

11 September 2019

**LUSTRUM**  
MINERALS LIMITED

Madeleine Green  
Senior Adviser, Listings Compliance (**Perth**)  
Level 40, Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

Dear Ms Green,

RE: Lustrum Minerals Limited ('**LRM**' or '**Company**' or '**Entity**'): "Query Letter"

In response to your letter dated 2 September 2019, LRM wishes to provide additional information which relates to the background information to ASX's letter.

**A. LRM's prospectus dated 21 August 2017 ('Prospectus') released on MAP on 14 November 2017 which disclosed:**

- (i) **On page 47 that Cicero Advisory is LRM's corporate adviser pursuant to a corporate services agreement dated 1 July 2017 ('Corporate Services Agreement').**

Page 47 states "The Company has entered into an agreement with Cicero Corporate Services Pty Ltd (**Cicero Corporate**), of which Ms Loren King is a shareholder, dated 1 July 2017 (Corporate Services Agreement). Pursuant to the Corporate Services Agreement, Cicero Corporate was appointed to provide corporate and administrative services to the Company."

Cicero Advisory Services Pty Ltd (**Cicero Advisory**) is not referenced on this page, nor should it be as Cicero Advisory is not party to Cicero Corporate's Corporate Services Agreement. Cicero Advisory was the Company's corporate adviser at the time of the Prospectus.

- (ii) **On page 14 that Loren King (director of LRM) is a partner and company secretary of Cicero Group and shareholder of Cicero Corporate.**

Cicero Group is purely a business name and not an entity in its own right. Loren King is a director, company secretary and minority shareholder of Cicero Corporate.

- (iii) **On page 32 that Josh Puckridge (director of LRM) is a senior employee of Cicero Corporate.**

Josh Puckridge has never been an employee of Cicero Corporate. Josh Puckridge has previously provided consultancy services to Cicero Advisory on an ad hoc basis but has never been an employee of either entity.

**B. ASX understands that Matthew Walker, chairman and director of Cicero Group is a director and shareholder of Twentieth Century.**

Mathew Walker is in fact a director and shareholder of Cicero Advisory. He is also a major shareholder but not a director nor involved in the day to day activities of Cicero Corporate. Further, strict protocols are in place to ensure that Mathew Walker is not privy to the business operations and activities of Cicero Corporate.



**C. ASX understands that Station Nominees is an associate of James Robinson, managing director of Cicero Group.**

James Robinson is in fact a director and shareholder of Cicero Advisory. He is also a major shareholder but not a director nor involved in the day to day activities of Cicero Corporate. To the best of the Company's knowledge, he is not associated with Station Nominees Pty Ltd (**Station Nominees**). Further, strict protocols are in place to ensure that James Robinson is not privy to the business operations and activities of Cicero Corporate.

The Company also provides the following responses to ASX's questions, adopting the numbering in the letter:

**1. Please provide the details of the shareholders of Kontrarian including their holding and, if applicable, any beneficial holders of Kontrarian (not for release to market).**

Refer to **Annexure 01**. for an ASIC Current & Historical Company Extract of Kontrarian Resource Fund No. 1 Pty Ltd (**Kontrarian**). The Company has no knowledge of any other legal or beneficial owners of shares in Kontrarian.

**2. Was LRM aware that Twentieth Century and Station Nominees had shareholdings in LRM at the time of the commencement of the Buy-Back?**

Yes; the board regularly reviews the top 20 shareholders of the Company.

**3. Has LRM had any correspondence from Twentieth Century and/ Station Nominees in relation to whether any substantial holder notice(s) under the provisions of Corporations Act 2001 (Cth) ('Corporations Act') were required to be lodged in respect of their holdings? Does LRM consider that either of these parties was a substantial holder of LRM (within the meaning of the Corporations Act) at any time post the admission of LRM to the Official List of ASX? If not, please explain why, commenting on the holdings of those entities.**

No, LRM has not received any substantial holder notice(s) from either Station Nominees or The Twentieth Century Motor Company Pty Ltd (**Twentieth Century**). LRM now considers Twentieth Century to have been a substantial holder at one point in time.

**4. If either of Twentieth Century or Station Nominees was considered to be substantial holders of LRM, please ensure that the relevant substantial holder notices for those entities are lodged on MAP to correct the record.**

Twentieth Century has now lodged the substantial shareholder notices on MAP.

