



**FALL RIVER RESOURCES LTD.**

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[www.fallriverresources.com](http://www.fallriverresources.com)

8 May 2009

Australian Securities Exchange Limited  
Level 15, South Tower, Rialto  
525 Collins Street  
Melbourne VIC 3000

Attention: Dean Litis

Dear Sir

**RE: APPENDIX 5B – 31 MARCH 2009**

We refer to your correspondence dated 5 May 2009 regarding the Company's Quarterly Report and Appendix 5B for the period ended 31 March 2009 and respond to your enquiry as follows:

1. The Company's net negative cashflows are approximately \$100,000 per quarter. Cash at hand at 31 March 2009 was \$96,000. Receivables at that date were \$110,000. This amount is due for collection during the second quarter of calendar year 2009.
2. It is anticipated that negative cashflows will continue at the rate forecast above. The Company is actively seeking new investment opportunities to develop a cash flow for the Company. Currently under review is a small oil field development in the USA and an oil recycling business in Australia. These initiatives have been previously reported. To fund these developments and future working capital requirements the Company proposes to undertake an equity raising in the third quarter of calendar year 2009. To facilitate this action the Company is in negotiation with a potential underwriter, who has previously supported the Company's capital raising initiatives.
3. Refer to response to item 2 above.
4. The Company can confirm that it is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.

Australian Registered office: Level 7, 151 Macquarie Street, Sydney, NSW, Australia, 2000  
Canadian Registered Office: 711-675 West Hastings Street, Vancouver, BC, Canada, V6B 1N2

5. The Company believes that it continues to adhere to Listing Rule 12.2 and that its financial position will improve with the collection of outstanding receivables, and the proposed equity raising to provide sufficient funds to continue its operations.

Should any additional information be required kindly contact the undersigned.

Yours faithfully



D L Hughes  
Secretary



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5 May 2009

Mr David Hughes  
Company Secretary  
Fall River Resources Limited

By email only

Dear David

**Fall River Resources Limited (the "Company")- Appendix 5B – 31 March 2009**

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 31 March 2009, released to ASX Limited ("ASX") on 30 April 2009 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$nil.
2. Net negative operating cash flows for the quarter of \$120,000.
3. Cash at end of quarter of \$96,000.

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

### **Listing rule 3.1**

Listing rule 3.1 requires an 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. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by email on [dean.litis@asx.com.au](mailto:dean.litis@asx.com.au). It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 5:00 p.m. EST on Friday 8 May 2009.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

Yours sincerely

[Sent electronically, without signature]

Dean Litis  
Principal Adviser, Issuers