

RAVEN ENERGY LIMITED

18 April 2018

Mr Ben Secrett
Senior Adviser, Listing Compliance
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

BY EMAIL: ben.secrett@asx.com.au

Dear Ben

RE: ASX Query Letter

We refer to your letter dated 28 February 2018 to Raven Energy Limited ("**Company**").

The Company's responses to your queries are set out in the enclosed table (employing the same numbering as set out in your letter).

Yours faithfully,



**Nathan Featherby
Executive Chairman
Raven Energy Limited**

Query	Response																									
Cash position and convertible notes																										
<p>1. Please state REL's cash and cash equivalents balance (including by item if comprised of items other than bank balances) as at the date of REL's response</p>	<p>At the time of response, REL has approximately A\$194,500 in cash and cash equivalents. Of the aforementioned, approximately \$176,000 relates to a shareholding in Tonogold Resources Inc (Tonogold) and approximately \$17,600 relates to a shareholding in High Peak Royalties Limited (HPR).</p> <p>In addition, REL has the right to call for the immediate repayment of loans to related entities, including Ochre Group Holdings Limited (Ochre), for an aggregate amount of up to approximately A\$109,000. Further, REL has an undrawn facility from Mr Nathan Featherby relating to his subscription for A\$500,000 in convertible notes which will be subject to shareholder approval (announced on 26 February 2018) and receivables of A\$150,000 which are expected to be received by the end of April 2017.</p>																									
<p>2. Please state the number of Notes issued to date and the amount of cash received to date by REL from the issue of the Notes.</p>	<p>767,045,455 convertible notes. \$1,350,000 has been received in cash arising from the issue of those convertible notes, at an average issue price of \$0.00176 per convertible note. The conversion of all those convertible note into fully paid ordinary shares in REL (each a Share) is subject to prior shareholder approval.</p>																									
Quarterly cash flow reports and estimated cash out flows																										
<p>3. Please provide itemised details of the "administration and corporate costs" (Item 1.2(a) of an Appendix 5B) payments for the quarters ended 31 December 2016 to 31 December 2017 inclusive.</p>	<table border="1"> <thead> <tr> <th data-bbox="808 866 1216 906">Dec-16 Quarter</th> <th data-bbox="1216 866 1476 906">Amount (\$)</th> </tr> </thead> <tbody> <tr> <td data-bbox="808 906 1216 946">Accounting</td> <td data-bbox="1216 906 1476 946">46,499</td> </tr> <tr> <td data-bbox="808 946 1216 986">Audit fees</td> <td data-bbox="1216 946 1476 986">32,205</td> </tr> <tr> <td data-bbox="808 986 1216 1026">Application renewal fees</td> <td data-bbox="1216 986 1476 1026">17,491</td> </tr> <tr> <td data-bbox="808 1026 1216 1066">Bank charges</td> <td data-bbox="1216 1026 1476 1066">339</td> </tr> <tr> <td data-bbox="808 1066 1216 1106">Computer expenses</td> <td data-bbox="1216 1066 1476 1106">309</td> </tr> <tr> <td data-bbox="808 1106 1216 1145">Fees - ASX</td> <td data-bbox="1216 1106 1476 1145">14,193</td> </tr> <tr> <td data-bbox="808 1145 1216 1185">Fees - Business Development</td> <td data-bbox="1216 1145 1476 1185">50,000</td> </tr> <tr> <td data-bbox="808 1185 1216 1225">Fees - Company Secretarial</td> <td data-bbox="1216 1185 1476 1225">5,990</td> </tr> <tr> <td data-bbox="808 1225 1216 1265">Fees - Consultants</td> <td data-bbox="1216 1225 1476 1265">70,250</td> </tr> <tr> <td data-bbox="808 1265 1216 1305">Fees - Corporate Advisory</td> <td data-bbox="1216 1265 1476 1305">50,600</td> </tr> <tr> <td data-bbox="808 1305 1216 1358">Fees – Director*</td> <td data-bbox="1216 1305 1476 1358">247,767</td> </tr> </tbody> </table>		Dec-16 Quarter	Amount (\$)	Accounting	46,499	Audit fees	32,205	Application renewal fees	17,491	Bank charges	339	Computer expenses	309	Fees - ASX	14,193	Fees - Business Development	50,000	Fees - Company Secretarial	5,990	Fees - Consultants	70,250	Fees - Corporate Advisory	50,600	Fees – Director*	247,767
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Legal Fees	78,823
Postage	387
Prepayments	33,550
Printing & stationery	2,393
Share Registry fees	24,201
Travel & Accommodation	130,081
Total	805,078

*This relates to the payment of outstanding fees (including accrued superannuation payments) to former directors of the Company who ceased to hold office in the December 16 Quarter, following the Company's October 2016 Rights Issue which provided approximately \$1.74 million. These fees and related payments were accrued and owed by REL to those directors during a period in which REL was seeking to preserve its cash reserves.