**5. Please confirm whether LRM received any advice in relation to the Buy-Back, and who it received that advice from. If Cicero Advisory did not provide any advice, please comment on why that is given its Corporate Services Agreement with LRM.**

Advice was sought from Steinepreis Paganin in relation to the legal implications of a buy back.

The Corporate Services Agreement in place is between LRM and Cicero Corporate Services, not Cicero Advisory.

This agreement is for the provision of Corporate Administrative Services as detailed in Section 2 of the CSA. The Corporate Services Agreement does not extend to the provision of advice in relation to a buy back. Relevantly, under Section 5.3 of the Corporate Services Agreement "it is understood that Cicero Corporate Services is not undertaking to provide any legal, audit, technical regulatory or tax advice in connection with the Agreement and Lustrum Minerals Limited shall rely solely upon its own experts for those purposes, although Cicero may assist Lustrum Minerals Limited in co-ordinating the obtaining of such advice."





The Company also had at the time an agreement with Cicero Advisory. The services provided by Cicero Advisory were to assist with the identification and introduction of investors; advise on negotiations with investors; facilitate the efficient execution of any subsequent transactions; assist in the development of corporate presentations to support investor and broker road shows; Cicero Advisory services did not relate to the provision of general corporate advice. This agreement expired on or about 1 July 2019.

The Company notes that its directors are unable to outsource their legal obligations to act in the interests of shareholders and in good faith.

- 6. Has LRM considered whether there has been any breach of section 606 of the Corporations Act due to the holdings of Twentieth Century and Station Nominees respectively having regard to the submissions made to ASX that Twentieth Century and Station Nominees are holders of Kontrarian, and that Kontrarian held an interest of 25% of LRM at the time of the Buy-Back?**

As far as the Company is aware, neither Twentieth Century nor Station Nominees is or has been a shareholder of Kontrarian.

The Company does not believe there has been a breach of section 606 of the Corporations Act.

- 7. Having regard to the relationship between Cicero Group and LRM, and the holdings of Twentieth Century and Station Nominees at the time of the Buy-Back, does LRM consider those parties to be parties to which Listing Rule 10.1 would apply? If not, please provide your reasoning.**

No. Neither of Twentieth Century nor Station Nominees fall within the categories referred to in Section 10.1.1 to 10.1.4 of the ASX Listing Rules. This is set out in further detail below:

Listing Rule 10.1.1 – neither Twentieth Century nor Station Nominees are related parties of the Company. In particular, neither are entities controlled by directors of the Company;

Listing Rule 10.1.2 – neither Twentieth Century nor Station Nominees are controlled by the Company;

Listing Rule 10.1.3 - neither Twentieth Century nor Station Nominees have or have ever had a shareholding of greater than 10% of the Company. The maximum shareholding of either was on 14 May 2019 when Twentieth Century held an interest of 7.5% in the Company;

Listing Rule 10.1.4 – neither Twentieth Century nor Station Nominees are associates of any of the parties referred to in Listing Rules 10.1.1 to 10.1.3.

It is noted that Cicero Corporate is deemed a related party of the Company in the Company's 2018 Annual Report by virtue of Loren King's shareholding in Cicero Corporate. Whilst the Company adopted this position for the purpose of its annual report, Ms King does not in fact control Cicero Corporate (she has a minority shareholding of 15% and therefore Cicero Corporate is not a related party within the meaning of ASX Listing Rule 10.1.1. The Company would be prepared to provide further clarification to the market in this regard.

For the avoidance of doubt, Cicero Corporate does not control the Company.

In any event, to the Company's knowledge, neither Twentieth Century nor Station Nominees were associates of Cicero Corporate during the period of the buy back. According to ASIC records, Mathew Walker was not the controller of Twentieth Century during this period. There is no connection between Station Nominees and Cicero Corporate.



8. **Please detail how LRM is satisfied, and what steps it has taken to make itself satisfied, that it has not breached ASX Listing Rule 10.1 by buying back shares from Twentieth Century and/or Station Nominees.**

See response to Question 7 above. The Company does not consider Listing Rule 10.1 is applicable.

9. **Please explain who the recipient of the \$50,000 was for the 'Bundaberg Coal Opportunity - Refundable Deposit' and the circumstances in which it was paid (and repaid, if applicable). Please detail why this payment was not disclosed by LRM on MAP.**

Bundaberg Coal Holdings Pty Ltd was paid \$50,000 as an exclusivity fee for 3 months. This company in turn had binding agreements with two other entities to acquire coal projects from them. The Company spent some time conducting due diligence on this opportunity but ultimately elected not to proceed for commercial reasons. Mathew Walker is the sole director and shareholder of Bundaberg Coal Holdings Pty Ltd.

