18th May 2018

Cheng Tang
Senior Adviser Listings Compliance (Melbourne)
ASX Compliance Pty Ltd
Level 4, North Tower Rialto,
525 Collins Street, Melbourne, VIC. 3000

Sent via email: cheng.tang@asx.com.au

Dear Cheng,

RE: Titomic Limited (ASX:TTT) (Company) – ASX Aware Query

We refer to the ASX's 'aware query' letter dated 16 May 2018.

The Company provides the following response to the ASX's queries (which queries are set out below, using the same numbering as in AXS's letter):

1. The Company's announcement entitled "Appendix 3B & Section 708A Notice for $12 Million Placement" lodged on the ASX Market Announcements Platform ("Platform") and released to the market at 9.47 a.m. AEST on Monday, 7 May 2018 (the "Appendix 3B and Cleansing Notice"), seeking to 'cleanse' for secondary sale purposes the securities issued under the Appendix 3B and Cleansing Notice, and stating that "as at the date of this notice there is no "excluded information" as defined in subsection 708A(7) of the Corporations Act which is required to be disclosed by the Company."

   Company response:

   *The Company considers that its 16 May 2018 'Appendix 3B and Cleansing Notice' constitutes a valid and effective 'cleansing notice' in accordance with section 708A(5) of the Corporations Act 2001 (Cth) (**Corporations Act**) as there was no "excluded information" as defined in subsection 708A(7) of the Corporations Act which is required to be disclosed by the Company at the time that notice was issued.*

1.1. Does the Company consider the information disclosed in the Callaway Golf Announcement (the "Relevant Information") to be information that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company?

   If the answer to this question is "no", please advise the basis for that view.

   Company response:

   No. The Company did not consider that the Relevant Information would have a material effect on the price or value of the Company's securities, its assets and liabilities, financial position and performance, profits and losses and/or prospects of the Company. The collaborative agreement executed with Callaway Golf is to enable the two parties to scope future potential projects under an

agreed framework but does not guarantee future projects or revenue. The revenue to the Company from the agreement will be nominal.

1.2. Does the Company consider the Relevant Information to be information for which it is reasonable for investors and their professional advisers to expect to find in a disclosure document? If the answer to this question is "no", please advise the basis for that view.

Company response:

No. As per the response to question 1.1 above, Company did not consider that the Relevant Information would have a material effect on the price or value of the Company's securities.

1.3. When did the Company first become aware of the Relevant Information?

In answering this question, please specify the date and time of when the Company first became aware of the Relevant Information or any part thereof, including when discussions/negotiations about the agreement commenced between the Company and the Callaway Golf Company and when the agreement was fully executed.

Company response:

Discussions with Callaway Golf surrounding a potential collaboration have been ongoing since November 2017. The agreement between the Company and the Callaway Golf Company was executed on 14 April 2018.

1.4. If the Company first became aware of the Relevant Information before lodging the Appendix 3B and Cleansing Notice on the Platform, did the Company make any announcement prior to lodging the Appendix 3B and Cleansing Notice on the Platform which disclosed the Relevant Information?

If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the Relevant Information was released promptly and without delay.

Company response:

The Company did not make any announcement with respect to the 'Relevant Information' prior to lodging the Appendix 3B and Cleansing Notice. However, the Company had previously identified a 'Major USA Golf brand' as one of its targeted companies with contracts scheduled for research and development in the second quarter of 2018 (see for example the Company's corporate updated issued on 28 March 2018).

The Company did not at any stage and does not as at the date of this letter consider that it was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A, but determined to release the information as the Company had received numerous queries about the identity of the 'Major USA Golf brand'.

1.5. If the Company first became aware of the Relevant Information before lodging the Appendix 3B and Cleansing Notice on the Platform, did the Company rely on the provisions of Listing Rule 3.1A not to release the Relevant Information before the Company lodged the Relevant Information on the Platform?

Company response:

No. As per the response to question 1.1 above, Company did not consider that the Relevant Information would have a material effect on the price or value of the Company's securities.

2. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Company response:

The Company is in compliance with all ASX Listing Rules, including Listing Rule 3.1.

