



SPRINTEX LIMITED
ABN: 38 106 337 599

ASX Code: SIX

17 May 2018

By email: dale.allen@asx.com.au

Mr Dale Allen
Senior Adviser, Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park
152 – 158 St Georges Terrace
PERTH WA 6000

Dear Dale,

Sprintex Limited (the “Company”) - Response to Appendix 4C Query

We refer to your letter dated 11 May 2018 and respond to your questions in the same order.

1. The Company expects to have sufficient cash to fund its ongoing activities. On 30 April 2018, the Company announced it had received an advance of \$280,640 related to the Research & Development (“R&D”) expenditures incurred during the period 1 January 2018 to 31 March 2018 and which will be claimed in its 2018 R&D Tax Incentive Claim. Under this facility, the Company is able to obtain quarterly advances of up to 80% of the expected R&D tax offset resulting from each quarter’s eligible R&D expenditures, with principal and interest to be repaid from the actual tax offsets at the end of the financial year.

Additionally, the Company continues to engage in discussions with potential investors for the provision of additional funding to complete its current business model as well as evaluating other business growth opportunities. The Company continues its work on building sales volume and allocating resources to various marketing and sales efforts. As such, the Company contemplates continuing short-term losses, and working capital requirements, which are in line with the Company’s budgets.

2. The Board of Directors are aware of the Company’s working capital requirements and the need to access these additional funds. As stated above, the availability of advances against its eligible R&D expenditures and discussions with potential investors with a view to those investors funding the Company’s operations, or evaluating other business growth opportunities, will ensure it has sufficient funds to continue its activities.
3. The Company expects to be able to continue its operations and continues to develop its business operations to enable it to continue to meet its business objectives. Revenues and expenses are constantly being reviewed as further advancements are made in the development of its core products. The Company and its directors continue to engage in discussions which could provide additional working capital in line with the business plan which will meet the Company’s objectives. Appropriate disclosure regarding these discussions will be made to ASX in due course and in accordance with the requirements of the Listing Rules.



4. In response to the ASX query on what steps the Company has taken, or steps it proposes to take, to demonstrate that the financial position of the Company is sufficient to warrant continued quotation of the Company's securities and its continued listing on ASX in accordance with the requirements of Listing Rule 12.2, the Company refers to the points noted above, namely the 2018 R&D Tax Incentive rebate quarterly loan funding, the continued development of its sales opportunities, discussions with potential investors with a view to those investors funding the Company's operations and the Company evaluating other business growth opportunities.
5. The Company confirms it is in compliance with the ASX Listing Rules, and in particular, Listing Rule 3.1. Appropriate disclosure regarding any discussions with potential investors for the provision of additional funding as well as other sources of finance and business growth opportunities will be made to ASX in due course and in accordance with the requirements of the Listing Rules.
6. The above responses have been authorised and approved by an officer of the Company with delegated authority to respond to the ASX on disclosure matters.

Please do not hesitate to contact us if you have any further queries.

Yours sincerely

Robert Molkenthin
Company Secretary



11 May 2018

Mr Robert Molkenthin

Company Secretary
Sprintex Limited

By email:

Dear Mr Molkenthin

Sprintex Limited ("SIX"): Appendix 4C Query

I refer to SIX's Appendix 4C quarterly report for the period ended 31 March 2018 lodged with ASX Market Announcements Platform on 30 April 2018 (the "Appendix 4C").

ASX notes that SIX has reported:

- negative net operating cash flows for the quarter of \$689,000;
- cash at the end of the quarter of \$125,000; and
- estimated cash outflows for the next quarter of \$1,080,000.

It is possible to conclude, based on the information in the Appendix 4C that if SIX were to continue to expend cash at the rate indicated by the Appendix 4C, SIX may not have sufficient cash to continue funding its operations. In view of that, ASX asks SIX to respond separately to each of the following questions and requests for information:

1. Does SIX expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has SIX 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 SIX expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that SIX considers may be relevant to ASX forming an opinion on whether SIX 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).
5. Please confirm that SIX is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that SIX'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 SIX 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 3.00pm AWST on Thursday, 17 May 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in SIX'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, SIX'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 SIX'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 SIX'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 SIX'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]

Dale Allen

Senior Adviser, Listings Compliance (Perth)

T 08 09224 0000

E dale.allen@asx.com.au