



16 May 2016

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

By E-Mail (anjuli.sinniah@asx.com.au) Only

Dear Ms Anjuli

ASAPLUS RESOURCES LIMITED (THE "COMPANY") – APPENDIX 5B

We refer to your letter dated 12 May 2016, and are pleased to respond to your queries, in the same numerical referencing, as follows:

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?

Response:

For the reasons and taking into account the factors set out in the response to Query 2 below, the Company does not expect that it will not have sufficient cash to fund its activities.

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?

Response:

While the Company expects to have a negative operating cash flow in the quarter ending 30 June 2016 ("2Q16"), the Company's existing funds is sufficient to meet its funding requirements for 2Q16. As the Company had reported in its latest quarterly activities report, development works on the Beikeng Mine has reached an advanced stage and the Company expects to commence pilot production during the quarter ending 30 September 2016 ("3Q16"). With this development, the Company believes that its securities will become more attractive to potential

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investors and plans to carry out a private placement of new securities to raise additional working capital.

Therefore, barring unforeseen circumstances, the Company expects to have positive cash flows in 3Q16 due to expected:

- proceeds from private placement of new securities; and
- receipts from customers for sale of products from the pilot production at the Beikeng Mine.

The Company is also in discussions with local banks in China to secure a small working capital financing line as a standby source of funds to meet any unexpected funding needs. In addition to the above, the Company's controlling shareholder, Asaplus International Limited, has informed the Company that until the Company becomes cash flow positive (taking into account the planned private placement, the expected revenue from operations and available bank facilities), it will, as a last resort, meet any funding shortfall of the Company.

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?

Response:

Please see the response to Query 2 above.

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

Response:

The Company confirms that it is in compliance with the listing rules, including 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.

Response:

For the reasons set out above and in particular taking into account the following factors:

- the Company does not have material liabilities in its balance sheet relative to its investment in Beikeng Mine; and
- the Company's expectation to be cash flow positive by 3Q16; and
- continuing financial support from the Company's controlling shareholder,

the Company submits that its financial condition is adequate to warrant the continued quotation of its securities and its continued listing.

Please contact the following Company officer if you have any further query or require further clarification:

Name: CHUA Kee Leng
Designation: Group Legal Counsel
E-Mail: keeleng@biztrack.com.sg
Telephone: +65 9106 9306

Yours faithfully
For and on behalf of
ASAPLUS RESOURCES LIMITED



LAU Eng Foo (Andy)
Managing Director

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12 May 2016

Mr Swapna Keskar
Company Secretary
Asaplus Resources Limited
c/- Company Matters Pty Ltd
Level 12, 680 St Georges Street
SYDNEY NSW 2000

By Email: keskar@companymatters.com.au

Dear Mr Keskar

Asaplus Resources Limited ("Company") – Appendix 5B

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 31 March 2016 to ASX Limited ("ASX") on 29 April 2016 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales of \$Nil.
2. Net negative operating cash flows for the quarter of \$196,056.
3. Cash at end of quarter of \$180,022.
4. Estimated cash outflows for the next quarter of \$160,000 on development and administration.

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?

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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.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. 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 Tuesday 17 May 2016**.

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

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. 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.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

[sent electronically without signature]

Anjuli Sinniah
Adviser, Listings Compliance (Perth)