



4 May 2017

Charlotte Hope
Adviser, Listings Compliance
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Ms. Hope

Australian Whisky Holdings Limited (“the Company”): ASX Appendix 4C Query

We refer to your query of 3 May 2017, particularly in relation to:

- negative net operating cash flows for the March 2017 quarter of \$647,000;
- cash at the end of the March 2017 quarter of \$816,000; and
- estimated cash outflows for the next quarter of \$194,000.

Based on Directors’ plans and budgets, the Company has sufficient cash to continue funding its operations as the Company’s cash at 31 March 2017 was \$816,000 with estimated cash outflows for the next quarter of \$194,000.

We set out our responses below to each of the following questions:

- 1. Does AWY expect that it will continue to have negative operating cash flows for the time being and, if not, why not?**

The Company expects that it will continue to have negative operating cash flows for the time being. It is noted that the negative net operating cash flows for the quarter of \$647,000 included \$299,000 for the purchase of trading stock. The purchase of future trading stock (for the purpose of disposing it at a higher price) is dependent on both the availability of such trading stock as well as at the discretion of the Directors where the Company has sufficient funds.

- 2. Has AWY 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?**

From time to time the Company will raise additional equity and quasi-equity (such as convertible notes, etc.) to supplement its working capital requirement. AWY has today





secured debt funding of \$1,000,000 pursuant to a facility agreement as announced to ASX on 3 May 2017, and has the ability to raise additional debt and equity funding to pursue its business objectives. At this point in time there is no matter requiring disclosure to the Australian Stock Exchange in relation to the capital management of the Company. The Directors have no reason to believe that the Company is not able to raise further equity and quasi-equity to funds its ongoing operations.

3. Does AWY expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

AWY expects to be able to continue its operations and meet its business objectives, based on the abovementioned availability of debt funding under the facility agreement and ability to raise additional debt and equity funding, as well as the expectation that the Company's cash outflows will be lower in the future.

4. Please confirm that AWY 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?

It is confirmed that AWY 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 AWY'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 AWY with delegated authority from the boars to respond to ASX on disclosure matters.

It is confirmed that the responses to the questions above have been authorised and approved by the Board of AWY.

By order of the Board,

Company Secretary
Kenneth Lee





3 May 2017

Mr Kenneth Lee
Company Secretary
Australian Whisky Holdings Limited
Level 10 8-10 Loftus Street
Sydney NSW 2000

By email

Dear Mr Lee,

Australian Whisky Holdings Limited (“AWY”) - Appendix 4C Query

I refer to AWY’s Appendix 4C quarterly report for the period ended 31 March 2017 lodged with ASX Market Announcements Platform and released on 28 April 2017(the “Appendix 4C”).

ASX notes that AWY has reported:

- negative net operating cash flows for the quarter of \$674,000;
- cash at the end of the quarter of \$816,000 and
- estimated cash outflows for the next quarter of \$194,000.

It is possible to conclude, based on the information in the Appendix 4C, that if AWY were to continue to expend cash at the rate indicated by the Appendix 4C, AWY may not have sufficient cash to continue funding its operations. In view of that, ASX asks AWY 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 AWY expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has AWY 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?
3. Does AWY expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that AWY 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 AWY’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 AWY with delegated authority from the board to respond to ASX on disclosure matters.

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Please also provide any other information that AWY considers may be relevant to ASX forming an opinion on whether AWY 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 9:30 am AEST on Monday, 8 May 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AWY'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, AWY'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 AWY'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 AWY'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.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AWY'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,

[Sent electronically without signature]

Isabella Wong

Adviser, Listings Compliance (Sydney)

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