



4 November 2019

Lisa Banh
ASX Listings Compliance
20 Bridge Street, Sydney
NSW 2000
Via email: lisa.banh@asx.com.au

Dear Lisa,

**Re: Total Brain Limited [ASX: TTB]
RESPONSE TO ASX APPENDIX 4C QUERY**

Total Brain Limited (the **Company**) refers to your letter dated 31 October 2019 in relation to the Company's Appendix 4C quarterly report for the period ended 30 September 2019 lodged with ASX Market Announcements Platform and released on 31 October 2019 (the **Appendix 4C**).

We provide the following responses to your queries:

1. Yes, the Company expects that it will continue to have negative operating cash flows for the time being.
2. Upon reviewing and approving the Appendix 4C, the Board of Directors has considered and discussed the cash requirements and evaluated different sources of funding in the best interest of its shareholders. As of the date of this letter, the Company's Directors have not made a formal decision to raise further cash to fund its operations but are confident in the Company's ability to raise additional capital, based on its historical successes and on-going investors support. Under the continuous disclosure requirement, if and when such decision is made, the Company will announce to the market.
3. Yes, the Company expects to continue its operations and to meet its business objectives on the continual growth in cash receipts, revenue and opportunities pipeline, evidenced by recent successes in securing new contracts with significant additional revenue potential, as announced on its quarterly update released to the market on 31 October 2019.
4. The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1 and 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. The Company's responses to the questions above have been authorised and approved by the appropriate delegated authority from the board to respond to ASX disclosure matters.

Please contact me if you require any further information.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Harvey Bui", with a stylized flourish at the end.

Harvey Bui
Joint Company Secretary



31 October 2019

Reference: 09961

Mr Harvey Bui
Company Secretary
Total Brain Limited

By email:

Dear Mr Bui

Total Brain Limited ('TTB'): Appendix 4C Query

ASX refers to TTB's Appendix 4C quarterly report for the period ended 30 September 2019 lodged with the ASX Market Announcements Platform and released on 31 October 2019 (the 'Appendix 4C').

ASX notes that TTB has reported:

- negative net operating cash flows for the quarter of \$1,709,000;
- cash at the end of the quarter of \$2,953,000; and
- estimated cash outflows for the next quarter of \$2,764,000.

It is possible to conclude, based on the information in the Appendix 4C, that if TTB were to continue to expend cash at the rate indicated by the Appendix 4C, TTB may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks TTB to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does TTB expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has TTB 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 TTB expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that TTB is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that TTB'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 TTB with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that TTB considers may be relevant to ASX forming an opinion on whether TTB is complying with Listing Rule 12.2 that 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 AM AEDT Monday, 4 November 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in TTB'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, TTB'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 ListingsComplianceSydney@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 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 TTB'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 TTB'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 TTB'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*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Regards

Lisa Banh
Senior Adviser, Listings Compliance (Sydney)