFR'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 HFR'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.

Yours sincerely

ASX Compliance