

FIFTH Element

R E S O U R C E S Ltd

Office of Company Secretary:
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14 July 2014

Mr Andrew Weaver
Senior Adviser, Listings Compliance (Sydney)
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Andrew


Thank you for letter dated 14 July 2014. The responses to your letter are set out below and the paragraph numbers coincide with those in your letter:

1. The Company is not aware of any information concerning it that has not been announced, which, if known, could be an explanation for recent trading in the securities of the Company.
2. No response as the answer to question 1 is "No".
3. There is no explanation that the company has for the price change and volume movement.
4. I confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The company is reviewing different exploration options and will make an announcement to the market when a decision has been made.

We confirm that this response may be released to the market.

Yours sincerely



Nick Geddes
Company Secretary



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14 July 2014

Mr Nicholas Geddes
Company Secretary
Fifth Element Resources Limited
C/O SRK Consulting (Australasia) Pty Ltd
Unit 1, Balbu Close, Beresfield
Greenhills NSW 2322

By Email

Dear Nicholas,

Fifth Element Resources Limited (the “Company”): ASX price query

We have noted a change in the price of the Company’s securities from a close of \$5.33 on Tuesday, 8 July 2014 to an intraday high of \$7.96 at the time of writing today, Monday 14 July 2014.

We note that this is the 6th price query letter sent to the Company since its admission date of 21 May 2014, whereby the Company’s initial public offering prospectus issued securities at an issue price of \$0.20.

We also note that the Company is yet to make an operational announcement with respect to its forecast operations as outlined under its initial public offering prospectus.

In light of the price increase and further background information above, ASX asks you to respond separately to each of the following questions:

1. Is the Company 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 the Company relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Company’s securities would suggest to ASX that such information may have ceased to be confidential and therefore the Company 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 the Company may have for the recent trading in its securities?

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

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 3:30 PM Monday, 14 July 2014. 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.

The obligation of the Company 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 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*.

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 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

A handwritten signature in blue ink, appearing to read 'A Weaver', with a long horizontal flourish extending to the right.

Andy Weaver

Senior Adviser, Listings Compliance (Sydney)