

3 February 2020

Ms Lauren Osbich  
Advisor, Listings Compliance (Sydney)  
ASX Compliance Pty Ltd

By email: [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au)

Dear Lauren,

#### **Response to ASX Query – Appendix 5B**

We refer to your letter dated 29 January 2020 in relation to Twenty Seven Co. Limited (ASX: TSC) (**Twenty Seven Co.** or the **Company**) Appendix 5B for the period ending 31 December 2019 and respond to each of your questions as follows:

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

Yes. The Company expects that it will continue to have negative operating cash flows in the near to medium term, as is customary for resource exploration companies.

2. *Has TSC 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?*

Yes. The Board are currently considering the Company's capital requirements and intend to raise funds as needed to enable its commitments to be met. The Board is continuing discussions with brokers and sophisticated investors and has every expectation that sufficient funds will be raised to fund operations.

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

Yes. The Board continues to monitor cash flows to ensure the Company remains positioned to achieve its business objectives on the basis of raising funds as disclosed in question 2 above.

4. *Please confirm that TSC 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 Board confirms that it is in compliance with the Listing Rules, in particular Listing Rule 3.1. The Board confirms that there is no information that should have been given to ASX about its financial condition in accordance with the Listing Rules that has not already been released to the market.

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

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

Yours faithfully

**Twenty Seven Co. Limited**

A handwritten signature in black ink, appearing to read 'Damien', with a long, sweeping horizontal stroke extending to the right.

Damien Connor  
**Company Secretary**



29 January 2020

Reference: ODIN13129

Mr Damien Connor  
Company Secretary  
Twenty Seven Co. Limited

By email: dconnor@twentysevenco.com.au

Dear Mr Connor

**Twenty Seven Co. Limited ('TSC'): Appendix 5B Query**

ASX refers to TSC's Appendix 5B quarterly report for the period ended 31 December 2019 lodged with ASX Market Announcements Platform on 29 January 2020 (the 'Appendix 5B').

ASX notes that TSC has reported:

- negative net operating cash flows for the quarter of \$491,000;
- cash at the end of the quarter of \$478,000; and
- estimated cash outflows for the next quarter of \$375,000.

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

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

1. Does TSC expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has TSC 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 TSC expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that TSC 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 TSC'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 TSC 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 **9 AM AEST Monday, 3 February 2020**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in TSC'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, TSC's obligation is to

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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](mailto: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 TSC’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 TSC’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 TSC’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.

Regards

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**Lauren Osbich**  
Compliance Adviser, Listings Compliance (Sydney)