

7 August 2018

Ms Shannon Nicholson
Principal Adviser, Listings Compliance (Perth)
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Ms Nicholson

Rafaella Resources Limited (RFR) – ASX aware query

We refer to your letter dated 2 August 2018 and respond to your questions as follows:

1. *When did RFR first become aware of the New Claim Information (or any part thereof)? Please provide details including, but not limited to, when the local geological consultants were engaged, when the Additional Claims were applied for, and the time and date that RFR became aware of the grant of the Additional Claims.*

RFR engaged local geological consultants with respect to the proposed staking of the Additional Claims on 4 July 2018, with staking taking place between 15 and 21 July 2018.

The Additional Claims were granted on 23 July 2018. RFR was notified that the Additional Claims had been granted on 30 July 2018 and immediately commenced preparation of an announcement for release to the market. Release of the announcement was also delayed for 24 hours due to RFR awaiting further tenement information from its local geological consultants.

2. *Does RFR consider the New Claim Information (or any part thereof) to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

Yes.

3. *If the answer to question 2 is "no", please advise the basis for that view.*

Not applicable.

4. *If the answer to question 2 is "yes" and RFR first became aware of the New Claim Information (or any part thereof) before the Relevant Date, did RFR make any announcement prior to the Relevant Date disclosing the New Claim Information (or part thereof), or disclose the New Claim Information (or part thereof) in the Replacement Prospectus? If so, please provide details. If not, please explain why the New Claim Information was not released to the market at an earlier time, commenting specifically on when you believe RFR was obliged to release the New Claim Information under Listing Rules 3.1 and 3.1A and what steps RFR took to ensure that the New Claim Information was released promptly and without delay.*

RFR is of the view that its obligation to disclose the New Claim Information arose upon grant of the Additional Claims.

RFR was concerned that competitors may seek to stake the ground surrounding the McCleery Project as a result of the increased exposure to the project following RFR listing on ASX. RFR therefore considered its engagement of geological consultants to stake the Additional Claims to be confidential information that a reasonable person would not expect to be disclosed. Further, until such time as the Additional Claims had been granted, any information with respect to the

Additional Claims and the historical exploration information was not sufficiently certain to warrant release to the market, given the uncertainty with respect to the area over which the Additional Claims may be granted or if the Additional Claims would be granted at all.

5. *Please confirm that RFR is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

RFR confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. *Please confirm that RFR'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 RFR with delegated authority from the board to respond to ASX on disclosure matters.*

RFR's response to the questions have been authorised and approved by an officer of RFR with delegated authority from the board to respond to ASX on disclosure matters.

Yours sincerely

Amanda Wilton-Heald
Company Secretary



2 August 2018

Amanda Wilton-Heald
Company Secretary
Rafaella Resources Limited

By email: amanda@miningcorporate.com.au

Dear Amanda

Rafaella Resources Limited (“RFR”): aware query

ASX Limited (“ASX”) refers to the following:

- A. RFR’s second replacement prospectus dated 1 June 2018 (“Replacement Prospectus”). The Replacement Prospectus replaced the first replacement prospectus dated 16 March 2018, which in turn replaced the original prospectus dated 2 March 2018. The Replacement Prospectus was lodged on the ASX Market Announcements Platform at the time the Company was admitted to the ASX Official List and was released at 12:47pm AEST on 24 July 2018.
- B. The official quotation of the Company’s securities, which commenced at 11:00am WST (1.00pm AEST) on Thursday, 26 July 2018.
- C. RFR’s announcement entitled “Rafaella Secures 142 New Claims – Yukon, Canada” lodged on the ASX Market Announcements Platform and released at 11.03am AEST on Wednesday, 1 August 2018 (“Relevant Date”), which discloses the following.
 - a) RFR has recently secured an additional 142 prospective claims (“Additional Claims”) immediately adjoining the McCleery Copper/Cobalt Skarn style project;
 - b) RFR engaged local geological consultants in Whitehorse to study open file material available including all regional historical exploration information. This review has identified numerous neighbouring base metal occurrences including recordings of copper occurrences which are described as having similar geological features to the McCleery Project; and
 - c) the geological consultants have postulated that these occurrences may represent either a potential VMS system or additional Skarn style occurrences along strike from the known mapped skarns at the McCleery Project,

(together, “New Claim Information”).
- D. Listing Rule 3.1, which requires a listed entity to give ASX immediately 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.
- E. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

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“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”.

- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“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 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.”

- G. ASX’s policy position on the concept of “confidentiality”, which is 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 listed 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 ceases to be confidential information for the purposes of this rule.”

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

1. When did RFR first become aware of the New Claim Information (or any part thereof)? Please provide details including, but not limited to, when the local geological consultants were engaged, when the Additional Claims were applied for, and the time and date that RFR became aware of the grant of the Additional Claims.
2. Does RFR consider the New Claim Information (or any part thereof) to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is “no”, please advise the basis for that view.

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4. If the answer to question 2 is “yes” and RFR first became aware of the New Claim Information (or any part thereof) before the Relevant Date, did RFR make any announcement prior to the Relevant Date disclosing the New Claim Information (or part thereof), or disclose the New Claim Information (or part thereof) in the Replacement Prospectus? If so, please provide details. If not, please explain why the New Claim Information was not released to the market at an earlier time, commenting specifically on when you believe RFR was obliged to release the New Claim Information under Listing Rules 3.1 and 3.1A and what steps RFR took to ensure that the New Claim Information was released promptly and without delay.
 5. Please confirm that RFR is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 6. Please confirm that RFR’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 RFR 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, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (**ie before 7.30am WST) on Tuesday, 7 August 2018.**

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail and copied to madeleine.green@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.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to RFR’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 RFR’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, 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, RFR’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in this letter and may require RFR to request a trading halt immediately.

If you wish to request 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 will require the request for the 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 do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in RFR's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Shannon Nicholson

Principal Adviser, Listings Compliance (Perth)