

19 July 2019

ASX Market Announcements
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Mr Onyura

RE: APPENDIX 3Y – CHANGE OF DIRECTOR'S INTEREST NOTICE

I refer to your letter dated 18 July 2019 regarding Ariadne Australia Limited's ("Ariadne") failure to lodge an Appendix 3Y notifying the ASX of a change in Mr. David Baffsky's interests in Ariadne within the required timeframe.

With reference to the specific questions outlined in your letter I respond as follows:

1. Please explain why the Appendix 3Y was lodged late.

It has come to light, upon further investigation, that the parcel of 182,713 shares ("Parcel") in question has been traced back to an original on-market acquisition on 14 November 2018 for the beneficial interest of Mr David Baffsky but in the name of a broker nominee account. The corrected Appendix 3Y, attached to this letter, was not lodged within the prescribed time period due to an administrative oversight within the director's office. On 19 December 2018 an Appendix 3Y was lodged immediately upon Mr David Baffsky acquiring a beneficial interest in 4,000,000 shares off-market on 19 December 2018, but again and regrettably, the smaller Parcel was not discovered. On 18 June 2019, the Parcel was transferred off-market out of the broker nominee account and into Mr David Baffsky's personal account. Unfortunately, on this occasion the Parcel was again not discovered due to personnel absences within the director's office. The Parcel was identified by Ariadne during a routine review of the company's share register on 16 July 2019, an Appendix 3Y was promptly prepared and lodged with the ASX on 17 July 2019.

2. What arrangements does ARA have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?

Ariadne documents the conditions of appointment of each director in an appointment letter. The letter includes a requirement that the director immediately disclose to Ariadne any acquisition or sale of securities by directors within the prescribed time period. In addition, the share register is actively monitored for share trading activity with particular attention paid to movements in any director related accounts on the register to ensure all relevant changes are disclosed.

Ariadne believes its existing processes and procedures are sufficient to ensure compliance with ASX listing rules 3.19B and 3.19A although on this occasion, due to the reasons referred to above, failed to lodge the Appendix 3Y with the required period.

3. If the current arrangements are inadequate or not being enforced, what additional steps does ARA intend to take to ensure compliance with Listing Rule 3.19B?

Ariadne believes its current practices are adequate to ensure compliance with Listing Rule 3.19B. However, to avoid a repeat and in addition to the active monitoring of directors' interests currently being undertaken, Ariadne has again reminded all relevant personnel of their and its obligations under the Listing Rules.

Yours faithfully



NATT MCMAHON

Company Secretary

Ariadne Australia Limited



18 July 2019

Reference: 01380108

Mr Natt McMahon
Chief Financial Officer & Company Secretary
Ariadne Australia Limited
Level 27
Chifley Tower
2 Chifley Square
Sydney NSW 2000

By email

Dear Mr McMahon

Ariadne Australia Limited ('ARA'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. ARA's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 17 July 2019 for Mr David Baffsky (the 'Notice');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

3. Listing Rule 3.19B which states that:

'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed

Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

The Notice indicates that a change in Mr Baffsky's notifiable interest occurred on 18 June 2019. It appears that the Notice should have been lodged with ASX by 25 June 2019. Consequently, ARA may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Baffsky may have breached section 205G of the *Corporations Act 2001* (Cth).

Please note that ASX is required to record details of breaches of the Listing Rules by listed entities for its reporting requirements.

ASX reminds ARA of its contract with ASX to comply with the Listing Rules. In the circumstances, ARA should make necessary arrangements to ensure it does not continue to breach the Listing Rules.

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does ARA have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does ARA intend to take to ensure compliance with Listing Rule 3.19B?

When and where to send your response

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, no later than half an hour before the start of trading (i.e. before 9:30 am AEST) on Monday 22 July 2019.

Under Listing Rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

Enquiries

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

Yours sincerely

Elvis Onyura
Senior Adviser, Listings Compliance (Sydney)