



6 November 2019

Mr Alex Sutton  
ASX Market Announcements  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

#### APPENDIX 5B QUERY

Dreadnought Resources Ltd (“**Dreadnought**” or “**the Company**”) refers to your Query Letter dated 01 November 2019 and provides the following responses:

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

Yes, given the Company is an exploration company and not generating any revenue (other than interest income) it is expected that it will continue to have negative operating cash flows for the time being.

- 2. Has DRE 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?**

The Company may contemplate a further capital raise based upon ongoing satisfactory exploration results. Given the Company’s historical ability to raise capital and a supportive shareholder base we consider it likely that the Company will be successful in raising further funds if and when required. The Company also retains the majority of its placement capacity under ASX Listing Rule 7.1 and 7.1A

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

The Company believes that it is able to continue its current operations and meet its current business objectives for the reasons outlined in questions 1 and 2. It also notes that the expected forecast exploration expenditure recorded is a “maximum potential outlay”. Subject to changes in the program of work and preliminary exploration results, the expenditure exposure may be reduced.



- 4. Please confirm that DRE is complying 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.**

The Company is complying with Listing Rule 3.1. 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.

- 5. Please confirm that DRE's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of DRE with delegated authority from the board to respond to ASX on disclosure matters.**

The Company confirms that the responses requested by the ASX and provided above, have been made by an officer of the Company with delegated authority from the Board to respond to the ASX on disclosure matters.

On behalf of the Board,

**Nick Day**

**CFO & Company Secretary**



1 November 2019

Mr Nicholas Day  
Company Secretary  
Dreadnought Resources Ltd.  
Suite 5/16 Nicholson Road  
Subiaco WA 6008

By email:

Dear Mr Day

**Dreadnought Resources Ltd. ('DRE'): Appendix 5B Query**

ASX refers to DRE's Appendix 5B quarterly report for the period ended 30 September 2019 lodged with ASX Market Announcements Platform on 31 October 2019 (the 'Appendix 5B').

ASX notes that DRE has reported:

- negative net operating cash flows for the quarter of \$482,000;
- cash at the end of the quarter of \$790,000; and
- estimated cash outflows for the next quarter of \$664,000.

It is possible to conclude, based on the information in the Appendix 5B that if DRE were to continue to expend cash at the rate indicated by the Appendix 5B, DRE may not have sufficient cash to continue funding its operations.

In view of that, ASX asks DRE to respond separately to each of the following questions and requests for information:

1. Does DRE expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has DRE 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 DRE expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that DRE is complying 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.
5. Please confirm that DRE's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of DRE 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **09:00 AM AEDT Wednesday, 6 November 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in DRE'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, DRE's obligation is to

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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 [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@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 and Listing Rule 3.1A**

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 DRE’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 DRE’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 DRE’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*.

### **Enquiries**

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

Kind regards



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**Alex Sutton**  
Compliance Adviser, Geology, Listings Compliance (Sydney)