



20 February 2019

Lisa Banh
Senior Adviser, Listings Compliance
ASX, Sydney

By email: ListingsComplianceSydney@asx.com.au

Dear Lisa,

Anatara Life Sciences Ltd ('ANR'): Appendix 4C Query

Please find below ANR's response to your query regarding ANR's Appendix 4C quarterly report for the period ended 31 December 2018 lodged with the ASX Market Announcements Platform and released on 30 January 2019 (the 'Appendix 4C').

1. Does ANR expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

In January 2019, ANR received an R&D Tax Incentive refund of \$1,249,299. Operating cash flow was positive in that month. ANR expects negative operating cash flows for the time being as it is a pre-commercialisation biotech company.

2. Has ANR taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

ANR has not taken any steps to raise further cash to fund its operations as we have sufficient cash to fund existing operations.

You note that ANR has cash of \$1,495,000. ANR also has \$4,561,522 in term deposits (>90 days, <180 days).

The Group's objectives when managing capital are to ensure that the Group has sufficient funds to be a going concern. This is achieved by ensuring that the Board is focussed on cash flow management through periodic Board reporting. The Board reviews financial accounts on a monthly basis and reviews actual expenditure against budget on a monthly basis. The Group could also raise additional capital if necessary by issuing new shares so as to fund the development of its key products.

3. Does ANR expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, note answer to item 2 above.

4. Please confirm that ANR is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

ANR confirms compliance with Listing Rule 3.1. There is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

5. Please confirm that ANR'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 ANR with delegated authority from the board to respond to ASX on disclosure matters.

ANR confirms ANR'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 ANR with delegated authority from the board to respond to ASX on disclosure matters.

6. Please also provide any other information that ANR considers may be relevant to ASX forming an opinion on whether ANR is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

There is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

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

Yours sincerely,

Anatara Lifesciences Ltd



Name: Stephen Denaro

Title: Company Secretary

Email: sdenaro@triobi.com.au

Dated: 20 February 2019



18 February 2019

Mr Stephen Denaro
Company Secretary

By email:

Dear Mr Denaro

Anatara Life Sciences Ltd ('ANR'): Appendix 4C Query

ASX refers to ANR's Appendix 4C quarterly report for the period ended 31 December 2018 lodged with the ASX Market Announcements Platform and released on 30 January 2019 (the 'Appendix 4C').

ASX notes that ANR has reported:

- negative net operating cash flows for the quarter of \$1,115,000;
- cash at the end of the quarter of \$1,495,000; and
- estimated cash outflows for the next quarter of \$1,203,000.

It is possible to conclude, based on the information in the Appendix 4C, that if ANR were to continue to expend cash at the rate indicated by the Appendix 4C, ANR may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks ANR to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does ANR expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has ANR taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does ANR expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that ANR is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that ANR'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 ANR with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that ANR considers may be relevant to ASX forming an opinion on whether ANR is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

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 **9.30 AM AEDT Thursday, 21 February 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in ANR'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, ANR'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 ListingsComplianceSydney@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 and 3.1A

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

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 ANR's securities under Listing Rule 17.1. 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 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*.

Enquiries

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

Kind regards

Lisa Banh
Senior Adviser, Listings Compliance (Sydney)