Mar-17 Quarter	Amount (\$)
Accounting	40,000
Bank Charges	1,080
Computer Expenses	73
Fees - ASIC	1,176
Fees - ASX	21,531
Fees- Brokerage	110
Fees - Company Secretarial	27,273
Fees - Consultants	26,061
Fees - Corporate advisory	178,200
Fees - Directors	42,371
Fees - Executive Services	2,991
Insurance expenses	3,634
Legal fees	9,308
Rent	48,000

Share Registry fees	37,327
Telephone	15,133
Travel & Accommodation	30,059
Administrative expenses	5,369
Total	489,696

Jun-17 Quarter	Amount (\$)
Accounting	440
Bank Charges	283
Conferences	500
Donations	2,000
Entertainment-FBT	1,126
Entertainment-Non FBT	4,953
Fees - ASIC	76
Fees - ASX	346
Fees - Consultants	15,657
Fees - Corporate Advisory	165,909
Fees - Directors	17,629
Fees - Executive Services	850
Insurance expenses	9,106
Rent	12,000
Share Registry fees	3,541
Telephone	9,889
Administrative expenses	500
Travel & Accommodation	82,582
Total	327,387

Sep-17 Quarter	Amount (\$)
Accounting	15,000

Advertising	20,950
Audit Fees	15,085
Bank charges	76
Computer Expenses	420
Consulting fees	0
Fees - ASIC	410
Fees - ASX	20,196
Fees - Consultants	5,000
Fees - Corporate Advisory	190,970
Fees - Directors	47,000
Fees- Brokerage	1,603
Insurance expenses	5,402
Marketing	26,000
Rent	13,414
Telephone	2,140
Travel & Accommodation	115,343
Administrative expenses	10,165
Total	489,174

Dec-17 Quarter	Amount (\$)
Advertising	53,000
Bank charges	175
Conferences	7,000
Fees - ASIC	649
Fees - ASX	15,450
Fees - Business Development	38,000
Fees - Consultants	29,000
Fees - Corporate Advisory	200,000
Fees - Directors	4,000

Marketing	36,900
Printing & Stationery	5,055
Share Registry fees	9,718
Total	398,947

4. Please provide itemised details of the “Other” (Item 1.8 of an Appendix 5B) payments for the quarters ended 31 March 2017 and 30 June 2017.

March 2017 –“Other” - \$392,000 inclusive of:

- Merger and acquisition expenditures in respect of the proposed acquisition by REL (then known as Magnum Gas & Power Limited) of all the issued capital in Bombora Natural Energy Pty Ltd (**Bombora**), including all proposed capital raising activities that would have been required to be undertaken to effect that acquisition (collectively, **Bombora Transactions**). The acquisition failed to complete (as announced to ASX on 19 April 2017) notwithstanding that all material terms and conditions of the acquisition had been agreed between REL and Bombora, due to the latter agreeing, unbeknownst to REL, to sell all Bombora capital to another listed entity. On that basis, Ochre was entitled to receive corporate advisory fees of \$269,000.
- Legal costs relating to the Bombora Transactions - \$23,000.
- Fees relating to the conduct of due diligence enquiries, financial forecasting and analysis, research into the assets of Bombora and related matters arising in the course of the Bombora Transactions- \$100,000.

June 2017 –“Other” - \$123,000 inclusive of:

- Corporate advisory retainer fee of \$5,000 per calendar month, payable for a 12 month term of engagement - \$60,000.
- Legal costs relating to the Bombora Transactions. These costs relate to legal services provided in respect of preceding Quarters - \$63,000.

5. Please explain why the administration and corporate costs payments have been substantially greater than the estimated outflows in each of the past five quarters, amounting to a total under-estimation of

REL undertook six separate placements over the period contemplated (Dec 16Q - Dec 17Q) (each a **Placement**). The need for these Placements arose in connection with various corporate transactions that were being regularly announced when required under LR 3.1. In the course of each of those Placements, REL incurred associated fees and costs, including advisory, legal and registry/ASX related charges. It is noted that each of those Placements

