

4 November 2019

Alex Sutton

Compliance Adviser, Geology, Listings Compliance

By Email: ListingsComplianceSydney@asx.com.au

Dear Alex,

Response to ASX Query – Appendix 5B

We refer to your letter dated 31 October 2019 in relation to Leigh Creek Energy Limited (ASX: LCK) (LCK or the Company) Appendix 5B for the period ended 31 October 2019 and respond to each of your questions as follows:

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

The Company expects that it will have negative operating cash flows for the time being, which is not unusual for a company in the development stage. We note that the estimated cash outflows for the next quarter are gross rather than net, and do not take into account expected cash receipts from further capital raising as outlined in the answers to question 2.

2. *Has LCK 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?*

The Company is pursuing appropriate funding and whilst the Company is evaluating various options, no agreements have been entered into at this point in time. The Company notes that it has the placement capacity to raise this capital under the Listing Rules and believes it has the ability to secure funding if and when required.

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

The Company does expect to be able to continue its operations and meet its objectives for the reasons outlined in the answer to question 2, which will provide funds for its operations.

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

The Company confirms that it is in compliance with the Listing Rules, including Listing Rule 3.1.

5. *Please confirm that LCK's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of LCK with delegated authority from the board to respond to ASX on disclosure matters.*

The Company's responses to the above have been authorised and approved by the Board.

Yours sincerely,



Jordan Mehrtens
Company Secretary



31 October 2019

Ms Jordan Mehrtens
Company Secretary
Leigh Creek Energy Limited
Level 11 19 Grenfell Street
Adelaide SA 50000

By email:

Dear Ms Mehrtens

Leigh Creek Energy Limited ('LCK'): Appendix 5B Query

ASX refers to LCK's Appendix 5B quarterly report for the period ended 30 September 2019 lodged with ASX Market Announcements Platform on 31 October 2019 (the 'Appendix 5B').

ASX notes that LCK has reported:

- negative net operating cash flows for the quarter of \$2,354,000;
- cash at the end of the quarter of \$3,737,000; and
- estimated cash outflows for the next quarter of \$2,235,000.

It is possible to conclude, based on the information in the Appendix 5B that if LCK were to continue to expend cash at the rate indicated by the Appendix 5B, LCK may not have sufficient cash to continue funding its operations.

In view of that, ASX asks LCK to respond separately to each of the following questions and requests for information:

1. Does LCK expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has LCK 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 LCK expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that LCK is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that LCK's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of LCK with delegated authority from the board to respond to ASX on disclosure matters.

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 **09:00 AM AEDT Tuesday, 5 November 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in LCK'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, LCK'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 Listing Rule 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 LCK’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 LCK’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 LCK’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)