

4 April 2017

Response to Appendix 4C Query

James Gerraty
ASX Limited
Level 4, North Tower
525 Collins Street
MELBOURNE VIC 3000

(By email: james.gerraty@asx.com.au)

RESPONSE TO APPENDIX 4C QUERY

In reference to your letter of 30 March 2017 regarding the Appendix 4C quarterly report for the period ended 31 December 2016 lodged with the ASX on 31 January 2017, the response to your queries in number order is as follows:

1. The Company expects to continue to have negative operating cashflows for the time being.
2. The Company is currently in the final stages of securing its ongoing funding. The terms of the funding plan are yet to be finalised and not able to be released to the market at this stage. The Company expects that a full market update will be provided by Friday 7 April 2017, at which time the Company will work with the ASX to lift the current suspension.
3. Yes, the Company expects to be able to continue its operations and meet its business objectives based on the funding plan being negotiated.
4. The Company notes its ASX release of 31 March 2017 whereby it indicated that it was not in a position to lodge its Financial Report for the year ended 31 December 2016 by the reporting deadline of 31 March 2017. It is otherwise confirmed that the Company is in compliance with the disclosure provisions of the listing rules, and in particular listing rule 3.1 and that there is no information that should be given to ASX about its financial condition that has not already been released to the market.
5. It is confirmed that the responses to the questions above have been authorised and approved by the Board of the Company.

Please do not hesitate to contact me if you would like to discuss any of the above matters.

Yours sincerely,
LATAM AUTOS LIMITED



MELANIE LEYDIN
Company Secretary



30 March 2017

Melanie Leydin
Company Secretary
LatAm Autos Limited
Level 4, 100 Albert Road
SOUTH MELBOURNE VIC 3205

By email only

Dear Melanie

LatAm Autos Limited (“LAA”): Appendix 4C Query

I refer to LAA’s Appendix 4C quarterly report for the period ended 31 December 2016 lodged with ASX Market Announcements Platform and released on 31 January 2017 (the “Appendix 4C”).

ASX notes that LAA has reported:

- negative net operating cash flows for the quarter of \$3,493,000;
- cash at the end of the quarter of \$4,919,000; and
- estimated cash outflows for the next quarter of \$4,660,000.

It is possible to conclude, based on the information in the Appendix 4C, that if LAA were to continue to expend cash at the rate indicated by the Appendix 4C, LAA may not have sufficient cash to continue funding its operations. In view of that, ASX asks LAA 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 LAA expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has LAA 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?

In this regard, LAA should also provide an update on its evaluation of discussions with third parties referred to in its announcement of 24 February 2017 headed *Market Update*.

3. Does LAA expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that LAA 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 LAA'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 LAA with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that LAA considers may be relevant to ASX forming an opinion on whether LAA 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 AEST on Tuesday, 4 April 2017.

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, LAA'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 LAA'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 LAA'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.

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

Yours sincerely,

[Sent electronically without signature]

James Gerraty
Manager Listings, Melbourne