

Sean Maloney
Adviser, Listings Compliance (Perth)
ASX Limited
152 – 158 St Georges Terrace
Perth WA 6000

By email: ListingsCompliancePerth@asx.com.au
Sean.Maloney@asx.com.au

Dear Sean,

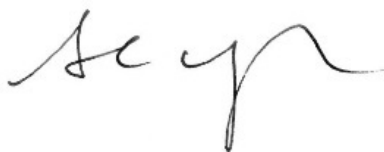
Re Appendix 4c Query

We refer to your letter of 13 August 2019 to Recce Pharmaceuticals Ltd's ("Recce" or the "Company") and adopting similar paragraph numbering as contained therein, we respond as follows:

1. Yes. The Company remains focused on achieving a commercial outcome for its development of broad-spectrum synthetic antibiotics and anticipates to have negative operating cash flows for the time being.
2. Yes. The Company anticipates that it will receive cash proceeds from the Australian Government as part of its R&D Advance Finding Certification and FY19 submission during the quarter ending 30 September 2019. In addition, the Company is considering various options to raise capital. If and when the structure of the capital raising is finalised, the Company anticipates it will be successful. The details of such capital raising will be advised to the market in accordance with the Company's continuous disclosure obligations.
3. Yes. Please refer to the answer to item 2 above.
4. We confirm that the Company is in compliance with ASX Listing Rules and in particular Listing Rule 3.1. We confirm that there is no information that should be given to ASX about the Company's financial condition in accordance with that Listing Rule 3.1 that has not already been released to the market.
5. We confirm that this response has been authorised and approved in accordance with Recce's published continuous disclosure policy and that this response has been approved by the Board of Directors of the Company.

We trust this answers your queries.

Yours faithfully,



Alistair McKeough
Company Secretary





13 August 2019

Reference: 05394

Mr Alistair McKeough
Company Secretary
Recce Pharmaceuticals Ltd

By email: amckeough@whittens.com.au

Dear Mr McKeough

Recce Pharmaceuticals Ltd ('RCE'): Appendix 4C Query

ASX refers to RCE's Appendix 4C quarterly report for the period ended 30 June 2019 lodged with the ASX Market Announcements Platform and released on 30 July 2019 (the 'Appendix 4C').

ASX notes that RCE has reported:

- negative net operating cash flows for the quarter of \$749,814;
- cash at the end of the quarter of \$403,384; and
- estimated cash outflows for the next quarter of \$2,330,000.

It is possible to conclude, based on the information in the Appendix 4C, that if RCE were to continue to expend cash at the rate indicated by the Appendix 4C, RCE may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks RCE to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does RCE expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has RCE 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 RCE expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that RCE is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that RCE'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 RCE with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that RCE considers may be relevant to ASX forming an opinion on whether RCE is complying with Listing Rule 12.2 that 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.

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 **4:00 PM AWST Friday, 16 August 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in RCE'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, RCE'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 ListingsCompliancePerth@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 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 RCE'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 RCE'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 RCE'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.

Yours sincerely

Sean Maloney
Adviser, Listings Compliance (Perth)