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

Company response:

The Company's responses to the questions above have been authorised and approved by the Board.

Should you have any further queries, please contact Company Secretary Peter Vaughan on Ph: 0403 711 233 or via email at peter@thecfo.com.au.

For an on behalf of the Company;

Kind regards;

Peter Vaughan
Company Secretary & CFO
TITOMIC LIMITED

16 May 2018

Mr Peter Vaughan

Company Secretary and CFO
Titomic Limited

By email: peter@thecfo.com.au

Dear Peter

Titomic Limited ("Company"): aware query

ASX Limited ("ASX") refers to the following:

1. The Company's announcement entitled "Appendix 3B & Section 708A Notice for $12 Million Placement" lodged on the ASX Market Announcements Platform ("Platform") and released to the market at 9.47 a.m. AEST on Monday, 7 May 2018 (the "Appendix 3B and Cleansing Notice"), seeking to 'cleanse' for secondary sale purposes the securities issued under the Appendix 3B and Cleansing Notice, and stating that "as at the date of this notice there is no "excluded information" as defined in subsection 708A(7) of the Corporations Act which is required to be disclosed by the Company."

2. The Company's announcement entitled "Titomic Signs Collaborative Agreement with Callaway Golf" lodged on the Platform and released to the market at 9.39 a.m. AEST on Tuesday, 8 May 2018 (the "Callaway Golf Announcement"), disclosing that the Company has signed a 12-month collaborative agreement with Callaway Golf to focus on the Company's additive manufacturing skills and process to develop novel products.

3. Listing Rule 3.1, which 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.

4. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

   "*an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity*"

   and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

5. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

   "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

   3.1A.1 One or more of the following applies:

   - *It would be a breach of a law to disclose the information;*
   - *The information concerns an incomplete proposal or negotiation;*
   - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

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- *The information is generated for the internal management purposes of the entity; or*

- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

6. ASX's policy position on the concept of "*confidentiality*", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

> *"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."*

Having regard to the above, ASX asks the Company to respond separately to each of the following questions and requests for information:

1. If the Company considers the Appendix 3B and Cleansing Notice to constitute a valid and effective 'cleansing notice', please answer the following questions. ASX asks these questions because it appears that the Appendix 3B and Cleansing Notice may be defective pursuant to section 708A(10)(a) of the Act because the Company may have been in possession of "excluded information" (as defined in sections 708A(7) and (8) of the Act at the time the Company lodged the Appendix 3B and Cleansing Notice on the Platform.

   1.1. Does the Company consider the information disclosed in the Callaway Golf Announcement (the "Relevant Information") to be information that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company? If the answer to this question is "no", please advise the basis for that view.

   1.2. Does the Company consider the Relevant Information to be information for which it is reasonable for investors and their professional advisers to expect to find in a disclosure document? If the answer to this question is "no", please advise the basis for that view.

   1.3. When did the Company first become aware of the Relevant Information? In answering this question, please specify the date and time of when the Company first became aware of the Relevant Information or any part thereof, including when discussions/negotiations about the agreement commenced between the Company and the Callaway Golf Company and when the agreement was fully executed.

   1.4. If the Company first became aware of the Relevant Information before lodging the Appendix 3B and Cleansing Notice on the Platform, did the Company make any announcement prior to lodging the Appendix 3B and Cleansing Notice on the Platform which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the Relevant Information was released promptly and without delay.

   1.5. If the Company first became aware of the Relevant Information before lodging the Appendix 3B and Cleansing Notice on the Platform, did the Company rely on the provisions of Listing Rule 3.1A not to release the Relevant Information before the Company lodged the Relevant Information on the Platform?

2. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

3. Please confirm that the Company'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 the Company 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, 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 half an hour before the start of trading (ie before 9:30 a.m. AEST on Monday, 21 May 2018.

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 Rules 3.1 and 3.1A

In responding to this letter, you should have regard to the Company'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 the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, 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, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in this letter and may require the Company to request a trading halt immediately.

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 will require the request for the 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 do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in the Company's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Cheng Tang

Senior Adviser, Listings Compliance (Melbourne)