



Mr Dale Allen  
Senior Adviser, Listings Compliance (Perth)  
By Email: [Dale.Allen@asx.com.au](mailto:Dale.Allen@asx.com.au)

October 14, 2016

Copy to:

Mr James Rowe  
Australian Securities Exchange  
[james.rowe@asx.com.au](mailto:james.rowe@asx.com.au)

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[tradinghaltsp Perth@asx.com.au](mailto:tradinghaltsp Perth@asx.com.au)

Dear Mr Allen

## **India Resources Limited (IRL or the Company) – ASX Letter dated 10<sup>th</sup> October 2016**

We refer to your letter dated 10<sup>th</sup> October 2016.

Please see below the Company's response to your Questions 1-8 for Response

### **1. Comment on Disclaimer of Opinion, confirmation of Financial Report**

- a. Yes
- b. Yes

### **2. Comment on Disclaimer of Opinion, Auditor's inability to obtain sufficient audit evidence**

We provide our comments in the following categories

#### **a. Production forecast and comparison with the budget**

In our cash flow forecast submitted to the Company's auditors we have assumed a production level of 3,278t Copper sales for 12 months commencing August 2016. As per previous year annual reports our production achievements are as below:

Year	Copper, tonnes
2008	871
2009	3023
2010	2962
2011	3551



# India Resources Limited

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2012	3556
2013	3283
2014	3428
2015	675
2016	2784

Operations during 2015 were materially adversely affected by 9 months of shut down from September 2014 to June 2015 due to issues with the mining lease at Surda.

The mine closure during this period was not the fault or responsibility of the Company. The maintenance of the mining license for Surda is solely the responsibility of HCL who failed to address some concerns of the India Ministry of Environment and Forest and the licence was temporarily cancelled. This caused the 9 months of closure. The costs of the mine closure are the subject of continuing negotiations with HCL.

During 2016, the Company's position improved as we gradually recovered from the mine closure and mobilised resources.

The Company could have achieved a better result, had it not faced difficulties from HCL in relation to the name change of the principal contractor for the Surda contract (from Swan Gold to Eastern Goldfields Ltd (EGL)). The dispute raised by HCL in relation to the name change to EGL resulted in cash flow issues and caused a mine workers strike in June 2016.

Please refer to the ASX announcement of 6<sup>th</sup> and 8<sup>th</sup> June 2016 and subsequent updates in quarterly reports. Since resolving issues with HCL in June 2016, production is gradually stabilising and HCL is paying IRL copper invoices as per the contract.

HCL is approximately 80% directly owned by the Central Government of India.

Details of previous year's performance are covered in our respective annual reports up to June 2016. Surda and the copper concentrate operations have produced positive EBITDA from August 2016 onwards.



In the months prior to the mine closure, IRL was cash flow positive as shown in the table below (EBITDA excludes write downs):

Year	Group (EBITDA)	Surda (EBITDA)
2008	-8,818,000	-1,783,050
2009	-3,811,000	2,982,790
2010	-660,000	3,475,230
2011	701,000	4,280,560
2012	259,000	3,063,280
2013	263,000	2,616,500
2014	-234,000	2,105,000
2015	-1,538,000	396,000
2016	-1559.000	296,340

During 2016, the Company incurred an approximate cost of A\$883K towards the mobilisation and preparation for the shaft sinking project as part of the Surda Expansion project. Despite this cash injection from the Surda operations contract to Surda Expansion contract Company achieved a positive EBITDA at the Surda operations.

During the 2016 financial year the Company commenced receiving an additional 3% of Gross revenue per tonne of copper after successful arbitration and negotiations on this material escalation with HCL. Further enhancement of the material escalation formula are currently being negotiated with HCL.

The cash cost of doing business in India for the Company has improved as expensive expatriate labour has been made redundant. It has also improved as the Surda overhead is now shared by the second contract (Expansion project).

Surda revenue is based upon a fixed price rate per tonne of Copper, adjusted periodically for price escalations in wages, material and diesel costs. Current payment rate is approximately A\$ 4,400/t Cu. Current LME rate is about A\$6,400 (US\$ 4800).