<p><i>actual quarterly administration outflows of approximately \$1,130,000. In answering this question please advise the basis upon which the estimated outflows for the next quarter were estimated with specific reference to the Company's budgets and accounting policies and any other relevant documentation and considerations.</i></p>	<p>was completed at equal to or better overall pricing than the REL share price prior to the commencement of the relevant Placement.</p> <p>Due to the unpredictable timing of when those corporate transactions was being proposed and considered, and the circumstances that permitted REL to effect the Placements at “opportunistic” pricing levels, REL undertook those Placements at times earlier than when it had previously thought that it would need to raise capital. As a result, REL incurred administration outflows and transactional costs associated with those Placements in Quarters earlier than was originally expected. Accordingly, those payments and costs were not factored in when considering and forecasting the applicable Quarterly administration expenditure commitments.</p>																
<p>6. <i>What procedures does REL have in place to ensure that its estimated outflows in its Appendix 5Bs are accurately estimated?</i></p>	<p>Semi-annually, the Board of Directors of REL considers and, if felt appropriate, adopts a forecast of its estimated outflows during the next 12 month period. Copies of the adopted forecast are provided, once adopted by the REL Board, to REL’s independent auditors, to enable the latter to conduct a financial audit of REL.</p>																
<p>7. <i>If the current procedures are inadequate, what additional steps does REL intend to take to ensure that the estimated outflows are accurately estimated?</i></p>	<p>In addition to the matters raised in the response to Question 6, REL will be in the near future, implementing initiatives with respect to its Risk and Audit Committee charter. These will include:</p> <ul style="list-style-type: none"> a) business risk management, including REL’s accounting, administrative, internal controls, financial risk management and insurance programmes; b) compliance with legal and regulatory obligations; c) establishment and maintenance of the internal control framework; and d) the adequacy and integrity of financial information for inclusion in REL’s financial statements. 																
<p>8. <i>Is the year to date total for “Proceeds from issues of shares” in REL’s Appendix 5B quarterly cash flow report for the quarter ended 31 December 2017 correct?</i></p>	<p>The year to date total for “Proceeds from issues of shares” is correct. Please see below explanation:</p> <table border="1" data-bbox="808 1074 1624 1369"> <thead> <tr> <th>Descriptions</th> <th>Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>Total Appendix 3B from July17 to Dec-17:</td> <td>5,484,480</td> </tr> <tr> <td>Less: Shares issued for non-cash consideration</td> <td></td> </tr> <tr> <td> Appendix 3B dated 24/10/2017</td> <td>(147,906)</td> </tr> <tr> <td> Appendix 3B dated 22/12/2017</td> <td>(116,000)</td> </tr> <tr> <td>TOTAL</td> <td>5,220,574</td> </tr> <tr> <td>Reconciliation Dec-17 Appendix 5B:</td> <td></td> </tr> <tr> <td> Proceeds from shares issued</td> <td>5,170,574</td> </tr> </tbody> </table>	Descriptions	Amount (\$)	Total Appendix 3B from July17 to Dec-17:	5,484,480	Less: Shares issued for non-cash consideration		Appendix 3B dated 24/10/2017	(147,906)	Appendix 3B dated 22/12/2017	(116,000)	TOTAL	5,220,574	Reconciliation Dec-17 Appendix 5B:		Proceeds from shares issued	5,170,574
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Proceeds from shares issued	5,170,574																

Proceeds from options exercised	50,000
TOTAL	5,220,574

REL notes that the receipts from share issues in its September and December quarters total \$5.145 million. The above calculation includes \$50,000 received upon exercise of options and \$26,000 which was included under item 3.9 of the September quarterly cash flow report.

Payments and transactions

9. Please provide the following for each of Messrs Featherby, Ball, Scoggin and Halliday for each of the financial full year ended 30 June 2017 and the financial half year ended 31 December 2017.

9.1 The total value of director's fees accrued since appointment.

9.2 The value of accrued director's fees paid in cash.

9.3 The value of accrued director's fees settled by the issue of REL securities (please state the number of securities and the issue price in the response).

9.4 The value of accrued director's fees owing to each current director of REL (if any).

	FY2017	Jul-17 to Dec-17
Mr Featherby:		
Opening balance	Nil	\$11,000
a. Value of fees	\$45,000	\$48,000
b. Fees paid in cash	\$34,000	\$82,000
c. Securities issued	Nil	Nil
d. Fees owing	\$11,000	Nil
Mr Ball:		
Opening balance	Nil	\$9,000
a. Value of fees	\$24,000	\$18,000
b. Fees paid in cash	\$15,000	Nil
c. Securities issued (In respect of the period July 17 to December 17 - 5,000,000 shares at \$0.002 per share, approved by shareholders on 30 November 2017; in respect of FY2017, 10,000,000 shares at \$0.0015 per share, approved by shareholders on 30 January 2017)	\$15,000	\$10,000
d. Fees owing	\$9,000	\$17,000
Mr Scoggin:		
Opening balance	Nil	Nil
a. Value of fees	\$21,000	\$18,000

