



Elvis Onyura
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

6th May 2016

Australian Whisky Holdings Limited (“the Company”): ASX Appendix 4C Query.

We refer to your query of 4th May 2016, particularly in relation to:

- negative net operating cash flows for the quarter of \$297,000; and
- cash at the end of the quarter of \$437,000.

We set out our responses below to each of the following questions:

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

The Company expects that it will continue to have negative operating cash flows for the time being. It is noted that the negative net operating cash flows for the quarter of \$297,000 included \$109,000 for the purchase of trading stock. The purchase of future trading stock (for the purpose of disposing it at a higher price) is dependent on both the availability of such trading stock as well as at the discretion of the Directors where the Company has sufficient funds.

In the quarter to 31st March 2016, working capital paid was \$191,000.

2. Has the Company 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?

From time to time the Company will raise additional equity and quasi-equity (such as convertible notes, etc.) to supplement its working capital requirement. At this point in time there is no matter requiring disclosure to the Australian Stock Exchange in relation to the capital management of the Company. The Directors have no reason to





believe that the Company is not able to raise further equity and quasi-equity to funds its ongoing operations.

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

The Company expects to be able to continue its operations and to meet its business objectives as there are interests from a number of potential investors to invest in the Company.

4. Can the Company confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?

The Company confirms that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.

By order of the Board,

Company Secretary
Kenneth Lee





4 May 2016

Mr Kenneth Lee
Company Secretary
Australian Whisky Holdings Limited
Level 10
8-10 Loftus Street
Sydney NSW 2000

By email

Dear Mr Lee,

Australian Whisky Holdings Limited (the “Company”): ASX Appendix 4C Query

I refer to the Company’s quarterly report in the form of Appendix 4C for the period ended 31 March 2016 lodged with ASX Market Announcements Platform and released on Friday, 29 April 2016 (the “Appendix 4C”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$297,000 and
- cash at the end of the quarter of \$437,000

It is possible to conclude on the basis of the information provided in the Appendix 4C that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, please respond to each of the following questions:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company 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 the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Can the Company confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?



Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2.

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 9:30am Australian Eastern Standard Time on Monday, 9 May 2016. 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. 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.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

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 the Entity'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]

Isabella Wong

Adviser, Listings Compliance (Sydney)