



27 February 2017

Anjuli Sinniah
Advisor, Listing Compliance ASX Perth

By email: anjuli.sinniah@asx.com.au

RE: Your letter dated 21 February 2017 – Regarding ARS's 5B quarterly report for the period ending 31 December 2016.

Dear Anjuli,

The 5B quarterly report, in Alt Resources Ltd (the Company) interpretation, does not provide a place to input an inflow of cash from Government Grants and Incentives. If the Company's interpretation of the 5B report is incorrect please advise where that information should be entered.

I have prepared answers to the questions posed in your letter below:

1. Yes, ARS does expect to have negative operating cash flows for the time being.
2. ARS has not recently taken steps to raise cash and considers there is no requirement for cash raising prior to the quarter ending 31 December 2017. We will be reviewing this position with our stock brokers over the next few months.
3. Yes, ARS does expect to continue operations and meet business objectives. Budgeted cash inflows from Government grants and incentives in the March 2017 quarter are not reported on the Appendix 5B. ARS cash flow forecasts include inflows of \$126,000 from NSW Government grants and \$512,000 from Commonwealth Government Research and Development tax offsets. Similar cash inflows from these sources are also forecast for the June 17 quarter.
4. In addition to grants and incentives inflows outlined at item 3 above, the ARS exploration operation and expenditure are forecast to significantly reduce from current levels for the duration of the September 17 quarter, due to the adverse winter conditions which limit activity at our major exploration tenements.
5. ARS is in compliance with Listing Rule 3.1 and there is no information about the Company's financial condition that has not already been released to the market. The Company has been registered with AusIndustry (IR1607311) and is intending to advise the market upon receipt of the development tax offset.
6. I Clive Buckland as Company Secretary of the Company have delegated authority to respond to ASX questions on disclosure matters.

Yours sincerely,
[Sent electronically without signature]

Clive Buckland
Alt Resources Limited
Company Secretary



21 February 2017

Clive Buckland
101 Beaumont Street
HAMILTON SNW 2303

By email: clive.buckland@altresources.com.au

Dear Mr Buckland

Alt Resources Limited ("ARS"): Appendix 5B Query

I refer to ARS's Appendix 5B quarterly report for the period ended 31 December 2016 lodged with ASX Market Announcements Platform on 31 January 2017 (the "Appendix 5B").

ASX notes that ARS has reported:

- negative net operating cash flows for the quarter of \$515,00;
- cash at the end of the quarter of \$481,000 and
- estimated cash outflows for the next quarter of \$586,00.

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

1. Does ARS expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has ARS 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 ARS 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 ARS considers may be relevant to ASX forming an opinion on whether ARS 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 ARS 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 ARS'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 ARS 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 **10am AWST on Friday 24 February 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in ARS'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, ARS'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. 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 ARS'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 ARS'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 ARS'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

Adviser, Listings Compliance (Perth)