	<p>b. Fees paid in cash</p> <p>c. Securities issued (In respect of the period July 17 to December 17 - 5,000,000 shares at \$0.002 per share, approved by shareholders on 30 November 2017; in respect of FY2017, 10,000,000 shares at \$0.0015 per share, approved by shareholders on 30 January 2017)</p> <p>d. Fees owing</p>	\$21,000	\$6,000
	<p>Mr Halliday:</p> <p>Opening balance</p> <p>a. Value of fees</p> <p>b. Fees paid in cash</p> <p>c. Securities issued (In respect of the period July 17 to December 17 - 5,000,000 shares at \$0.002 per share, approved by shareholders on 30 November 2017; in respect of FY2017, 10,000,000 shares at \$0.0015 per share, approved by shareholders on 30 January 2017)</p> <p>d. Fees owing</p>	Nil	\$21,000
		\$21,000	\$18,000
		Nil	Nil
		\$15,000	\$10,000
		\$21,000	\$29,000
10. Please detail the amount of cash paid by REL to each of the following persons, their related parties, and associates of the following persons and their related parties for any expense incurred by REL other than director's fees (ie accounting fees, legal fees, administration fees, consulting fees (with details of the consultancy engagement), travel expenses and other) for each of the financial full year ended 30 June 2017 and the financial half year ended 31 December 2017 (please respond with the amount and explanation for each payment).		FY2017	Jul-17 to Dec-17
10.1 Mr Featherby	Mr Featherby:		
	Administration	4,491	5,000
	Consulting	153,500	0
	Travel Expenses	24,448	0
	Mr Ball:	Nil	Nil
	Mr Scoggin:	Nil	Nil
	Mr Halliday:	Nil	Nil
	Enrizen One		
	Accounting	104,500	0
	Administration	37,175	0
	Legal	5,300	35,936

10.2	Mr Ball	Advisory	112,100	4,000
10.3	Mr Scoggin	Ochre Group Holdings Limited:		
10.4	Mr Halliday	Administration	75,800	32,891
10.5	Enrizen One	Advisory	1,259,186	546,913
10.6	Ochre Group Holdings Limited (related entity of REL)			
<p>11. Please provide details of each of the investments acquired comprised of the "Acquire investments" line item in each of REL's Appendix 5B quarterly cash flow reports for the past five quarters.</p> <p>11.1 <i>If any of these transactions involved an acquisition from a related party, a related entity, or an associate of a related party or related entity of REL, please provide the following details for each acquisition.</i></p> <p>11.1.1 <i>The identity of the seller.</i></p> <p>11.1.2 <i>The date, quantity of securities acquired, unit price (and closing market price on the date of the acquisition if an off-market acquisition) and total consideration.</i></p> <p>11.1.3 <i>The 11.1.1 and 11.1.2 details for any subsequent full or part disposal.</i></p> <p>11.1.4 <i>Whether, at the date of any acquisition or disposal, a director</i></p>		<p>In respect of:</p> <p>(a) the acquisition of shares in Clancy Exploration Limited (CLY) by REL:</p> <ol style="list-style-type: none"> identity of the seller – Ochre; date – 1 September 2017 (on that date, CLY was in suspension); quantity of securities – 20,000,000 fully paid ordinary shares; unit price - \$0.0035 per share; closing market price \$0.0035; total consideration - \$70,000; date - 19 September 2017; quantity of securities – 20,000,000 fully paid ordinary shares; unit price - \$0.0035 per share; closing market price \$0.0035; total consideration - \$70,000; date - 27 November 2017; seller – REL; quantity - 40,000,000 CLY shares; unit price - \$0.0055; closing market price - \$0.006; total consideration - \$220,000; David Scoggin is a director of both REL and CLY. <p>(b) The acquisition of shares in Tonogold (listed on the OTC) by REL:</p> <ol style="list-style-type: none"> identity of the seller – Ochre; date – 5 December 2017; quantity of securities – 326,087 fully paid ordinary shares; unit price - A\$0.23 per share (at an A\$-US\$ exchange rate of A\$1.00 = US\$0.75); closing market price on 4 December 2017 (US time) US\$0.19; total consideration - A\$75,000; date – 15 December 2017; quantity of securities – 326,087 fully paid ordinary shares; unit price - A\$0.23 per share (at an A\$-US\$ exchange rate of A\$1.00 = US\$0.75); closing market price on 14 December 2017 (US time) US\$0.18; total consideration - A\$75,000; 		