## b. Receipt of Tax Deducted at Source

Please refer to our previous announcements on this matter particularly those mentioned below:

- Quarterly reports March 2015, June 2015, September 2015, December 2015 and March 2016
- Half yearly report 2015



- ASX announcement 14<sup>th</sup> April 2015, 26<sup>th</sup> May 2015, 4<sup>th</sup> March 2016 and 4<sup>th</sup> July 2016
- AGM presentation 2015

The matter has been fully disclosed in the above announcements. The Company has won an appeal against the Indian Income Tax Office (ITO) and the Company is now finalizing formalities to recover approximately A\$0.4M from the ITO resulting from this appeal.

Set out below is a brief summary of this matter.

## **Swan Gold Mining (now Eastern Goldfields (EGL)) Tax Issue**

The relationship between HCL, EGL and IRL caused sufficient complication for the ITO which formed a different view on the nature of this relationship than IRL's view.

In short, IRL operates as EGL's Special Purpose Vehicle (SPV) as named in the original contract. EGL does no actual work in India, it has employed no manpower, has no office, and it makes no margin or gain of any kind from the Surda Work Order because this has all been assigned to IRL through a Deed of Appointment. IRL states that the Deed means EGL's only role is to act as IRL's Agent. Finally, there is only one invoice as the EGL invoice directs HCL to pay directly to IRL's account. This procedure is now adhered to by HCL on a regular basis.

However, the ITO noted documents stating that IRL is a sub-contractor, and EGL is the contractor. It has also noted that invoices from EGL to HCL exist, that the formal contract remains with EGL, and that EGL has stated notional revenue and expenses in its tax returns. It also noted that HCL deducts tax and puts it into EGL's account, not IRL's. The ITO therefore concluded that there should be two transactions, with EGL invoicing HCL and IRL invoicing EGL. The ITO argued that both parties should be deducting tax at source, and since EGL has not deducted any funds from IRL it is not entitled to claim any of IRL's expenses as being deductible. ITO concluded that IRL's entire revenue for every year is taxable to EGL but EGL could not claim the same as the taxable expense of having IRL do the work. This resulted in 42% tax on IRL's gross revenue. Accordingly it determined that EGL owes 441M INR (A\$8.8M) for the 2010/11 financial year, formed a similar opinion for 2011/12 financial year and released a draft assessment order along the same lines for 2012/13.

After the 2010/11 assessment the Indian Central Board of Direct Taxes released a Circular that makes it clear that tax can only be deducted at source on the profit portion. Given that IRL made no taxable profit, no tax needed to be deducted at source and the ITO cannot treat it as non-deductible expense. Furthermore, this Circular arose as this was how the Indian Courts were interpreting this matter.



EGL has now successfully appealed against the ITO position in India for the financial years 2010/11, 2011/2012 and 2012/2013 which found that there was no taxable income.

IRL is now in a position to recover several years of tax deducted at source held by ITO. The Company is working to recover nearly 20M INR (approximately A\$A0.4M).

The Company has engaged Deloitte's Delhi office to recover the TDS amount. Deloitte was previously engaged by the Company with respect to the successful appeal against the ITO's position.

In the years prior to the tax issues raised by ITO, the Company received TDS returns in the normal course, and expects this to now continue in future years.

### **c. Obtaining funds to execute the Aravalli project**

Please refer to the ASX announcement of 19 August 2014 and 2 September 2014 and subsequent reports and announcements regarding the Aravalli project.

The Aravalli project is a world class Zinc, Lead and Silver deposit. It is located in the vicinity of a successful Zinc, Lead, Silver producer called Hindustan Zinc Limited, HZL. HZL is majority owned by AIM listed Vedanta Resources.

The quality of the project has enabled the Company to attract investment from large groups such as Resource Capital Fund (RCF), Noble Group of Hong Kong and Alexandra Resources. Alexandra Resources PL represents a group of PRC Copper smelters. RCF, Noble and Alexandra combined own approximately 40% of IRL shares.

