

Dawn James
Advisor Listings Compliance
ASX Compliance Pty Limited
20 Bridge Street
SYDNEY NSW 2000

By Email: Dawn.James@asx.com.au

Dear Dawn

Netlinkz Limited: Appendix 4C Query

I refer to your letter to Netlinkz Limited (**Netlinkz**) dated 17 November 2017 requesting information regarding the Appendix 4C which was released by Netlinkz to ASX on 31 October 2017.

I set out below Netlinkz's response in relation to the questions raised by you in your letter dated 17 November 2017 adopting your numbering:

1. Netlinkz expects to continue to have negative operating cash flows for the time being. Netlinkz disclosed to ASX on 8 November 2017 a further 168 businesses have signed sales agreements to deploy the Netlink's patent cloud networking solutions through China Telecom Wuxi. Netlinkz continues to anticipate receiving licensing income in the 2017/18 financial year and will announce further details as soon as completed.
2. Netlinkz is seeking to undertake further capital raising up to US\$3 million and will update the market in due course.
3. Netlinkz is continuing to undergo strategic restructuring and will announce further details as soon as completed. Netlinkz believes that such strategic restructuring in combination with the completion of the capital raising referred to above as well as licensing income from sales through China Telecom Wuxi will provide sufficient funding for its operations and business objectives for the medium term.
4. Netlinkz is not aware of any information which should have been delivered to ASX under ASX Listing Rule 3.1 in respect of its financial condition which has not already been disclosed to the market.
5. Netlinkz's Board has approved this reply.

Netlinkz believes the provision of the above information allows ASX to conclude that Netlinkz is in compliance with Listing Rule 12.2.

Yours faithfully



James Tsiolis
Chairman
Netlinkz Limited



17 November 2017

Mr Greg MacMillan
Company Secretary
NetLinkz Limited
Level 31 AMP Building
50 Bridge Street
Sydney NSW 2000

By email:

Dear Mr MacMillan

NETLINKZ LIMITED (“NET”): Appendix 4C Query

I refer to NET’s Appendix 4C quarterly report for the period ended 30 September 2017 lodged with ASX Market Announcements Platform and released on 31 October 2017 (the “Appendix 4C”).

ASX notes that NET has reported:

- negative net operating cash flows for the quarter of \$1,219,000;
- cash at the end of the quarter of \$36,000; and
- estimated cash outflows for the next quarter of \$2,018,000.

It is possible to conclude, based on the information in the Appendix 4C, that if NET were to continue to expend cash at the rate indicated by the Appendix 4C, NET may not have sufficient cash to continue funding its operations. In view of that, ASX asks NET 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 NET expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has NET 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 NET expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that NET 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 NET’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 NET with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that NET considers may be relevant to ASX forming an opinion on whether NET 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 5.00 pm WST on Wednesday 22 November 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in NET'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, NET'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 tradinghaltsperth@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

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 NET'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 NET'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 NET'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]

Dawn James
Adviser, Listings Compliance
P: 08 9224 0000
E: Dawn.James@asx.com.au