<p><i>of REL was also a director of an ASX listed entity in which REL acquired securities, and the name of that director/s.</i></p>	<p>date – 19 December 2017; quantity of securities – 326,086 fully paid ordinary shares; unit price - A\$0.23 per share (at an A\$-US\$ exchange rate of A\$1.00 = US\$0.75); closing market price on 18 December 2017 (US time)US\$0.17; total consideration - A\$75,000;</p> <p>3. REL has not disposed of any of the Tonogold shares;</p> <p>4. no director of REL was also a director of Tonogold.</p> <p>(c) In January 2017, REL acquired 4,000,000 fully paid ordinary shares in Bombora as a result of a share subscription. Bombora is not a related party, a related entity or an associate of a related party or related entity of REL.</p> <p>(d) In December 2016, REL acquired 500,000 fully paid ordinary shares in Kalamazoo Resources Limited (KZR) as a result of participating in an initial public offer of shares in KZR. KZR is not a related party, a related entity or an associate of a related party or related entity of REL.</p> <p>(e) In June 2017, REL acquired 909,090 fully paid ordinary shares in Silver Mines Limited (SVL) as a result of participating in a shortfall of shares placed in a Share Purchase Plan of SVL (announced by SVL on or about 7 April 2017). SVL is not a related party, a related entity or an associate of a related party or related entity of REL.</p> <p>(f) In December 2017, REL acquired 519,200 fully paid ordinary shares in HPR from an undisclosed seller as a result of a brokered transaction. HPR is not a related party, a related entity or an associate of a related party or related entity of REL.</p>
<p>Ochre Group Holdings Limited</p>	
<p>12. <i>Is Ochre a “related entity” of REL? If “yes”, please explain the basis for that.</i></p>	<p>Yes. In accordance with paragraph (k) of the definition of ‘related entity’ in section 9 of the <i>Corporations Act 2001</i> (Cth), Ochre is a related entity of the Company due to having common directors with the Company.</p>

13. Please detail the services provided by Ochre to REL and the basis on which Ochre was engaged to provide such services (including REL's assessment of Ochre's capacity to provide these services).

REL engages Ochre to provide, and Ochre has provided to REL, advisory services related to REL's business and long term strategic plan, as modified by REL from time to time. Such advisory services (**Services**) include the following:

- (a) identifying, evaluating and negotiating potential acquisitions and strategic alliances;
- (b) assessing operating and strategic objectives, including new business development;
- (c) assisting in international business development and strategic investment opportunities that complement REL's business lines and strategic objectives;
- (d) analysing financial condition and results of operations, evaluating strengths and weaknesses of financial performance and recommending measures to improve performance;
- (e) advising on dividend policy and corporate transactions, such as stock repurchases, splits, recapitalisations and restructurings;
- (f) providing briefings on business strategy to the Board of Directors from time to time;
- (g) advising on investor relations and relations with investment bankers, securities analysis and other members of the financial services industry; and
- (h) performing such other services as are reasonably requested by REL.

Prior to its engagement, Ochre advised REL of its capacity to provide the Services. Ochre has assisted numerous companies by providing services similar to the Services provided to REL. REL considered examples such as Emerald Oil and Gas NL (now Emerald Resources NL) (**EMR**), a company whom Ochre (in conjunction with its consultants, associates and utilising its networking capabilities) assisted in developing and executing a US shale growth story in which Emerald Australia sold its shale assets to an American company in July 2012. REL considered that this example demonstrated the successful execution of a similar strategy to that which REL was looking to develop and implement at the time at which it engaged Ochre.

Specific transactions in respect of which Ochre has provided the Services include:

December 2016 Quarter

- 1) REL closes rights issue for approximately \$1.74 million, underwritten by DJ Carmichael Pty Ltd.
- 2) Placement raising \$1.225 million (November 2016).
- 3) Execution of farm-in agreement with Strata-X Energy Limited (**SXA**) (relating to Botswana prospecting licences).

March 2017 Quarter

- 1) REL executes agreement to acquire all of the issued capital in Bombora.
- 2) Ongoing advisory relating to the commencement of the SXA farm-in agreement.

June 2017 Quarter

- 1) Following termination of proposed Bombora Transactions - Consideration of alternative opportunities/financing objectives.
- 2) Farm out agreement signed relating to Dempsey/Alvarez Gas Discoveries with Sacgasco Limited.
- 3) REL signs Letter of Intent with Gas Fields LLC (**Gas Fields**) to earn an economic interest in the Tulainyo Gas Discovery by acquiring 60% of the issued capital in Gas Fields.
- 4) Placement raising \$1.118 million.

September 2017 Quarter

- 1) Placement for \$4 million, primarily applied to satisfy REL's obligations in respect of the Gas Fields investment.
- 2) General advisory investor relations/presentations in lead-up to proposed drilling of Tulainyo.
- 3) Placement for \$500,000.

December 2017 Quarter

- 1) Divestment of Botswana assets.