10. **With reference to the invoices noted above, please detail the type of services that Xplore Resources provided to LRM, noting that the drilling conducted on the Consuelo Project appears to have been completed by another party. Was there a form (either written or unwritten) of service agreement between LRM and Xplore Resources to provide these services? If so please provide ASX with a copy (not for release to the market).**

The services were provided by Xplore Resources on a month by month basis for geological and project management services, paid for on the rendering of invoices. The Company does not have and has never had a form of service agreement with Xplore Resources.

Xplore Resources is a third party Queensland based provider of technical consulting services to resources businesses. Xplore was engaged by the Company to review the Company's coal prospect's historic data, provide recommendations for and design an exploration program, provide geological and technical supervisory assistance, review the results of exploration programs and provide further recommendations and report on exploration activity.

11. **With reference to the invoices noted above, please detail the type of services that Josh Puckridge and David Prentice provided LRM. Please confirm whether these payments were in addition to their director payments/remuneration.**

David Prentice has provided services related to the supervision of the various consultants working on behalf of the Company, including those responsible for executing and reporting on the Company's exploration program, and also Board and administrative services. These were all director payments.

Josh Puckridge has provided services related to the supervision of the various consultants working on behalf of the Company, including those responsible for executing and reporting on the Company's exploration program, and also Board and administrative services. These were all director payments.

*For, and on behalf of, the Board of the Company,*

**Loren King**

Non-Executive Director and Secretary

Lustrum Minerals Limited

Tel: (+61 8) 6489 1600

[l.king@cicerogroup.com.au](mailto:l.king@cicerogroup.com.au)

- ENDS -





2 September 2019

Ms Loren King  
Company Secretary  
Lustrum Minerals Limited

By email: l.king@cicerogroup.com.au

Dear Ms King

**Lustrum Minerals Limited ('LRM'): Query Letter**

Please note that defined terms in this letter have the same meaning as in the Query Letter (defined below).

ASX Limited ('ASX') refers to the following:

- A. ASX's letter dated 22 August 2019 ('Query Letter') and LRM's response dated 27 August 2019 ('Response') that was released on the ASX Market Announcements Platform ('MAP') on 28 August 2019.
- B. LRM's prospectus dated 21 August 2017 ('Prospectus') released on MAP on 14 November 2017 which disclosed:
  - (i) On page 47 that Cicero Advisory is LRM's corporate adviser pursuant to a corporate services agreement dated 1 July 2017 ('Corporate Services Agreement').
  - (ii) On page 14 that Loren King (director of LRM) is a partner and company secretary of Cicero Group and shareholder of Cicero Corporate.
  - (iii) On page 32 that Josh Puckridge (director of LRM) is a senior employee of Cicero Corporate.
- C. The 46 Daily Holdings Movement Reports generated by Automic, (one for each of LRM's 46 buy-backs) that was provided as an annexure to the Response.
- D. The Daily Holdings Movement Report for 1 June 2018 which states that The Twentieth Century Motor Company Pty Ltd <Twentieth Century MC SF A/C> ('Twentieth Century') held 3,000,000 shares prior to the commencement of trade on 1 June 2018, which appears to represent more than 5% of LRM's total issued share capital at that time.
- E. That no substantial holder notice was lodged by Twentieth Century on LRM's ASX platform despite it appearing to hold more than 5% of LRM's total issued share capital.
- F. The Daily Holdings Movement Report for 1 June 2019 to 6 December 2018 which shows that Twentieth Century disposed of 2,625,000 LRM shares during the period that the Buy-Back was on foot.
- G. ASX understands that Matthew Walker, chairman and director of Cicero Group is a director and shareholder of Twentieth Century.
- H. The Daily Holdings Movement Report for 22 November 2018 which states that Station Nominees Pty Ltd <Station Super Fund A/C> ('Station Nominees') held 1,250,000 LRM shares prior to the commencement of trade on 22 November 2018.
- I. The Daily Holding Movement Report for 22 November 2018 to 7 December 2018 which shows that Station Nominees disposed of 241,158 shares during the period that the Buy-Back was on foot.
- J. ASX understands that Station Nominees is an associate of James Robinson, managing director of Cicero Group.
- K. Kontrarian Resources Fund No.1 Pty Ltd ('Kontrarian') was the vendor of the Consuelo Project, LRM's main asset at the time of its admission to the Official List of ASX. As consideration for this asset, Kontrarian received 10,000,000 shares and 20,000,000 Performance Shares. Twentieth Century and Station Nominees were also each issued 6,000,000 and 4,000,000 Performance Shares as consideration for shares held in Kontrarian.

