

31 August 2018

Ms. Anjuli Sinniah
Senior Adviser, Listings Compliance
Level 40, Central Park,
152-158 St Georges Terrace,
Perth WA 6000

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

Dear Ms. Anjuli

KEYTONE DAIRY CORPORATION LIMITED (THE COMPANY) – PRICE QUERY

With reference to your letter dated 31 August 2018 and with specific reference to your queries contained therein, we advise as follows:

1. The Company is not aware of any information concerning it that has not been announced to the market which, if known by someone in the market, could be an explanation for recent trading in the securities of the Company.
2. Not applicable
3. As part of its business development activities, the Company is in ongoing discussions with potential customers, which the Company considers part of its normal day to day operations. The outcome of these discussions is highly uncertain.

The Company is also considering the appointment of an additional non-executive director to its Board. These discussions are preliminary in nature.

4. The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. The responses as noted above have been authorised and approved by the Board of Directors.

Yours faithfully



Andrew Bursill
Company Secretary



31 August 2018

Andrew Bursill

Suite 2 Level 10, 70 Phillip Street,
SYDNEY NSW 2000

By email: abursill@fa.com.au

Dear Andrew,

Keytone Dairy Corporation (the “Entity”): price query

We note the change in the price of KTD’s securities from a close of \$0.435 to an intraday high of \$0.48 at the time of writing today.

We also note the significant increase in the volume of KTD’s securities traded today.

In light of this, ASX asks KTD to respond separately to each of the following questions and requests for information:

1. Is KTD aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is KTD relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in KTD’s securities would suggest to ASX that such information may have ceased to be confidential and therefore KTD may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that KTD may have for the recent trading in its securities?
4. Please confirm that KTD is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

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Sydney NSW 2000

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Australia Square NSW 1215

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5. Please confirm that KTD'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 KTD 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 10.30am WST today, 31 August 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in KTD'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, KTD'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 Rules 3.1 and 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 KTD'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 KTD'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, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in KTD'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 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.

Kind regards

[Sent electronically without signature]

Anjuli Sinniah

Senior Adviser,, Listings Compliance (Perth)