



EL CORPORATION LTD

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(ABN : 41 002 737 733 ASX CODE : EIM)

14 Feb 2012

Stephanie Yong
Senior Adviser, Listings (Sydney)
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Ms Stephanie Yong,

Thank you for your letter dated 3 Feb 2012

With regards to your queries contained in your letter on the appendix 4C, our response is as follows:

Q1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

A1. The company will have sufficient cash to fund its activities. Atlas Capital Pte Ltd is a major shareholder of EL Corporation Ltd and will continue to fund our activities. Atlas has given a letter of continuing support to EL Corporation Ltd to the above effect which has been verified and accepted by our auditors, RSM Bird Cameron.

Q2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

A2. We expect to continue to have a negative operating cash flow next quarter which will be funded by Atlas Capital Pte Ltd as supported in their letter of continuing support.

Q3. *What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?*

A3. We are pleased to advise that the deposit of AUD 650,000 for the acquisition of The Birthday Mine has been paid to the vendors as reported in our last response dated 9 Nov 2011.

We are now in consultation with a placement manager to secure about AUD 2 million funding to complete the Sales and Purchase Contract and for working capital.

Q4. *Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?*

A4. The company confirms that it is in compliance with the listing rules and in particular, listing rule 3.1. We will continue to disclose all relevant information to the market.

Q5. *Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.*

A5. The company has the management expertise to manage the business and we will engage specialist professional services to meet the requirements of the operations. We will protect the interest of all our shareholders.

Yours sincerely



Isaac Ng
Executive Director



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3 February 2012

Mr Nick Geddes
Company Secretary
EL Corporation Limited
99 Mount Street
North Sydney NSW 2060

By Email

Dear Nick

EL Corporation Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 31 December 2011, released to ASX Limited ("ASX") on 31 January 2012 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$0.
2. Net negative operating cash flows for the quarter of \$629,589.
3. Cash at end of quarter of \$8,441.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?



5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an 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. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by e-mail or by facsimile on facsimile number **(02) 9241 7620**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than close of business, A.E.D.T. on Tuesday, 14th February 2012**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact.

Yours sincerely,

[Sent electronically without signature]

Stephanie Yong
Senior Adviser, Listings (Sydney)