



17 December 2018

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Company Announcements  
ASX Limited  
10<sup>th</sup> Floor, 20 Bridge Street  
Sydney NSW 2000

Dear Sir,

**GRANDBRIDGE LIMITED ("GBA"): ASX QUERY IN RELATION TO TRANSFER OF SECURITIES**

As announced on 3 September 2018, Grandbridge Limited (ASX: GBA) (Company) has a loan facility from Mr David Breeze in the amount of \$89,000 (Loan). In relation to the repayment terms, GBA and Mr Breeze agreed on or about 12 June 2018 that the Loan may be repaid through the transfer of MEC Resources Ltd (MEC) shares.

GBA announced on 12 October 2018 that the Loan had been reduced from \$89,000 to \$59,000 by the transfer of 2,254,000 MEC shares to Mr Breeze on 9 August 2018.

By letters dated 29 October 2018 and 14 December 2018 (attached), the Australian Securities Exchange (ASX) have informed the Company that in its opinion the issue of the MEC shares to Mr Breeze constituted a breach of Listing Rule 10.1. On 17 October 2018 GBA announced that it disagreed with this determination and is seeking legal advice on the decision.

ASX has directed GBA in its letter of 14 December 2018 to take Corrective Action pursuant to Listing Rule 10.9 at the earliest opportunity and has advised that if GBA has not either cancelled or reversed the transfer of the 2,254,000 shares in MEC Resources or convened a meeting of its shareholders to approve the transfer by the end of Monday 31 December 2018, ASX will remove GBA from the official list before the commencement of trading on Wednesday 2 January 2019.

The Company advises that it will be calling a meeting of members by 31 December 2018 to approve this transfer in conjunction with further discussions with ASX.

Yours sincerely

David Breeze  
Executive Director

14 December 2018

The Directors  
Grandbridge Limited

By email

Dear Directors

**GRANDBRIDGE LIMITED ("GBA"): REQUIREMENT FOR REMEDIAL ACTION**

ASX Limited ("ASX") refers to the following.

- A. GBA's accounts for the half year ended 31 December 2017 released on the ASX Market Announcements Platform ("MAP") on 28 February 2018 disclosing amongst other things, net equity interests of \$586,060.
- B. GBA's announcement entitled "Monthly Appendix 4C" released on MAP on 3 September 2018 disclosing, amongst other things, at section 8 that GBA has a loan facility from Mr David Breeze in the amount of \$89,000.
- C. GBA's announcement entitled "Appendix 4C – monthly amended" released on MAP on 12 October 2018 disclosing that GBA reduced the loan from Mr Breeze to GBA from \$89,000 to \$59,000 by the transfer of 2,254,000 shares in MEC Resources Ltd to Mr Breeze on 9 August 2018.
- D. ASX's letter dated 12 October 2018 regarding a possible breach of Listing Rule 10.1 and GBA's response received on 17 October 2018.
- E. ASX's further letter dated 17 October 2018 regarding a possible breach of Listing Rule 10.1 and GBA's further response received on 19 October 2018.
- F. ASX's further letter dated 23 October 2018 regarding a possible breach of Listing Rule 10.1 and GBA's further response received on 26 October 2018, and in particular GBA's response to question 2 indicating that its directors had discussed and agreed on or about 12 June 2018 that "the loan [by Mr Breeze] could be repaid by the transfer of part of the MEC shares".
- G. ASX's letter dated 29 October 2018 confirming that GBA had breached Listing Rule 10.1 and requiring GBA to:
  - a. Notify the market of ASX's determination and how it intends to take remedial action to correct the breach of Listing Rule 10.1; and
  - b. To take corrective action ("Corrective Action") pursuant to Listing Rule 10.9 immediately by either:
    - i. Cancelling or reversing the transfer of the 2,254,000 shares in MEC Resources.
    - ii. Seeking the approval of holders of ordinary securities to the transfer. If such approval is not obtained, GBA must cancel or reverse the transfer.
- H. GBA's announcement dated 17 October 2018 acknowledging ASX's determination and required action, and stating that GBA disagrees with the determination and is seeking advice on the decision.

ASX notes no further correspondence has been received from GBA on the matter.

**Remedial action**

Listing Rule 18.8 provides:

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*An entity must comply with any requirement ASX imposes on it in order to ensure compliance with the listing rules.*

Listing Rule 17.12 provides:

*ASX may at any time remove an entity from the official list if, in ASX's opinion, any of the following applies.*

- *The entity is unable or unwilling to comply with, or breaks, a listing rule.*
- *The entity has no quoted securities.*
- *It is appropriate for some other reason.*

In accordance with Listing Rule 18.8 and to ensure compliance with Listing Rule 3.1 and 10.1, ASX directs GBA to take the Corrective Action at the earliest opportunity.

**If GBA has not either cancelled or reversed the transfer of the 2,254,000 shares in MEC Resources or convened a meeting of its shareholders to approve the transfer by the end of Monday 31 December 2018, ASX will remove GBA from the official list before the commencement of trading on Wednesday 2 January 2019.**

ASX expects GBA to make an immediate announcement to the market attaching a copy of this letter and stating whether or not it intends to take the Corrective Action. If GBA does not do so, ASX reserves the right to release this letter to the market under Listing Rule 18.7A.

Suffice to say, if GBA indicates that it can't or won't take the corrective action, GBA will be removed forthwith from the official list.

Please call me on 08 9224 0000 if you have any queries or wish to discuss any aspects of this letter.

Yours sincerely,

*[Sent electronically, without signature]*

**Wade Baggott**  
**Principal Adviser, Listings Compliance (Perth)**