

26 September 2019

Madeleine Green
Senior Adviser, Listings Compliance (Perth) Level 40, Central Park
152 – 158 St George's Terrace
PERTH WA 6000

Dear Madeleine,

Schrole Group Ltd (ASX:SCL)
Response to ASX Price and Volume Query

We refer to ASX's Price and Volume Query Letter dated 25 September 2019 and respond to the questions raised in that letter as follows:

1. ***Is SCL 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?***

No.

2. ***If the answer to question 1 is "yes".***

- a. ***Is SCL relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?***
b. ***Can an announcement be made immediately?***
c. ***If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?***

Not applicable.

3. ***Is there any other explanation that SCL may have for the recent trading in its securities?***

As announced on 16 August 2019, the Company has received firm commitments to raise \$800,000 by way of a placement of fully paid ordinary shares (**Placement**). Settlement of the Placement is subject to shareholder approval, which was received on 24 September 2019, and the issue of the Placement shares is expected to occur imminently. Given the Company's prior disclosure of the Placement and the receipt of shareholder approval, the Company does not consider the imminent issue of the Placement shares to be new material information.

The Company is aware of a research report that was released by Capital H Management (a Sydney-based investment manager) to its registered users on 25 September 2019 concerning the Company's securities (**Research Report**). In accordance with ASX Guidance Note 8, the Company did not release the Research Report on the ASX Market Announcements Platform or on its website on the basis that all market sensitive fact-based material contained in the Research Report has already been released to the market. The Company considers any opinion-based inferences made by the author of the Research Report (**Author**) to be the view

of the Author and the Company does not endorse, or provide other comment on, the inferences contained in the Research Report. The Company notes that it has not paid for the production of the Research Report, but notes that the Author is an existing shareholder of the Company.

4. Please confirm that SCL is complying with the Listing Rules and, in particular, Listing Rule 3.1.

SCL is in compliance with the Listing Rules, including Listing Rule 3.1.

5. Please confirm that SCL's responses to the questions above have been authorized and approved under its published continuous disclosure policy or otherwise by its board or an office of SCL with delegated authority from the board to respond to ASX on disclosure matters.

SCL confirms that the above responses have been authorised and approved by officers of SCL with delegated authority from the board to respond to ASX on disclosure matters.

Yours sincerely,



Nick Allan
Company Secretary
+ 61 8 9230 7000



25 September 2019

Reference: 07696

Mr Nick Allan
Company Secretary
Schrole Group Ltd

By email: nick.allan@schrole.com

Dear Mr Allan

Schrole Group Ltd ('SCL'): Price and Volume Query

We note the change in the price of SCL's securities from a low of \$0.013 to a high of \$0.017 today, 25 September 2019.

We also note the significant increase in the volume of SCL's securities traded today, 25 September 2019.

Request for Information

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

1. Is SCL 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 SCL relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in SCL's securities would suggest to ASX that such information may have ceased to be confidential and therefore SCL 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 SCL may have for the recent trading in its securities?
4. Please confirm that SCL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that SCL's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of SCL 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **7:30 AM AWST today Thursday, 26 September 2019**. If we do not have your response by then, ASX will likely suspend trading in SCL'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, SCL'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 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 SCL'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 SCL'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 SCL'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*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in SCL's securities under Listing Rule 17.3.

Enquiries

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

Yours sincerely

Madeleine Green
Senior Adviser, Listings Compliance (Perth)