Since first investing in August 2014 it was our hope that we would receive follow on investment from RCF. Unfortunately soon after RCF's investment, IRL had to deal with two significant matters – the Surda shut down (2014-15) and the EGL Tax matter. IRL remained in discussions with RCF and other investors while dealing with these matters. IRL successfully resolved these matters, however market conditions deteriorated over the time and these investors did not provide further funds.

Since then IRL has been continuously looking at raising capital from other sources.

The Company has recently signed term sheets to raise A\$3.5 million. The lifting of the suspension of trading in the Company's shares will enable the Company to advance on this transaction, and is a pre requisite to obtaining the Bridge Loan component of the raise.



## **d. Continued support from financiers and creditors**

Axis Bank have been providing facilities to IRL since 2008 and supported us during the 9 month Surda closure when temporarily we could not pay regular interest bills. The Company, as a good partner, paid all accrued interest as soon as the mine reopened and HCL paid our arbitration money.

Axis Loans are secured against Surda assets, inventory and debtors.

Recently Axis has provided an additional A\$200k facility as a temporary overdraft.

In a meeting with Axis Bank Head Office, senior personnel of Axis Bank have expressed their commitment to continue to support the Company.

Similar to Axis Bank, our creditors in India have worked with us including during and after the 9 months of Surda closure. The traditional trading time cycle in India between a supplier's invoice date and payment is flexible and we maintain good relationships with our suppliers. There is one non material (A\$80k) case of litigation with respect to a trade creditor which is currently being negotiated.

Consistent with advice to the Board, the Company has entered into arrangements with its main creditors to pay their bills over a period of time. The Company is approaching all creditors (220 of them in India) on this basis.

The Company has entered into term sheets facilitated by Empire Capital Partners with respect to an up to A\$500K Loan (Bridge Loan), a Heads of Agreement to earn a 65% shareholding in Arabian Nubian Resources (a private UK the Company developing the copper-gold of Akordat – Orotap Project in Eritrea) and a proposed A\$3 million capital raising. The Company has entered into an exclusive binding agreement with Empire Capital to act as Corporate Adviser and Lead manager for the reconstruction and recapitalization of the Company. This funding is subject to necessary regulatory and other approvals, and the lifting of the suspension of the Company's shares on the ASX.

Empire Capital Partners is a boutique corporate advisory and investment firm focused on investments in the Australian resources and oil and gas sectors. Empire Capital Partners undertakes capital raisings through an extensive network of institutional contacts throughout Australia, Europe, Asia, and North America. Empire Capital Partners were instrumental in providing an approximately A\$600K placement to the Company in 2011 which helped the Company complete its restructuring at that time.



## **e. Revenue from the Surda expansion project**

Please refer to quarterly report June 2016 and financial report 2016.

The Surda expansion project has received all statutory approvals to commence shaft sinking below 60m depth. The Company has invested about A\$0.88M in preparation for the shaft sinking in financial year 2016. Revenue from shaft sinking and underground development has now started contributing positive EBITDA. In the month of August 2016 the Company achieved A\$73K EBITDA from the expansion project. September results are pending.

The funds invested in the Surda Expansion project have been charged to the Statements of Profit & Loss in the year ended 30<sup>th</sup> June 2016 and have not been capitalised.

Remaining construction work on shaft sinking and mine expansion project continue on planned basis.

It is expected that the Surda expansion project will build towards an optimum level of productivity and generate revenues to meet its cost and contribute positive cash flow in line with the cash flow forecast.

## **f. Successful settlement of claims by IRL against HCL**

Please refer to our previous announcements on this matter particularly those mentioned below:

- ASX announcements 21<sup>st</sup> May 2015 and 14<sup>th</sup> July 2015
- Quarterly report June 2015
- Subsequent half yearly and annual reports

HCL has only partially implemented the 2013 arbitration award and has avoided paying the full material escalation awarded to IRL.

Pursuant to a meeting with India's Minister of Mines and Mining Secretary in May 2016, the Company proposed to HCL that out of the total claim of A\$15.3M it would settle for A\$5.43 M in cash and the balances by way of HCL extending the Surda contract.

