

Attention: Wade Baggott
Senior Adviser, Listings Compliance (Perth)

Dear Mr Baggott

Appendix 5B - Western Mining Network Limited

Thank you for your letter dated 4 February 2016. Western Mining Network Limited ("WMN" or the "Company") would like to offer the following by way of reply to your points:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

WMN is developing a business which encompasses a range of activities from mineral exploration to the production of graphite concentrate through beneficiation and subsequently the production of downstream graphite based products. The Company's activities do however currently revolve around its upstream business which by its nature results in negative cashflows and the Company does expect that to continue for the time being.

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?

On 29 October 2015, the Company announced a successful transaction with Lanstead Capital LP.

Under the terms of the placement, Lanstead subscribed for 30,000,000 ordinary shares which were issued at a price of A\$0.20 per share, representing a 25 percent premium to the Company's last traded price. Lanstead also received 7,500,000 options to acquire ordinary shares at a price of A\$0.27 per share exercisable on or before 30th June, 2017 and a grant of an additional 3,000,000 shares. In addition, the Company has entered into a sharing agreement ("Sharing Agreement") with Lanstead which enables the Company to secure much of the potential upside arising from any share price appreciation above \$0.27 over the next 18 months.

As a result of this transaction, the Company retained A\$900,000 of the aggregate A\$6,000,000 subscription price and the remainder was provided as security to Lanstead for the Sharing Agreement under which the Company will receive 18 monthly cash settlements determined by WMN's share price performance as measured against a benchmark price of A\$0.27 per share (the "Benchmark Price"). The nature of the arrangements is that, for each of those 18 months, Lanstead makes a payment to the Company determined by the relevant 5 day VWAP of the Company's shares. If the 5 day VWAP is A\$0.27, the Company will receive A\$283,333. It will receive more if the average price is above A\$0.27, and less if the average price is below A\$0.27.

Based on the projections for the March 2016 quarter, the Company believes its estimated level of expenditure incurred through operating activities will be approximately A\$120,000- A\$150,000 per month.

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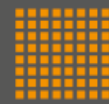
BOARD OF DIRECTORS

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Executive Chairman

Gordon Lewis
Executive Director

Andrew Houtas
Non-Executive Director

David Palumbo
Company Secretary



In order to receive that amount from Lanstead in any one month the Company's share price would need to have a 5 day VWAP of between A\$0.140 and A\$0.165 during the reference pricing period each month. The relevant period for February is already underway and our shares closed on 4 February at A\$0.145 which is within that range. Obviously our intention going forward is that we will continue to have success in attracting new investors to our Company and that the share price will continue an upward trend. Should that be the base, our income will significantly exceed our expenses. That is not an outcome we can guarantee however and we are therefore actively exploring the possibility of one or more small private placements to cover any potential shortfall if the possibility thereof looks material.

3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Based on the information set out above WMN believes that it will be able to continue its operations and to meet its business objectives.

4. Can the Company confirm that it 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?

The Company confirms that it is in compliance with Listing Rule 3.1 and there is no information that should be given to ASX about its financial condition in accordance with Listing Rule 3.1 that has not already been released to the market.

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.

The Company believes that it is currently in compliance with Listing Rule 12.2.

Please do not hesitate to contact me if you require any further information.

Yours sincerely

Budi Santoso
Executive Chairman

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4 February 2016

Mr David Palumbo
Company Secretary
Western Mining Network Limited
C/- Mining Corporate Pty Ltd
Level 11 London House
216 St Georges Terrace
PERTH WA 6000

Email: david@miningcorporate.com.au

Dear Mr Palumbo

Western Mining Network Limited (the “Entity”) – Appendix 5B Query

I refer to the Entity’s quarterly report in the form of Appendix 5B for the period ended 31 December 2015 lodged with ASX Market Announcements Platform on Friday, 29 January 2016 (the “Appendix 5B”).

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of \$780,000;
- cash at the end of the quarter of \$156,000; and
- estimated cash outflows for the next quarter of \$550,000.

It is possible to conclude on the basis of the information provided in the Appendix 5B that if the Entity were to continue to expend cash at the rate for the quarter (and at the rate estimated for the next quarter) indicated by the Appendix 5B, the Entity may not have sufficient cash to continue funding its operations. In view of that, please respond to each of the following questions:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Entity 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 Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?



4. Can the Entity confirm that it 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?

Please also provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2.

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 5pm WST on Tuesday 9 February 2016. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity'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 Entity'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. 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.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

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 Entity'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*.

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

Please feel free to contact me if you have any enquiries on the above.

Yours sincerely,

[sent electronically without signature]

Wade Baggott

Senior Adviser, Listings Compliance (Perth)