	<p>2) Placement of \$400,000.</p> <p>3) Investor relations/marketing/presentations in the lead up to the drilling of the Tulainyo Gas Discovery.</p>
<p>14. Please provide the following.</p> <p>14.1 The outstanding balance of any loan from REL to Ochre, and the date and terms of any such loan</p> <p>14.2 The outstanding balance of any loan from Ochre to REL, and the date and terms of any such loan</p>	<p>(a) The outstanding loan balance as at the date of this response is \$109,000, excluding accrued interest. The loan commenced on 9/01/2017 with the interest rate 10% per annum and is secured against Ochre's share portfolio, the value of which was at the time of the loan, substantially in excess of the loan amount.</p> <p>(b) There are no outstanding loans owed by REL to Ochre.</p>
Confirmations	
<p>15. Please confirm that REL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.</p>	Confirmed.
<p>16. Please confirm that REL'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 REL with delegated authority from the board to respond to ASX on disclosure matters.</p>	Confirmed.



18 April 2018

Mr Kar Chua
Raven Energy Limited
Level 11, 52 Phillip Street
SYDNEY NSW 2000

By email

Dear Mr Chua

RAVEN ENERGY LIMITED (“REL”)

ASX Limited (“ASX”) refers to the following.

- A. REL’s Appendix 5B quarterly cash flow report for the quarter ended 30 September 2016, released on the ASX Market Announcements Platform (“MAP”) on 1 November 2016.
- B. REL’s Appendix 5B quarterly cash flow report for the quarter ended 31 December 2016, released on MAP on 31 January 2017.
- C. REL’s Appendix 5B quarterly cash flow report for the quarter ended 31 December 2016 (amended), released on MAP on 31 March 2017. The amended Appendix 5B quarterly cash flow report was lodged with an amended half yearly report for the period ended 31 December 2016, with amendments to each document resulting “from variances between audited and management accounts, which have now been rectified, and also from miscommunication.”
- D. REL’s Appendix 5B quarterly cash flow report for the quarter ended 31 March 2017, released on MAP on 28 April 2017.
- E. REL’s Appendix 5B quarterly cash flow report for the quarter ended 30 June 2017, released on MAP on 1 August 2017.
- F. REL’s Appendix 5B quarterly cash flow report for the quarter ended 30 September 2017, released on MAP on 1 November 2017.
- G. REL’s Appendix 5B quarterly cash flow report for the quarter ended 31 December 2017, released on MAP on 19 February 2018.
- H. REL’s entitled “Issue of Convertible Notes” released on MAP on 19 February 2018, disclosing, amongst other things, that REL “has undertaken to issue convertible notes to raise up to A\$2.2 million” (“Notes”). The terms of the Notes and other relevant information include the following.
 - Conversion subject to shareholder approval, at a price of \$0.00176 per share, with 1 free attaching option (exercisable at \$0.003 on or before 31 October 2020) for every 2 shares issued upon conversion.
 - The notes have a maturity of 12 months from date of issue, and an interest rate of 10% per annum payable semi-annually.

- REL will seek shareholder approval for Nathan Featherby (Executive Chairman) to participate in the issue of the Notes, for up to A\$250,000.
- REL intends to seek shareholder approval to undertake a consolidation of capital on the basis of 1 share for every 16 shares held on the record date, with the notice of meeting expected to be distributed to shareholders before the end of February 2018.

I. REL's entitled "Convertible Note Issue and Corporate Strategy Update" released on MAP on 26 February 2018, disclosing, amongst other things, the following.

- REL has received valid applications for gross proceeds of A\$2.0 million in Notes.
- Nathan Featherby (Executive Chairman) has agreed to subscribe for a further A\$250,000 of Notes subject to shareholder approval.
- REL expects to confirm a further A\$200,000 in applications by 2 March 2018, taking the total proceeds to A\$2,200,000.

J. The following information about payments to REL directors and their associates and related entities of REL and their associates as extracted from the abovementioned REL Appendix 5B quarterly cash flow reports.

Quarter Ended	Payments to Directors (and their associates)		Payments to Related Entities (and their associates)	
	\$A'000s	Reason	\$A'000s	Reason
30 September 2016	0		0	
31 December 2016 (amended)	319	Payments to directors of the entity and their associates.	391	Loan to Ochre Group Holdings Limited which has common directors with REL.
31 March 2017	70	Directors remuneration and fees for consulting services.	208	Loan to Ochre Group Holdings Limited.
30 June 2017	58	Directors remuneration and fees for consulting services.	212	Consultancy services.
30 September 2017	82	Directors remuneration and fees for consulting services.	259	Consultancy services.
31 December 2017	0		262	Consultancy services.
TOTAL	529		1,332	
Total Financial Year 2017	447		811	
Total Financial Year 2018 (year to date)	82		521	

K. The following information about REL cash flow items extracted from the abovementioned REL Appendix 5B quarterly cash flow reports regarding loans.