HCL has accepted the Company's initial A\$2.68M claim and paid it. The Company is working with Ministry of Mines and HCL to receive a further payment of A\$2.75M. The amount of A\$2.75M balance due under the settlement proposal represents arbitrated, agreed and admitted amount. For the remaining A\$9.86M, the Company has offered following solutions:

- a) An equivalent extended contract duration in accordance with the Surda contract (clause 4.10.1) and Minute of Meeting dated 1<sup>st</sup> April 2013. OR



- b) Resolution through a further fast track arbitration in accordance with the contract.

Discussions on settlement of claim and extension of contract are progressing with HCL, the Secretary of The Ministry of Mines and the Joint Secretary of the Prime Minister of India.

Primary Policies of the Modi Government is to encourage Foreign Direct Investment and the development of internal supplies such as Copper and Zinc. The company qualifies for support in both these policies from the Government of India.

The India economy of 1.4 billion people and a GDP growth rate of 7% provides great opportunities for the Company.

The Company has been significantly assisted by the Australian High Commission in India in lobbying senior Government levels. The net result of this lobbying has been a compromise offer made by the Company to the Ministry of Mines as above.

The Company retains the services of an ex Attorney General, retired Supreme Court judge of India and several senior lawyers in India to recover its claims, should HCL decide to agree on independent arbitration.

#### **g. Ability to raise additional funds**

Please refer to the section 2 d. above.

#### **h. The extension of Surda contract beyond 31 March 2017**

Please refer to the quarterly report June 2016 and financial report 2016.

The IRL Board, having obtained advice on this issue, considers it reasonable to assume that there are sound arguments that the Contract and Work Order should be extended, by agreement with HCL, for a further period of 9 months and 7 days due to the non-renewal of the mining lease affecting Surda (Force Majeure), and a further period of 57 months to off-set claims which IRL has made against HCL.

In addition to the above view on the extension of the Surda contract, the contract is extendable if the Surda expansion contract is extended. The principal contractor for the Surda expansion contract Sriram EPC (SEPC) has applied for 33 months extension of contract on the basis of Force Majeure and delay in grant of site access. The parties are in discussion on this issue.

The contract extension terms will need to be discussed and formally agreed with HCL. In this regard, the Company notes that:



- (i) An extension of 9 months and 7 days for reasons of Force Majeure at Surda has a sound basis.
- (ii) There is prior precedent between HCL and IRL for the off-set of claims against a further extension.
- (iii) Continuity of operations is in the interest of all stakeholders as it allows 1500 people to remain employed and support their families, HCL continues to earn a profit, the Indian Government earns taxes and IRL protects its assets including its world class Aravalli project.
- (iv) We understand HCL is raising a significant amount of capital. With this capital raising the liquidity shall improve and may assist the Company reaching a cash settlement with HCL.

HCL is a highly bureaucratic company. Decision making is influenced by several layers of bureaucracy and most of the time a minimally transparent approach by HCL takes precedence over achieving what may be clearly a win win situation for all stakeholders. The Company is continuing its efforts to formally resolve the extension matter.

### **3. Disclaimer of Opinion and \$7.029 million working capital deficiency**

The Company has run a cash flow model through to December 2017 on a conservative assumptions, please refer to 2 (a) and 2 (h) above. Based upon these assumptions, without injection of any new money, the Company is confident that the two revenue generating contracts can generate enough cash flow to extinguish the Company's liabilities. This cash flow was reviewed by external consultants.

Although the cash flow assumptions are conservative and as per the Surda contract, there have been instances where illegal strikes and unreasonable conduct of HCL, SEPC and tax office has had negative impact on cash flow. To mitigate against such unplanned situations, the Company intends to raise sufficient equity to overcome temporary dips in the cash flow.

The Company's proposed new fund raising activities are described above in 2(d).

The IRL Board considers that better trading and positive cash flow levels will occur from this time onwards. Progress here should ensure the Company receives an unqualified report and review reports in future.

### **4. Level of operation sufficient to warrant quotation**

The Company considers that its current level of operations, existing world class asset (Aravalli) and current expansion opportunities mean that the Company warrants continued quotation.

The Company is the only FDI investor in India operating an underground operation, employing 1,500 people at Surda.



