



21 August 2017

Ms Anjuli Sinniah  
Adviser, Listings Compliance (Perth)  
**ASX Compliance Pty Ltd**  
Perth WA 6000

*By E-Mail ([anjuli.sinniah@asx.com.au](mailto:anjuli.sinniah@asx.com.au)) Only*

Dear Ms Anjuli

**ASAPLUS RESOURCES LIMITED (THE “COMPANY”) – APPENDIX 5B**

We refer to your letter dated 17 August 2017, and are pleased to respond to your queries, in the same numerical referencing, as follows:

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

**Response:**

AJY expects to have negative operating cash flows for the next quarter (i.e., the quarter ending 30 September 2017). However, the Company expects its existing cash reserves to be sufficient to meet this net operating cash outflow. For the reasons set out in the Company’s responses to Queries 2 and 4 below, the Company is cautiously optimistic that it will have positive operating cashflow in the following quarters.

2. Has AJY 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?

**Response:**

The Company has commenced discussions with two potential investor groups on a possible placement to either of them to raise further cash to fund its operations. One investor group has completed their due diligence and discussions with that investor group is at an advanced stage. Directors expect to be able to make an announcement on the progress of these discussions within 45 to 60 days. Proceeds from this placement will be used to fund the Group’s development of a processing plant for the Beikeng Mine, its working capital of the Beikeng Mine and the Group’s general working capital.

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

**Response:**

Please see the responses to Query 2 above and Queries 4 below.

4. Please provide any other information that AJY considers may be relevant to ASX forming an opinion on whether AJY 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).

**Response:**

The Group has a stockpile of mine tailings, a by-product from its expansion of the mine access tunnels as part of the development works at the Beikeng Mine. The Group is seeking a buyer or buyers for this stockpile of mine tailings. Proceeds from the sale of this stockpile of mine tailings will be used to fund the Group's operations.

5. Please confirm that AJY is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

**Response:**

The Company confirms that it is in compliance with the listing rules, including listing rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

6. Please confirm that AJY'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 AJY with delegated authority from the board to respond to ASX on disclosure matters.

**Response:**

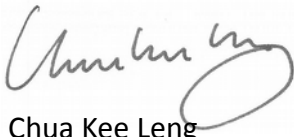
This response is published by CHUA Kee Leng, acting group legal counsel, who is an officer with delegated authority from the board to respond to ASX on disclosure matters.

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Please contact the undersigned if you have any further query or require further clarification:

Name: CHUA Kee Leng  
Designation: Acting group legal counsel  
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Yours faithfully  
For and on behalf of  
**ASAPLUS RESOURCES LIMITED**



Chua Kee Leng  
Acting group legal counsel

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17 August 2017

Swapna Keskar  
Company Secretary  
Asaplus Resources Limited

*By email: keskar@companymatters.com.au*

Dear Swapna

**Asapalus Resources Limited (“AJY”): Appendix 5B Query**

I refer to AJY’s amended Appendix 5B quarterly report for the period ended 30 June 2017 lodged with ASX Market Announcements Platform on 11 August 2017 (the “Appendix 5B”).

ASX notes that AJY has reported:

- negative net operating cash flows for the quarter of \$83,406;
- cash at the end of the quarter of \$206,626; and
- estimated cash outflows for the next quarter of \$200,000.

It is possible to conclude, based on the information in the Appendix 5B that if AJY were to continue to expend cash at the rate indicated by the Appendix 5B, AJY may not have sufficient cash to continue funding its operations. In view of that, ASX asks AJY to respond separately to each of the following questions and requests for information:

1. Does AJY expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has AJY 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 AJY expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that AJY considers may be relevant to ASX forming an opinion on whether AJY 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).
5. Please confirm that AJY is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that AJY’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 ajy with delegated authority from the board to respond to ASX on disclosure matters.

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### 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 **9am AWST on Monday 21 August 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AJY'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, AJY'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 at [anjuli.sinniah@Asx.com.au](mailto:anjuli.sinniah@Asx.com.au) and [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@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.

### 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 AJY'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 AJY'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 AJY's securities under Listing Rule 17.1.

If you wish to request 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]*

Anjuli Sinniah  
**Senior Adviser, Listings Compliance (Perth)**

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