



20 May 2015

Mr Dale Allen
Senior Adviser
Listings Compliance (Perth)
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

By Email: dale.allen@asx.com.au

Dear Dale,

ASX Query: Appendix 5B

I refer to your ASX query letter dated 15 May 2015, in relation to the current and future cash position of Aus Asia Minerals Limited (the **Company**).

We respond as follows:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

The Company has reduced administration costs which will continue to result in lower net operating cash flows in the near future.

In addition, as per the Company's ASX announcement dated 29 April 2015 in the Quarterly Activities report and the Investor Presentation announcement dated 5 January 2015 (slide 19) where the Company disclosed that it is finalizing a funding package. It is expected that the finalization of this funding package will allow the company to commence operations from its Solok Iron Ore project where there is a current stockpile ready for shipment and sale. The commencement of these operations will allow the Company to increase its cash flows with a view to generating positive cash flow in the near future.

Following the close of trading on Tuesday 19 May 2015, the Company received final documentation regarding the funding proposal. The Company has called a trading halt at the commencement of trading Wednesday 20 May 2015 as a result.

2. Has the Entity 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?

As outlined above in Question 1, the Company was in advanced discussions regarding a funding package. The Company has called a trading halt at the commencement of trading Wednesday 20 May 2015 in relation to this funding.

The Company also has interest from unrelated parties to further fund the Company.

3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, at this stage the Company is confident of finalising this funding and attracting additional funding to meet its objectives.

- 4. Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that rule that has not already been released to the market?**

The Company confirms it is in compliance with the ASX Listing Rules and in particular Listing Rule 3.1, and has called for a trading halt following receipt of the final funding documentation after the close of market on Tuesday 19 May 2015.

- 5. Please also provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2.**

LR 12.2 requires an entity's financial condition (including operating results) to be, in ASX's opinion, adequate to warrant the continued quotation of its securities and its continued listing.

The Company confirms that it complies with Listing Rule 12.2, and is confident of raising additional capital as outlined above to continue to with its strategy of commencing the production of minerals

Yours Faithfully



Robert Swarbrick
Executive Chairman



15 May 2015

Mr Benjamin Donovan
Company Secretary
Aus Asia Minerals Limited
C/- Accent Accounting (WA) Pty Ltd
125 Royal Street
East Perth WA 6005

By email:

Dear Mr Donovan

Aus Asia Minerals Limited (the "Entity"): ASX Appendix 5B Query

I refer to the Entity's quarterly report in the form of Appendix 5B for the period ended 30 March 2015 lodged with the ASX Market Announcements Platform on 29 April 2015 (the "Appendix 5B").

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of \$126,000;
- cash at the end of the quarter of \$18,000; and
- estimated cash outflows for the next quarter of \$4,750,000.

It is possible to conclude on the basis of the information provided in the Appendix 5B that if the Entity were to continue to expend cash at the rate for the quarter (and at the rate estimated for the next quarter) indicated by the Appendix 5B, the Entity may not have sufficient cash to continue funding its operations. In view of that, please respond to each of the following questions:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Entity 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 the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that rule that has not already been released to the market?

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

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 3.00pm AWST on Wednesday, 20 May 2015. If we do not have your

response by then, ASX will have no choice but to consider suspending trading in the Entity'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, the Entity'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 dale.allen@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

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.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

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 the Entity'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*.

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

Yours sincerely

[sent electronically without signature]

Dale Allen
Senior Adviser, Listings Compliance (Perth)