

TILLEGRAH Limited

ABN 80 112 379 503

21 February 2019

Mr Alex Sutton
Compliance Adviser, Geology
Listings Compliance (Sydney)
20 Bridge Street
SYDNEY NSW 2000

Dear Mr Sutton

TILLEGRAH LIMITED ('TIH'): APPENDIX 4C QUERY

We refer to your email notification of an Appendix 4C query letter received on 18 February 2019.

In respect of the questions raised, the following responses are submitted:

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

TIH does expect that it will continue to have negative operative cash flows for the foreseeable future, as it has presently no income to offset operating cash flows. The Board continues to review new proposals from a number of industries to identify an opportunity which would allow the Company to grow future value and enable the Company to recommence trading on the Australian Securities Exchange.

2. **Has TIH 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?**

TIH is currently in discussions with a number of investors to complete a capital raise in accordance with Resolution 6 as approved by shareholders at the Annual General Meeting held on 15 January 2019. Resolution 6 permits the issue of up to 62,500,000 Note Conversion Shares at \$0.004 each to professional and sophisticated investors to raise up to \$250,000. TIH is of the view that it will be able to secure this funding in sufficient time to ensure that it can continue operations and meet its business objectives.

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

TIH is of the view that it will be able to complete the capital raise referred to above within the short term, such that it believes it will be able to continue its operations and meet its business objectives. TIH anticipates reducing its cash burn, and taking any other necessary steps to ensure that it can operate in the short term while it is securing funding via the capital raise referred to above.

4. **Please confirm that TIH 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.**

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1 and confirms that there is no information about its financial condition that should be given to the ASX in accordance with Listing Rule 3.1 that has not already been released to the market

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

TIH confirms that the responses to the questions above have been authorised and approved by its Board.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Dan Lanskey', with a small flourish at the end.

Dan Lanskey
Chairman and
Non Executive Director



18 February 2019

Mr David Clark
Company Secretary
Tillegrah Limited
Suite 4 Level 54
111 Eagle Street
Brisbane, QLD
4000

By email:

Dear Mr Clark

Tillegrah Limited ('TIH'): Appendix 4C Query

ASX refers to TIH's Appendix 4C quarterly report for the period ended 31 December 2018 lodged with the ASX Market Announcements Platform and released on 1 February 2019 (the 'Appendix 4C').

ASX notes that TIH has reported:

- negative net operating cash flows for the quarter of \$84,000;
- cash at the end of the quarter of \$5000; and
- estimated cash outflows for the next quarter of \$100,000.

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

Request for Information

In view of that, ASX asks TIH 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 TIH expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has TIH 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 TIH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that TIH 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 TIH'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 TIH with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that TIH considers may be relevant to ASX forming an opinion on whether TIH 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 TIH'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, TIH'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 TIH'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 TIH'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 TIH'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

Alex Sutton
Compliance Adviser, Geology, Listings Compliance (Sydney)

