



15 August 2017

Ms Dawn James  
ASX Limited  
Level 40, Central Park  
152 – 158 St Georges Terrace  
PERTH WA 6000

Dear Dawn,

**Valor Resources Limited ('VAL' or 'the Company')**

Further to your letter dated 11 August 2017 we respond as follows, using the same numbering as your letter:

1. Yes, the Company is in the exploration phase and as such expects to continue to have negative operating cashflows for the time being.
2. Yes, the Company proposes to take steps to raise further cash to fund its operations as and when deemed necessary by the board. The board reviews its cash position along with its expenditure commitments and funding requirements on an ongoing basis. The estimated cash outflows for the next quarter total \$1.16 million, of which \$930,000 relates to the exploration and evaluation of the Berenguela Project. As disclosed in the Company's Quarterly Cashflow Report on 31 July 2017, the Company's cash position as at 30 June 2017 is \$1.95 million and it can therefore meet the estimated cash outflows. Given the Company has sufficient cash to meet its current commitments, no definitive decisions have been made regarding future capital raising.
3. Yes, the Company expects to be able to continue operations and to meet its business objectives on the basis that it will successfully raise further cash to fund its operations as and when necessary. Refer to 2 above. Valor intends to utilise its placement capacity under Listing Rule 7.1 and, if required, seek shareholder approval for additional capital raising.
4. No further information is considered relevant. The Company considers it continues to comply with Listing Rule 12.2 and is confident that the Company's financial position warrants continued quotation of its securities on the ASX.
5. The Company can confirm that it is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to the ASX in accordance with that Rule that has not already been released to the market.
6. The Company confirms that the responses to the questions above have been authorised and approved by its board.

Yours faithfully

**Kelly Moore**  
**Company Secretary**  
**Valor Resources Limited**

For personal use only



11 August 2017

Ms Kelly Moore  
Company Secretary  
Valor Resources Limited  
22 Lindsay Street  
Perth WA 6000

By email:

Dear Ms Moore

**Valor Resources Limited (“VAL”): Appendix 5B Query**

I refer to VAL’s Appendix 5B quarterly report for the period ended 30 June 2017 lodged with ASX Market Announcements Platform on 30 July 2017 (the “Appendix 5B”).

ASX notes that VAL has reported:

- negative net operating cash flows for the quarter of \$933,000;
- cash at the end of the quarter of \$1,949,000; and
- estimated cash outflows for the next quarter of \$1,160,000.

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

1. Does VAL expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has VAL 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 VAL 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 VAL considers may be relevant to ASX forming an opinion on whether VAL 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 VAL 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.

For personal use only

6. Please confirm that VAL'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 VAL 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 4:00 pm WST on Wednesday 16 August 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in VAL'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, VAL'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 Dawn.James@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 VAL'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 VAL'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 VAL'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]*

Dawn James  
Adviser, Listings Compliance  
P: 08 9224 0000  
E: Dawn.James@asx.com.au

For personal use only