

18 January 2017

Dale Allen
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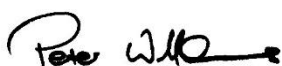
Dear Dale,

Recce Limited (the “Company”): Price and volume query

We refer to your query letter dated 16 January 2017 in relation to the change in the Company’s share price and an increase in volume of trading in the Company’s securities traded on 16 January 2017, in comparison to the closing price and trading activity on 13 January 2017. We respond to each of the questions set out in the letter as follows:

1. Yes – with qualification; at the time of the Price and Volume Query, only 30 minutes previously, the Company had received information which at the time had not been assessed whether or not it was appropriate to announce from its contents. For this reason, the company does think it feasible that the information could have been the reason for the query.
2.
 - a) The Company confirms that it has relied on Listing Rule 3.1A as the basis for not immediately announcing that information under Listing Rule 3.1, as the information required interpretation and assessment before any release could be assessed or made, and was therefore considered confidential (“Withheld Information”).
 - b) Yes, the Withheld Information has now been interpreted and assessed, and an announcement has been prepared and will be issued immediately after this release.
 - c) Not applicable
3. Not applicable
4. The Company believes it is in compliance with the ASX Listing Rules, and in particular Listing Rule 3.1
5. The Company confirms that its responses above have been authorised and approved by an officer of the Company with delegated authority from the board.

Yours faithfully



Peter Williams
CFO and Company Secretary
Recce Limited



ASX: RCE

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16 January 2017

Mr Peter Williams
Company Secretary
Recce Limited
Suite 3, 3 Brodie-Hall Drive
Bentley WA 6102

By email

Dear Mr Williams

Recce Limited (the “Company”): price and volume query

We note the change in the price of the Company’s securities from a closing price of \$0.16 on Friday, 13 January 2017, to an intraday high of \$0.37 at the time of writing today, 16 January 2017.

We also note the media article appearing in *The Weekend Australian* (14-15 January 2017) entitled ‘Resistance is Futile’ on page 17 and the significant increase in the volume of the Company’s securities traded today, 16 January 2017.

In light of this, ASX asks the Company to respond separately to each of the following questions and requests for information:

1. Is the Company aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is the Company relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Company’s securities would suggest to ASX that such information may have ceased to be confidential and therefore the Company may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that the Company may have for the recent trading in its securities?

4. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. 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 **11:30 am (WST) today, 16 January 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company'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, the Company'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 dale.allen@asx.com.au and tradinghaltsperth@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 Rules 3.1 and 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 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, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish 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]

Dale Allen
Senior Adviser, ASX Listings Compliance (Perth)