

1 August 2017

Stephanie Yong  
Principle Adviser,  
Listings Compliance (Sydney)  
ASX Compliance Pty Limited  
20 Bridge Street  
Sydney NSW 2000

By email: [stephanie.yong@asx.com.au](mailto:stephanie.yong@asx.com.au)

Dear Stephanie,

**Response to Appendix 4C Query**

In reference to your letter dated 28 July 2017 regarding the Appendix 4C quarterly report for the period ended 30 June 2017 lodged with ASX Market Announcements Platform and released on 24 July 2017 (the **Appendix 4C**), Contango Asset Management Limited (the **Company** or **CGA**) responds to your queries as follows (using your numbering):

1. The net operating cash flows shown in the Appendix 4C are in line with the Company's long term growth strategy and reflect the investment by the Company in key staff and the continued expansion of CGA's operating platform and capabilities. Consistent with its long term growth objectives, CGA expects that it will continue to have negative operating cash flows for the time being.
2. The Company is currently in the process of renegotiating and extending its financing arrangements for its ongoing operating requirements. The terms of the financing are incomplete and not able to be released to the market at this stage. The Company has every reason to believe these steps to be successful and will provide material details to the market at the appropriate time.
3. CGA expects to be able to continue its operations and to meet its business objectives based on the extended financing and CGA's growth objectives. The Company is actively pursuing new institutional and wholesale mandates to increase Funds under Management and Advice in accordance with the Company's objectives.
4. The Company confirms that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to the ASX about its financial condition in accordance with the rule that has not already been released to the market.
5. The Company confirms that its responses set out in this letter have been authorised by the Board of the Company.

Please let me know if you require any further information.

Yours sincerely,



Hari Morfis  
**Company Secretary**

**Contango Asset Management Limited**

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28 July 2017

Ms Hari Morfis  
General Counsel  
Contango Asset Management Limited  
Level 27, 35 Collins Street  
MELBOURNE VIC 3000

By email

Dear Ms Morfis,

**Contango Asset Management Limited (“CGA”): Appendix 4C Query**

I refer to CGA’s Appendix 4C quarterly report for the period ended 30 June 2017 lodged with ASX Market Announcements Platform and released on 24 July 2017 (the “Appendix 4C”).

ASX notes that CGA has reported:

- negative net operating cash flows for the quarter of \$502,000;
- cash at the end of the quarter of \$819,000; and
- estimated cash outflows for the next quarter of \$2,206,000.

It is possible to conclude, based on the information in the Appendix 4C, that if CGA were to continue to expend cash at the rate indicated by the Appendix 4C, CGA may not have sufficient cash to continue funding its operations. In view of that, ASX asks CGA to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does CGA expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has CGA 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 CGA expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that CGA 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.
5. Please confirm that CGA’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 CGA with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that CGA considers may be relevant to ASX forming an opinion on whether CGA 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).

### **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 5.00pm AEST on Tuesday, 1 August 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CGA'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, CGA'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 a return e-mail or by facsimile to (02) 9241 7620. 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 CGA'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 CGA'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 CGA'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]*

Stephanie Yong  
**Principal Adviser, Listings Compliance (Sydney)**