India is in a fast track mode to increase its mine output. The Company brand is well established in India as an Australian listed entity. Significant opportunities are always evaluated to multiply Surda type contract mining work in India.

With the assistance of the Australian High Commissioner in India, the Company's Aravalli project found support from the Indian Prime Minister when he visited Australia in 2014.

The Aravalli project is a rare world class Zinc project. On a conservative basis, the project has an indicated NPV of A\$243M and IRR of 22%. Assuming the resource grade is the same as adjacent mines of Hindustan Zinc Limited, the Board considers that the project has an NPV of A\$1B and IRR of 44%. Zinc and Lead prices are currently at high levels. The Aravalli project requires capital of about A\$200M over the next five years. This view of the Board is based on numbers quoted from the Company's internal scoping study compiled by several expatriate staff in 2015, which has not previously been released to the market as it would require further work in order to form a reasonable basis for the Company to release such forward looking statements.

## **5. Financial condition of the company to warrant continued listing on ASX in accordance with listing rule 12.1**

After a difficult period in 2015, the IRL Board is confident that the Company's position has stabilised and will continue to improve over the next year and beyond.

As noted above, the current financial condition of the Company is reflective of material events - the 9 months of Surda stoppage (Sept 2014 – June 2015), a consequent strike in June 2016, non-payment of full arbitration award money by HCL, investment requirement in the Surda expansion project and delays in receiving tax refunds. The Company has also suffered from poor commodity market conditions in recent years which have affected its ability to raise money from the equity market during this time.

However, as described above, the Surda project is now running as per the contract, the Surda expansion contract is producing positive cash flow, the tax refund is expected soon and the Company has an existing funding offer from Empire Equity.

As a result, the Company considers that its financial position and prospects warrant continued quotation.

## **6. Financial condition of the company to warrant continued listing on ASX in accordance with listing rule 12.2**

As explained above.

## **7. Not applicable**



# India Resources Limited

Level 1, 18 Kings Park Road  
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Australia

- 8. The directors are of the view that the Company is in compliance with the listing rules 3.1 and 12.2.**

Yours sincerely

A handwritten signature in black ink, appearing to read 'Arvind Misra'.

Arvind Misra,  
Managing Director



10 October 2016

Mr Frank Campagna  
India Resources Limited  
Level 1, 18 Kings Park Road  
WEST PERTH WA 6005

Dear Mr Campagna

**India Resources Limited (the “Company”) – Financial Condition Query**

ASX Limited (“ASX”) refers to the following;

1. The Company’s Full Year Report for the year ended 30 June 2016, lodged with ASX on 30 September 2016 (the “Financial Report.”)
2. The Independent Auditor’s Report set out on pages 54 to 56 of the Financial Report which contains a Disclaimer of Opinion (the “Disclaimed Opinion”), which states the following:

***Basis for disclaimer of Opinion***

*We have been unable to obtain sufficient audit evidence in relation to the following areas:*

***Recoverability of Plant and Equipment***

*Included in the consolidated statement of financial position as at 30 June 2016 is plant and equipment of \$3,279,000. The recoverability of the plant and equipment is subject to an impairment assessment which has been undertaken in accordance with AASB 136 Impairment of Assets. The details of the key assumptions used in this assessment are included in Note 10. This assessment relies on the forecast of future cash flows, the extension of the Surda contract and the residual value of the plant and equipment, of which we have been unable to satisfy ourselves as to the appropriateness and reliability of these assumptions used in the consolidated entity’s impairment model.*

*Therefore we were unable to obtain sufficient appropriate audit evidence about the carrying value of the plant and equipment at 30 June 2016.*

***Going Concern***

*The consolidated entity has reported a loss of \$3,451,000 for the year ended 30 June 2016 and as at the reporting date has a working capital deficiency of \$7,029,000. The financial report has been prepared on a going concern basis, however the directors have stated in note 2 (a) that the ability of the consolidated entity to continue as a going concern is dependent on:*