Cash Flow Item		30 September 2016	31 December 2016 (amended)	31 March 2017	30 June 2017	30 September 2017	31 December 2017
		\$A'000s	\$A'000s	\$A'000s	\$A'000s	\$A'000s	\$A'000s
Cashflows from loans to other entities	End of Quarter	0	-391	-23	315	3	0
	Year to Date	0	-391	-414	-99	3	3
Proceeds from borrowings	End of Quarter	35	397	23	5	0	0
	Year to Date	35	432	455	460	0	0
Repayment of borrowings	End of Quarter	0	0	-402	-15	0	0
	Year to Date	0	0	-402	-417	0	0
Cash and cash equivalents	End of Quarter	5	1,062	449	58	5	54

- L. The following information about REL cash flow items extracted from the abovementioned REL Appendix 5B quarterly cash flow reports regarding operations, administration and acquisitions.

Cash Flow Item		30 September 2016	31 December 2016 (amended)	31 March 2017	30 June 2017	30 September 2017	31 December 2017
		\$A'000s	\$A'000s	\$A'000s	\$A'000s	\$A'000s	\$A'000s
Exploration & evaluation	End of Quarter	0	-55	-26	-20	0	-341
	Year to Date	0	-55	-81	-101	0	-341
Administration and corporate costs	End of Quarter	-30	-805	-490	-327	-489	-399
	Year to Date	-30	-835	-1,325	-1,652	-489	-888
Other (operating activities)	End of Quarter	-4	0	-392	-123	0	0
	Year to Date	-4	-4	-396	-519	0	0
Acquire investments	End of Quarter	0	-100	-200	-150	-140	-247
	Year to Date	0	-100	-300	-450	-140	-387
Acquire other non-current assets	End of Quarter	0	0	0	-874	-3,691	0
	Year to Date	0	0	0	-874	-3,691	-3,691
Proceeds from issues of shares	End of Quarter	0	2,590	887	914	4,214	931
	Year to Date	0	2,590	3,477	4,391	4,214	5,171
Transaction costs for issues of securities	End of Quarter	0	-520	0	-220	-361	-152
	Year to Date	0	-520	-520	-740	-361	-513
Cash and cash equivalents	End of Quarter	5	1,062	449	58	5	54

- M. The following information about REL cash flow items extracted from the abovementioned REL Appendix 5B quarterly cash flow reports regarding estimated cash outflows for the next quarter.

Cash Flow Item		30 September 2016	31 December 2016 (amended)	31 March 2017	30 June 2017	30 September 2017	31 December 2017
		\$A'000s	\$A'000s	\$A'000s	\$A'000s	\$A'000s	\$A'000s
Exploration and evaluation	Estimated		-100	-100	-100	-50	-50
	Actual	0	-55	-26	-20	0	-341
Administration and corporate costs	Estimated		-650	-295	-180	-150	-105
	Actual	-30	-805	-490	-327	-489	-399

The above table shows:

- a material over-estimation of exploration and evaluation expenditure until the quarter ended 31 December 2017; and
- a material under-estimation of administration and corporate costs (estimate of \$1,380,000 and actual of \$2,510,000).

N. The directors of REL during the 2017 and 2018 financial years.

- Nathan Featherby – appointed 29 September 2016.
- Saxon Ball – appointed 3 November 2016 and ceased 30 November 2017.
- David Scoggin – appointed 19 December 2016.
- Nicholas Halliday – appointed 19 December 2016.

O. The directorships of other listed entities of the above directors of REL during the 2017 and 2018 financial years.

Nathan Featherby

- Ochre Group Holdings Limited – 15 March 2011 to date.
- ATC Alloys Limited – 18 November 2016 to date.
- Ascot Resources Limited (de-listed in 2015) – 22 October 2014 to date.
- Silver Mines Limited – 23 October 2014 to 26 August 2016.
- Clancy Exploration Limited – 22 October 2014 to 7 July 2016.

Saxon Ball

- Ochre Group Holdings Limited – 22 July 2016 to date.
- ATC Alloys Limited – 23 December 2016 to date.
- Silver Mines Limited – 7 April 2016 to 20 June 2016.

David Scoggin

- Clancy Exploration Limited – 31 March 2016 to date.
- Rision Limited – 5 March 2014 to 2 February 2016.

Nicholas Halliday

- ATC Alloys Limited – 10 March 2017 to date.

P. The suspension of the securities of Ochre Group Holdings Limited (“Ochre”) from official quotation on 22 April 2015 and ASX’s policy on the removal of long term suspended entities (see section 3.4 of ASX Listing Rules Guidance Note 33 “Removal of Entities from the Official List of ASX”), such that Ochre is scheduled to be removed from the official list of ASX on 23 April 2018.

