

31st January, 2017

Andia Petropoulos
Adviser, Listings Compliance (Sydney)
ASX Compliance 20 Bridge Street Sydney NSW 2000

Dear Ms Petropoulos,

iQ3Corp Limited ('the Company'): Appendix 4C Query

In response to your letter dated 30th January, 2017, regarding our company's most recent lodgement of the Appendix 4C, please find below our answers to your queries.

1. As per the request in your communication, the Company does not expect to have a continued negative operating cash flow. This is due to:
 - a. the accounts receivable from clients as at 31 December 2016 amount to \$1,019,350 due to the volume of revenue generated in the December quarter and yet to be collected as at the end of that quarter. Accordingly, the collection of these receivables plus receivables post 31 December 2016 are anticipated to adequately cover the expected outflows of \$1,000,000 for the next quarter.
 - b. Current projects on hand amounting to \$4,000,000 for work to be invoiced when completed subsequent to 31 December 2016 for specialist life science corporate advisory projects.
2. The Company does not believe the raising of further cash is required at this stage to fund its operations.
3. The Company expects to be able to continue to fund its operations and meet its business objectives based on the answer in point 1.
4. The Company is in compliance with Listing Rule 3.1.
5. I can confirm that the Company's responses to these questions have been authorised and approved by an officer of the company with delegated authority from the board to respond to the ASX on disclosure matters.

If you would like any further information, please do not hesitate to contact me.

Regards



Spiro Sakiris
Director and CFO
iQ3Corp Limited



30 January 2017

Mr Spiro Sakiris
Director & CFO
iQ3Corp Limited
Level 6, 222 Clarence Street
Sydney NSW 2000

By email

Dear Mr Sakiris

iQ3Corp Limited ("the Company"): Appendix 4C Query

I refer to the Company's Appendix 4C quarterly report for the period ended 31 December 2016 lodged with ASX Market Announcements Platform and released on 27 January 2017 (the "Appendix 4C").

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$427,000;
- cash at the end of the quarter of \$375,000; and
- estimated cash outflows for the next quarter of \$1,000,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company 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 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. Please confirm that the Company 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 the Company'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 the Company with delegated authority from the board to respond to ASX on disclosure matters.

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 (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 **9:30 am AEDT on 2 February 2017**. 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.

In responding to this letter, you should have regard to the Company'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 the Company'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 the Company'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]

Andia Petropoulos

Adviser, ASX Listings Compliance (Sydney)