

14 June 2016

Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40, 152-158 St Georges Terrace
Perth WA 6000

Attention Sandra Wutete

Dear Sandra

E-mail: Sandra.Wutete@asx.com.au

LYCOPODIUM LIMITED (THE “ENTITY”): ASX AWARE QUERY - RESPONSE

In response to your ASX Aware Query letter dated 10 June 2016 we advise the following with respect to the 5 questions raised therein:

1. Lycopodium Limited considers the information contained in its Profit Guidance dated 25 May 2016 to be information that may have a material effect on the price or value of its securities.
2. N/A
3. The announcement was first discussed at a regular meeting of the Board on the previous day – 24 May 2016. At that meeting the actual financial performance of the Group to the end of April was reviewed as is normal practice. It was resolved to also review the forecast for the remaining months of May and June having regard for updated information on the status of prospective work. This review resulted in an improved financial performance for the current year when compared to the previous year. The review was circulated and adopted by the Board and as a consequence it was agreed there was a need to prepare a guidance for release as soon as practical when the ASX was next open for trading - in this case the following day – 25 May 2016.
4. Lycopodium Limited did not make any public announcement regarding the guidance prior to the request for a Trading Halt. The information was not released earlier because the guidance numbers were still being quantified when the ASX rang to query recent trading activity. As a result of the call the ASX initiated the need for a Trading Halt. The request was actioned by Lycopodium Limited in order to conform with this request.
5. Lycopodium Limited confirms that it was fully compliant with all relevant listing rules.

Regards



KEITH BAKKER
COMPANY SECRETARY



10 June 2016

Mr Keith Bakker
Company Secretary
Lycopodium Limited

By email

Dear Mr Bakker

Lycopodium Limited (the “Entity”): ASX aware query

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

1. The change in the price of the Company’s securities from a closing price of \$1.59 on Wednesday, 18 May 2016 to an intra-day high of \$1.75 on Tuesday, 24 May 2016 and a substantial increase in the volume traded over this period.
2. The Entity’s letter requesting a trading halt in the Entity’s securities released to ASX on Tuesday, 24 May 2016 (“Trading Halt Request”) in which the Entity announced its intention to update the market on its financial performance.
3. The Entity’s announcement entitled “Profit Guidance” lodged with ASX Market Announcements Platform and released at 10:23 am (AEST) Wednesday, 25 May 2016 (the “Announcement”), disclosing that the directors of the Entity expect to achieve an improved outcome for the full 2015/16 financial year with a forecast after tax operating profit of at least \$3 million on revenue of \$126 million.
4. 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.
5. The definition of “aware” in Chapter 19 of the Listing Rules. This definition 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.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

6. 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 requirements 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.”

5. 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* “Listing Rule 3.1A.2 – the requirement for information to be confidential”. 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, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the information in the Announcement 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. If the answer to question 1 is “yes”, when did the Entity first become aware of the information contained in the Announcement?
4. If the answer to question 2 is “yes” and the Entity first became aware of the information in the Announcement before the Trading Halt Request, did the Entity make any announcement prior to this date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you



believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.

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

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 **3.00 p.m. WST on Wednesday, 15 June 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

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, the Entity'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.

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 at Sandra.Wutete@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.

Listing Rule 3.1

Listing Rule 3.1 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. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

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 the Entity'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 may 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*.

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

Yours sincerely

[Sent electronically without signature]

Sandra Wutete
Senior Adviser, Listings Compliance (Perth)