



**Murray Cod**  
Australia Limited

*Australia's Premium Native Fish*

ASX: MCA  
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7 February 2018

Violetta Codreanu  
ASX Compliance Pty Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Dear Violetta

Murray Cod Australia Limited ("MCA" or "Company") (ASX: MCA) provides the following responses to the questions set out in ASX's letter dated 2 February 2018:

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

**The Company expects to continue to have negative operating cash flows while it continues to develop its integrated aquaculture operations and its sale channels for Murray Cod.**

**The Company notes that that unaudited revenue for the December 2017 quarter was \$1,067,253<sup>1</sup> as compared to \$328,582 in the March 2017 quarter.**

**As previously reported to the ASX, the Company continues to expand both its production capacity and to develop the market for Murray Cod, including exploring export opportunities to Asia.**

**Based on higher levels of demand than anticipated being experienced at the time of the IPO Prospectus, Company management made a decision to expand its production capacity to service this demand. The Company believes it is in the interests of shareholders to have sufficient capacity to supply the orders anticipated as a result of enquiries received to date, most notably from prospective Asian customers. Typically enquiries are for orders in the vicinity of 3 to 10 tonnes per week (equating to 150 – 520 tonnes per annum).**

**The Company's production capacity as listed in the Prospectus dated 25 November 2016 was 36 tonnes. Capacity has now increased to over 1,000 tonnes in order to meet demand. Whilst this growth is well ahead of the Company's original expectations, it has impacted on cash flow. The Directors believe this short-term growth will improve shareholder value in a shorter time frame than originally anticipated.**

**The Company currently has approximately 300,000 fish stocked in ponds and estimates it will stock a further 220,000 fish to ponds within the next month. The bulk of these fish have only been stocked into ponds in the last 3 months. Once a pond is stocked, a minimum of 12 months elapses before the fish**

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<sup>1</sup> This includes \$264,090 of Research and Development and other rebates and is unaudited.

reach a saleable size. Accordingly the Company expects to continue to have negative operating cash flows until stocked fish reach saleable size and sales levels exceed the costs of operations.

2. Has the Company 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?

The Company diligently monitors cash flow and plans carefully for future cash requirements. The Company has been actively examining alternative means for funding operations including, sale and leaseback transactions of land and water assets, secured debt funding and additional equity issues, or some combination thereof. Mr Ross Anderson, the Company's Chairman, is also in a position to lend the Company funds on arms' length terms should the Company require any short term funding.

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

On the basis of the response to question 2 above, the Company expects to continue its operations and fulfil its strategic objectives previously stated.

4. Please confirm that the Company 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 its compliance with Listing Rule 3.1 and confirms that there is no further information required to be released to the market.

5. Please confirm that the Company'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 the Company with delegated authority from the board to respond to ASX on disclosure matters.

The above responses have been approved for release by Company's board.

For and on behalf of Murray Cod Australia Limited

A handwritten signature in black ink, appearing to read 'R Anderson', with a long horizontal stroke extending to the right.

Ross Anderson  
Chairman

Phone 02 69 625 470



2 February 2018

Ms Wendy Dillon  
Joint Company Secretary  
Murray Cod Australia Limited  
Level 1  
153 Yambil Street  
Griffith NSW 2680

By email: [wendy@andersonsonline.com.au](mailto:wendy@andersonsonline.com.au)

Dear Ms Dillon

**Murray Cod Australia Limited (the “Company”): Appendix 4C Query**

We refer to the Company’s Appendix 4C quarterly report for the period ended 31 December 2017 lodged with ASX Market Announcements Platform and released on 31 January 2018 (the “Appendix 4C”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$661,000;
- cash at the end of the quarter of \$1,192,000; and
- estimated cash outflows for the next quarter of \$663,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company 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 Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company 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.
5. Please confirm that the Company’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 the Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (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, 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 **9:30am AEDT on Thursday, 8 February 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company'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 Company'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. 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.

In responding to this letter, you should have regard to the Company'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 the Company'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 the Company'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*.

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

Yours sincerely,

*[sent electronically without signature]*

Violetta Codreanu

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