

1 December 2020

Mr Sean Maloney
Adviser
Listings Compliance (Perth)

By E-mail

RESPONSE TO PRICE QUERY

We refer to your letter dated, 1 December 2020, querying the change in trading price of ECS Botanics Holdings Limited (ASX:ECS) (**ECS** or **Company**) shares from a low of \$0.027 yesterday to an intraday high of \$0.036 on Tuesday, 1 December 2020 (**Letter**). In response to your questions outlined in the Letter, we provide the following information (using your numbering):

1. The Company is not 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 the Company's securities.
2. Not applicable.
3. The Company is not aware of any other explanation for the recent trading in its securities however, the Company does note renewed and positive market sentiment towards hemp and medicinal cannabis stocks. ECS has recently updated the market on its progress and the regulatory changes which are supportive of its outdoor cultivation model, we note that of late this style of cultivation model has received positive commentary from media and industry professionals.
4. The Company confirms it is in compliance with the Listing Rules, in particular Listing Rule 3.1.
5. The Company confirms its responses to the above questions have been authorised and approved by its Board.

Authorised by the Board,

A handwritten signature in black ink, appearing to read "Mauro Piccini".

Mauro Piccini
Company Secretary

About ECS Botanics

ECS Botanics is an industrial hemp and medicinal cannabis business, cultivating (own and contract growers) and processing hemp for the wholesale market and its own retail food brand. The company's main operations are conducted in Tasmania, Australia. ECS has the necessary licences to cultivate, supply and manufacture industrial hemp in Tasmania as well as a grower licence in Queensland. ECS holds import and export licences with the Office of Drug Control (ODC) as well as having been granted licences for the cultivation and manufacture of medicinal cannabis. ECS owns a farm in Tasmania for commercial cultivation of hemp, research and as the site of its next generation approach to medicinal cannabis, which is currently under construction. ECS owns a strategic stake in TapAgrico for the logistics, drying and storage of hemp seed.

For further information, please contact:

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1 December 2020

Reference: 28522

Mr Mauro Piccini
Company Secretary
ECS Botanics Holdings Ltd

By email: mp@miradorcorporate.com

Dear Mr Piccini

ECS Botanics Holdings Ltd ('ECS'): Price - Query

ASX refers to the following:

- A. The change in the price of ECS's securities from a low of \$0.027 yesterday to an intraday high of \$0.036 today at the time of writing.
- B. The significant increase in the volume of ECS's securities traded from yesterday to today.

Request for information

In light of this, ASX asks ECS to respond separately to each of the following questions and requests for information:

- 1. Is ECS 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 ECS relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in ECS's securities would suggest to ASX that such information may have ceased to be confidential and therefore ECS 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 ECS may have for the recent trading in its securities?
- 4. Please confirm that ECS is complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 5. Please confirm that ECS's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of ECS with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Tuesday, 1 December 2020**. 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, ECS'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 and may require ECS to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. 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.

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 ECS'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 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*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in ECS's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to ECS'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 ECS'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.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Sean Maloney
Adviser, Listings Compliance (Perth)