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- L. The securities that Kontrarian, Twentieth Century and Station Nominees received at the time of LRM's admission to the Official List of ASX were escrowed in accordance with item 3 of Appendix 9B of the ASX Listing Rules, as related parties/promoters.
- M. The spreadsheet itemising every exploration and evaluation expense provided by LRM with the Response, specifically that on 6 March 2018 an amount of \$50,000 was paid by LRM for '*Bundaberg Coal Opportunity - Refundable Deposit*'. ASX notes that there was not a corresponding ASX announcement made by LRM regarding this payment.
- N. The invoices and corresponding payments from LRM, provided by LRM with the Response, to Xplore Resources for the period between November 2017 and August 2018 for geological and project management services to LRM.
- O. The invoices and corresponding payments from LRM, provided by LRM with the Response, to companies associated with Josh Puckridge (director of LRM) of approximately \$41,243 and David Prentice (director of LRM) of approximately \$106,156.
- P. It appears to ASX that Twentieth Century and Station Nominees were likely each ASX Listing Rule 10.1 parties to LRM due to:
- their individual holdings in LRM and their holding in Kontrarian; and/or
  - the association of the Twentieth Century and Station Nominees with Cicero Group and with two of the directors of LRM.

#### **Request for Information**

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

1. Please provide the details of the shareholders of Kontrarian including their holding and, if applicable, any beneficial holders of Kontrarian (not for release to market).
2. Was LRM aware that Twentieth Century and Station Nominees had shareholdings in LRM at the time of the commencement of the Buy-Back?
3. Has LRM had any correspondence from Twentieth Century and/ Station Nominees in relation to whether any substantial holder notice(s) under the provisions of *Corporations Act 2001* (Cth) ('Corporations Act') were required to be lodged in respect of their holdings? Does LRM consider that either of these parties was a substantial holder of LRM (within the meaning of the Corporations Act) at any time post the admission of LRM to the Official List of ASX? If not, please explain why, commenting on the holdings of those entities.
4. If either of Twentieth Century or Station Nominees was considered to be substantial holders of LRM, please ensure that the relevant substantial holder notices for those entities are lodged on MAP to correct the record.
5. Please confirm whether LRM received any advice in relation to the Buy-Back, and who it received that advice from. If Cicero Advisory did not provide any advice, please comment on why that is given its Corporate Services Agreement with LRM.
6. Has LRM considered whether there has been any breach of section 606 of the Corporations Act due to the holdings of Twentieth Century and Station Nominees respectively having regard to the submissions made to ASX that Twentieth Century and Station Nominees are holders of Kontrarian, and that Kontrarian held an interest of 25% of LRM at the time of the Buy-Back?
7. Having regard to the relationship between Cicero Group and LRM, and the holdings of Twentieth Century and Station Nominees at the time of the Buy-Back, does LRM consider those parties to be parties to which Listing Rule 10.1 would apply? If not, please provide your reasoning.
8. Please detail how LRM is satisfied, and what steps it has taken to make itself satisfied, that it has not breached ASX Listing Rule 10.1 by buying back shares from Twentieth Century and/or Station Nominees.

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9. Please explain who the recipient of the \$50,000 was for the 'Bundaberg Coal Opportunity - Refundable Deposit' and the circumstances in which it was paid (and repaid, if applicable). Please detail why this payment was not disclosed by LRM on MAP.
  10. With reference to the invoices noted above, please detail the type of services that Xplore Resources provided to LRM, noting that the drilling conducted on the Consuelo Project appears to have been completed by another party. Was there a form (either written or unwritten) of service agreement between LRM and Xplore Resources to provide these services? If so please provide ASX with a copy (not for release to the market).
  11. With reference to the invoices noted above, please detail the type of services that Josh Puckridge and David Prentice provided LRM. Please confirm whether these payments were in addition to their director payments/remuneration.

#### **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 **5:00 PM AWST Thursday, 5 September 2019**.

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 [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.

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

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

#### **Suspension**

If you are unable to respond to this letter by the time specified above ASX may suspend trading in LRM's securities under Listing Rule 17.3.

#### **Enquiries**

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

Yours sincerely

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**Madeleine Green**  
Senior Adviser, Listings Compliance (Perth)