

Kangaroo Resources Limited  
ABN: 38 120 284 040  
ASX Code: KRL

8 May 2018

Ms D James  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth, WA 6000

Dear Ms James

### Price and Volume Query

We refer to your enquiry letter dated 4 May 2018 in relation to an increase in Kangaroo Resources Limited's (KRL) share price from a low of \$0.028 on 4 May 2018 to an intra-day high of \$0.044 as well as an increase in the volume of trading in the Company's securities on that day and respond in the same order.

1. *Is the Entity 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?*

The Company recently received a request from its largest shareholder, PT Bayan Resources Tbk (56.05% shareholder) for the two parties to enter into a confidentiality agreement ("CA"). The CA is presently being finalised with a view to being executed later this week. In entering into the CA, the Company understands that PT Bayan seeks to obtain confidential information, and potentially undertake discussions with the Company, with a view to making an assessment whether to submit a proposal for the acquisition or purchase of all KRL shares not already owned by it.

The confidential information covered by the CA includes all information relating to the Company which is provided to PT Bayan under the CA (other than usual and standard exceptions such as information already known to PT Bayan or in the public domain), and also includes any discussions or proposals that might arise or be received under the terms of the CA.

The engagement regarding the CA is at a preliminary stage and there is no certainty that entering into the CA or related discussions between the parties will lead to Bayan taking any action, or the notification or receipt of any action or proposal by Bayan, or that any transaction will eventuate.

Additionally, the Company notes that its March 2018 Quarterly Activities Report released to ASX last week reported commencement of land compensation at the key Tiwa Abadi concessions as a prelude to a drill program and ultimately commencement of production.

Other than this, the Company is not aware of any information concerning it, that has not been announced and which, if known, may reasonably be regarded as an explanation for recent trading in the Company's securities.

2. *Can an announcement be made immediately?*

Refer to the response provided in (1) above.

3. *If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?*

No, but refer to (1) above.

4. *Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

Yes, the Company confirms that it is in compliance with ASX Listing Rules and, in particular, Listing Rule 3.1.

5. *Please confirm that KRL'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 KRL with delegated authority from the board to respond to ASX on disclosure matters.*

The Company confirms that the responses to the questions above have been authorised and approved by the Board.

Yours sincerely



Paul Jurman  
Company Secretary



4 May 2018

Mr Paul Jurman  
Company Secretary  
Kangaroo Resources Limited  
Level 2, Suite 9  
389 Oxford Street  
Mt Hawthorn  
WA 6016  
By email:

Dear Mr Jurman

**Kangaroo Resources Limited (the “KRL”): price and volume query**

We note the change in the price of KRL’s securities from a low of \$0.028 to an intraday high of \$0.044 today 4 May 2018.

We also note the significant increase in the volume of KRL’s securities traded today.

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

1. Is KRL 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 KRL relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in KRL’s securities would suggest to ASX that such information may have ceased to be confidential and therefore KRL 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 KRL may have for the recent trading in its securities?
4. Please confirm that KRL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that KRL’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 KRL 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 today. If we do not have your response by then, ASX will have no choice but to consider suspending trading in KRL’s securities under Listing Rule 17.3.

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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, KRL'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 [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@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 KRL'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 KRL'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 KRL'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 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.

Kind regards

*[Sent electronically without signature]*

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**Dawn James**

Adviser, Listings Compliance (Perth)