- *Production from operations in line with budget expectations to generate positive cash flows from the Surda Mine;*
- *Receipt of tax deducted at source (TDS) refunds held by the Indian Taxation Office (ITO);*
- *Obtaining funds to execute the Aravalli Project and the Letter of Intent (LOI) to issue the Mining Lease;*
- *Continuous support provided by the Group's financiers and creditors;*
- *Revenue from the Surda Expansion Project;*
- *Successful settlement of claims by IRL against HCL;*
- *Ability to raise additional funds;*
- *The extension of the Surda contract beyond 31 March 2017.*

*At the date of this report, we have been unable to obtain sufficient appropriate audit evidence to support the achievement of the above assertions as stated above, and as to whether the consolidated entity may be able to continue as a going concern and whether it will realise its assets and discharge its liabilities in their normal course of business.*

*As a result of the matters stated above, we are unable to determine whether any adjustments might have been found necessary in respect of the elements making up the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows and disclosures thereto.*

#### ***Disclaimer of Opinion***

*Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.*

#### **Relevant listing rules and guidance**

ASX also refers to the following:

- Listing rule 3.1, which requires an entity, once it becomes aware of 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, to immediately tell ASX that information.
- Listing rule 12.2, which states that an entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.
- Listing rule 19.11A, which requires accounts given to ASX under the requirements of the listing rules, to be prepared to Australian accounting standards and if the entity is a foreign entity, the accounts may be prepared to other standards agreed by ASX.
- Listing rule 3.1A sets out an exception from the requirement to make immediate disclosure, provided that each of the following are satisfied.
  - “3.1A.1 *A reasonable person would not expect the information to be disclosed.*
  - 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*

3.1A.3 *One or more of the following applies.*

- *It would be a breach of a law to disclose the information.*
- *The information concerns an incomplete proposal or negotiation.*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
- *The information is generated for the internal management purposes of the entity.*
- *The information is a trade secret.”*

### **Questions for response**

In light of the information contained in the Financial Report, and referring to the listing rules above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A.

1. Commenting specifically on the Disclaimer of Opinion, can the Company confirm that in the Directors' opinion the Financial Report:
  - (a) complies with the relevant Accounting Standards; and
  - (b) give a true and fair view of the financial performance and financial position of the Company?
2. Given the Disclaimer of Opinion relates to the Auditor's inability to obtain sufficient appropriate audit evidence regarding the recoverability of Plant and Equipment, and the ability of the Company to continue as a going concern, what steps does the Company intend to take to obtain an unqualified audit/review report for future financial periods?
3. How has the Company satisfied itself as to the appropriateness of preparing the Financial Statements on a going concern basis given the Disclaimer of Opinion and the \$7.029 million working capital deficiency?
4. Does the Company consider that its level of operations is sufficient to warrant continued quotation of its securities on ASX in accordance with the requirements of listing rule 12.1? In answering this question, please also explain the basis for this conclusion.
5. Is the Company of the view that the financial condition of the Company would be sufficient to warrant continued listing on ASX in accordance with the requirements of listing rule 12.2?
6. If the answer to questions 4 or 5 is "Yes", please explain the basis on which the Company has formed the conclusion that the financial condition of the Company is sufficient to warrant continued listing on ASX in accordance with the requirements of listing rules 12.2. Specifically, the Company should submit the reasons (including any previous disclosures made to the market) it considers relevant

given the matters outlined in the Independent Auditor's Review Report resulting in the Qualified Conclusion.

7. If the answer to question 4 or 5 is "No", please explain what steps the Company has taken, or proposes to take, to warrant continued listing on ASX in accordance with the requirements of listing rules 12.1 and 12.2.
8. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rules 3.1 and 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 2:00 pm AWST on Friday 14 October 2016**. 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. Your response should be sent to me by return e-mail, copying [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au). It should not be sent to the Market Announcements Office.

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.

Please note that ASX reserves the right, under listing rule 18.7A, to release this letter and the Company's response to the market. Accordingly, please prepare your response in a form suitable for release to the market.

If you have any queries regarding any of the above, please call me.

Yours sincerely,

*[sent electronically without signature]*

Dale Allen

**Senior Adviser, Listings Compliance (Perth)**