



ANGLO AUSTRALIAN RESOURCES NL
ACN 009 159 077

15 November 2017

Ms Anjuli Sinniah
Senior Adviser, Listings Compliance (Perth)
ASX Limited
Level 40, Central Park
152 – 158 St Georges Terrace
PERTH WA 6000

By email: anjuli.sinniah@asx.com.au

Dear Anjuli,

REQUEST FOR INFORMATION ON APPENDIX 5B – 30 SEPTEMBER 2017

I refer to your letter dated 13 November 2017.

In your letter, you have asked the Company to answer certain questions. The Company responds as follows, adopting the same numbering in your letter for ease of reference:

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

The Company does expect to have negative operating cash flows in the next quarter as its operations will not provide any operating cash flow in the next quarter.

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

Part of the cash outflows forecast for the December quarter included diamond drilling expenses, however, part of these will be co-funded (to \$100,000) by the WA State Government.

The timing of the co-funded payment is uncertain and may not occur until after the December quarter. The Company will also consider a further capital raising in 2018 and believes, considering its history of successful capital raisings, that it is highly likely it will be successful.

3. *Does AAR expect to be able to continue its operations and to meet its business objectives? 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 answer to questions 2 which will fund its operations. An exploration company's objectives are typically to achieve exploration success which will lead to the development of a profitable mining operation. The Company has achieved exploration success and the results from its current diamond drilling program at the Feysville Project will further determine the level of that success and therefore the ability of the Company to achieve its objectives.



4. *Please provide any other information that AAR considers may be relevant to ASX forming an opinion on whether AAR is in compliance with Listing Rule 12.2 (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).*

The Company believes that its financial condition is, at this point in time, adequate to warrant the continued quotation of its securities considering the proven ability of the Company to raise capital when required.

5. *Please confirm that AAR is in compliance 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.

6. *Please confirm that AAR'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 AAR 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

Graeme Smith
Company Secretary
Anglo Australian Resources NL



13 November 2017

Graeme Smith
Company Secretary
Anglo Australian Resources NL

By email: gsmith@wembley-corporate.com.au

Dear Mr Smith

Anglo Australian Resources NL ("AAR"): Appendix 5B Query

I refer to AAR's Appendix 5B quarterly report for the period ended 30 September 2017 lodged with ASX Market Announcements Platform on 30 October 2017 (the "Appendix 5B").

ASX notes that AAR has reported:

- negative net operating cash flows for the quarter of \$349,000;
- cash at the end of the quarter of \$600,000; and
- estimated cash outflows for the next quarter of \$350,000.

It is possible to conclude, based on the information in the Appendix 5B that if AAR were to continue to expend cash at the rate indicated by the Appendix 5B, AAR may not have sufficient cash to continue funding its operations. In view of that, ASX asks AAR to respond separately to each of the following questions and requests for information:

1. Does AAR expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has AAR 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 AAR expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that AAR considers may be relevant to ASX forming an opinion on whether AAR is in compliance with Listing Rule 12.2 (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).
5. Please confirm that AAR is in compliance 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.
6. Please confirm that AAR'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 AAR 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, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **10am AWST on Thursday 16 November 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AAR'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, AAR'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 anjuli.sinniah@asx.com.au and tradinghaltspert@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

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 AAR'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 AAR'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 AAR'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*.

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

Yours sincerely,

[sent electronically without signature]

Anjuli Sinniah
Senior Adviser, Listings Compliance (Perth)