- According to its Appendix 5B quarterly cash flow report for the quarter ended 30 June 2017 (the most recent Appendix 5B lodged by Ochre), it had cash and cash equivalents of \$21,000 as at 30 June 2017

Q. Listing Rule 3.1, which 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.

Having regard to the above, ASX asks REL to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A.

Cash position and convertible notes

1. Please state REL’s cash and cash equivalents balance (including by item if comprised of items other than bank balances) as at the date of REL’s response.

2. Please state the number of Notes issued to date and the amount of cash received to date by REL from the issue of the Notes.

Quarterly cash flow reports and estimated cash out flows

3. Please provide itemised details of the “administration and corporate costs” (Item 1.2(a) of an Appendix 5B) payments for the quarters ended 31 December 2016 to 31 December 2017 inclusive.
4. Please provide itemised details of the “Other” (Item 1.8 of an Appendix 5B) payments for the quarters ended 31 March 2017 and 30 June 2017.
5. Please explain why the administration and corporate costs payments have been substantially greater than the estimated outflows in each of the past five quarters, amounting to a total under-estimation of actual quarterly administration outflows of approximately \$1,130,000. In answering this question please advise the basis upon which the estimated outflows for the next quarter were estimated with specific reference to the Company’s budgets and accounting policies and any other relevant documentation and considerations.
6. What procedures does REL have in place to ensure that its estimated outflows in its Appendix 5Bs are accurately estimated?
7. If the current procedures are inadequate, what additional steps does REL intend to take to ensure that the estimated outflows are accurately estimated?
8. Is the year to date total for “Proceeds from issues of shares” in REL’s Appendix 5B quarterly cash flow report for the quarter ended 31 December 2017 correct?

Payments and transactions

9. Please provide the following for each of Messrs Featherby, Ball, Scoggin and Halliday for each of the financial full year ended 30 June 2017 and the financial half year ended 31 December 2017.
 - 9.1. The total value of director’s fees accrued since appointment.
 - 9.2. The value of accrued director’s fees paid in cash.
 - 9.3. The value of accrued director’s fees settled by the issue of REL securities (please state the number of securities and the issue price in the response).
 - 9.4. The value of accrued director’s fees owing to each current director of REL (if any).
10. Please detail the amount of cash paid by REL to each of the following persons, their related parties, and associates of the following persons and their related parties for any expense incurred by REL other than director’s fees (ie accounting fees, legal fees, administration fees, consulting fees (with details of the consultancy engagement), travel expenses and other) for each of the financial full year ended 30 June 2017 and the financial half year ended 31 December 2017 (please respond with the amount and explanation for each payment).
 - 10.1. Mr Featherby
 - 10.2. Mr Ball
 - 10.3. Mr Scoggin
 - 10.4. Mr Halliday
 - 10.5. Enrizen One
 - 10.6. Ochre Group Holdings Limited (related entity of REL)

11. Please provide details of each of the investments acquired comprised of the “Acquire investments” line item in each of REL’s Appendix 5B quarterly cash flow reports for the past five quarters.
 - 11.1. If any of these transactions involved an acquisition from a related party, a related entity, or an associate of a related party or related entity of REL, please provide the following details for each acquisition.
 - 11.1.1. The identity of the seller.
 - 11.1.2. The date, quantity of securities acquired, unit price (and closing market price on the date of the acquisition if an off-market acquisition) and total consideration.
 - 11.1.3. The 11.1.1 and 11.1.2 details for any subsequent full or part disposal.
 - 11.1.4. Whether, at the date of any acquisition or disposal, a director of REL was also a director of an ASX listed entity in which REL acquired securities, and the name of that director/s.

Ochre Group Holdings Limited

12. Is Ochre a “related entity” of REL? If “yes”, please explain the basis for that.
13. Please detail the services provided by Ochre to REL and the basis on which Ochre was engaged to provide such services (including REL’s assessment of Ochre’s capacity to provide these services).
14. Please provide the following.
 - 14.1. The outstanding balance of any loan from REL to Ochre, and the date and terms of any such loan.
 - 14.2. The outstanding balance of any loan from Ochre to REL, and the date and terms of any such loan.

Confirmations

15. Please confirm that REL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
16. Please confirm that REL’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 REL 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 4.00pm AWST on Wednesday, 7 March 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in REL’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, REL’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 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 Rules 3.1 and 3.1A

In responding to this letter, you should have regard to REL'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 REL'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 REL's securities under Listing Rule 17.1.

If you wish 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*.

Please contact me if you have any queries about the above.

Yours sincerely

[sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance