



# Paramount Mining Corporation



14 August 2014

Mr Jeremy Newman  
Adviser, Listings Compliance (Perth)  
ASX Compliance Pty Ltd  
2 The Esplanade  
PERTH WA 6000

Dear Jeremy

**Re: ASX Query**

Further to your letter of 11 August 2014, Paramount Mining Corporation Ltd ("the Company") responds as follows:

1. *It is possible to conclude on the basis of the information provided that if the Company were to expend cash as indicated by the Appendix 5B, the Company will have insufficient cash to fund its activities for the next quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?*

This is not the case; in addition to the cash and facilities shown in the Appendix 5B, the Company expects the collection of \$258,000 from co-funding partners.

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?*

The Company expects to have similar, or lower, negative operating cash flows in the future. Internally, the Company continues to take steps to reduce all operating expenses.

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?*

The Company is actively exploring funding options, including seeking funding from the equity market. As of today, nothing has been finalised.

4. *Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?*

The Company confirms 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.*

As at 30 June 2014, the Company has unaudited total assets of \$9.1 million and total liabilities of \$2.6 million. The Company confirms that it is in compliance with listing rule 12.2.

Yours sincerely

**Garry Taylor**  
Company Secretary



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11 August 2014

Mr Garry Taylor  
Company Secretary  
Paramount Mining Corporation Limited

*By email: [garry.taylor@paramountmining.com](mailto:garry.taylor@paramountmining.com)*

Dear Garry

**Paramount Mining Corporation Limited ("Company")**

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 June 2014, released to ASX Limited ("ASX") on 29 July 2014, (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales of \$0.
2. Net negative operating cash flows for the quarter of \$351,000.
3. Cash at end of quarter of \$13,000.

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, 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 rules 3.1 – 3.1B".

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 will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent by email to [jeremy.newman@asx.com.au](mailto:jeremy.newman@asx.com.au). It should not be sent to ASX Market Announcements.

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 **3.00 pm WST on Thursday, 14 August 2014**.

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

If you have any queries please let me know.

Yours sincerely,

*[sent electronically without signature]*

Jeremy Newman

**Adviser, Listings Compliance (Perth)**