



GoConnect Limited
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31 October 2012

Company Announcement Office
Australian Securities Exchange Limited

Dear Sir/Madam

Re: Appendix 4C Quarterly Report – Q/E 30 September 2012

The directors of GoConnect Limited (“GoConnect” or “the Company”) are pleased to present the attached September 2012 quarterly report with the following additional comments:

	September 2012 quarter	June 2012 quarter	change	%
Cash receipts from customers	\$23,657	\$4,963	\$18,694	377%
Net operating cash flows	-\$547,972	-\$313,332	-\$234,640	75%

During the September 2012 quarter, cash receipts from customers increased by 377% to \$23,657 while gross cash outflows increased by 75% to \$547,972 compared to the June 2012 quarter. Customer receipts were boosted by advertising sales with the commencement of the Metro Netbay Free WiFi platform, however overhead payments increased in the September 2012 quarter partly due to expenses incurred in preparation for various free WiFi marketing platforms launched and to be launched. September quarter net cash outflows would have been smaller and cash receipts from customers would have improved more significantly had it not been for the delay of the commencement of the Metro Netbay Free WiFi marketing platform. After 9 months of delay from when originally planned, the Metro Netbay Free WiFi platform was launched officially on 27 August 2012. Launch advertisers included: City of Melbourne Spring Fashion Week, Jeanswest, Dracula's Cabaret, Mount Avoca Wines, Novartis Pet Care, Glamazon Shoes, uctv.fm, Chrysler Jeep Dodge, Nissan and Kia for the Northern Motor Group, and Telstra. (ASX Release 27 August 2012 Re: Official Launch of GoConnect's Metro Netbay Free Wifi Marketing Platform)

GoConnect is the appointed media sales agent for this free Wifi platform and has received strong support from a number of advertisers and advertising agencies that are

keen to embrace this fast emerging media marketing platform. After two months of operation, the Metro Netbay Free WiFi marketing platform has already achieved registration of 12% of the daily Metro Trains commuter base at Flinders Street Station. The registered user number is growing daily. We understand that the Metro Netbay Free WiFi service will be rolled out to all City Loop Stations and major feeder stations to Melbourne CBD within the next 3 to 6 months. We have also been advised that Melbourne CBD's main thoroughfare Swanston Street, will also be provided with free WiFi incorporating the GoConnect Free WiFi Marketing Platform by early 2013. Upon full implementation and full acceptance of the Metro Netbay free WiFi and the Melbourne CBD free WiFi, we estimate that the free WiFi user reach will exceed 1 million people monthly.

For launch advertisers who joined the Metro Netbay Free WiFi Platform, the platform has already achieved results in click through rates of 2 to 5%, which are 200 to 500 times more effective than the average online click through rates. Advertising agencies are increasingly focused on delivering advertising to the smartphone users, which are the same demographics as the free WiFi users. As the advertising industry allocates more of its advertising spend to target the smartphone user population, and as the GoConnect Free WiFi Marketing Platforms expand across the country, the Company's advertising revenue can be expected to grow with the overall trend in the advertising industry and the industry's increasing allocation to the smartphone demographics.

Free WiFi is continuing to expand around the world at a rapid pace and Australia is part of this worldwide trend. Most businesses planning to offer free WiFi see implementing free WiFi as an IT project with a cost but without the direct revenue, however, GoConnect's technology is able to convert a free WiFi project to a media-marketing platform generating advertising revenue. It is this advantage on revenue generation that has led to a number of enquiries directly to the Company seeking collaboration with the Company, resulting in the agreements with Melbourne Jam Factory and Century City Walk. In addition to Challenger Property Asset Management, GoConnect is also in discussion or negotiation with a number of shopping center managers and other high traffic locations both in Australia and China.

The Company has also just reached agreement with a major shopping center manager in Australia to provide GoConnect's Free WiFi Marketing Platform to centers that will be installed with free WiFi by this center manager. The center manager will be responsible for all capital and operating costs. The center manager has over 40 shopping centers under its management around Australia. Likewise, the Company's subsidiary, First Mongolian Marketing Ltd, has finalised and is awaiting execution of an agreement with a major shopping center manager in China for over 40 shopping centers to deliver the Company's Free WiFi Marketing Platform. Separate announcements will be made in respect of these agreements, once approved by our partners.

GoConnect Limited and Priority One Network Group Limited executed a global binding Master Merchant Agreement with International Payment Solutions (Hong Kong) Ltd ("IPS") that will initially enable the promotion and release of the Priority One Debit card in the People's Republic of China and other countries in Asia.

As a result of the relationship with IPS, and the opportunity to introduce the GoConnect Free WiFi Marketing Platform to a large number of shopping centers in China, GoConnect is in advanced discussions with a number of providers of mobile payment applications to secure a partnership with one of these providers. These mobile payment application providers are impressed with the distribution infrastructure and access to the consumer market in the China market that GoConnect is able to deliver. The impending partnership aims to capitalize on the early mover advantages and the popularity and substantial value of mobile payment applications, our relationship with IPS, the large number of retail merchants, the significant consumer traffic of the shopping centers, and the opportunity to monetize the substantial smartphone user population in China. China now has 388.25 million mobile Internet users equal to 39% of its 1 billion plus mobile phone owners. Our partnership with Priority One will also be able to benefit from the GoConnect/mobile payment application partnership through the issuance of the digital or virtual Priority One debit card, saving Priority One substantial cost that would otherwise be needed in issuing the traditional plastic debit card.

PLW Entertainment Pty Ltd (“PLW”) has entered into an agreement with Australia’s largest independent music licensing company, Mana Music Productions Pty Ltd (“Mana Music”) to license PLW’s commercial music catalogue. This agreement is expected to deliver new revenue generating opportunities for PLW from its existing portfolio of intellectual properties.

The launch of the GoConnect Jam Factory Free WiFi Marketing Platform officially took place in late September 2012 but was too late to make a contribution to revenue for the September 2012 quarter. The Century City Walk Free WiFi Marketing Platform is scheduled to go live in November 2012. Both Jam Factory and Century City Walk will be contributing income to the December 2012 quarter instead.

GoConnect’s IPTV network uctv.fm has continued to expand its program mix and is increasing its content on a weekly basis. A number of sponsored programs are expected to be added in coming months, which will add to revenue as well as expected audience growth. The ability of GoConnect to distribute uctv.fm within the shopping centers that the Company delivers the Free WiFi Marketing Platforms will also help to proactively expand the uctv.fm audience reach as well as the opportunity for product placement and sponsorship.

On 3 October 2012, GoConnect’s management attended the official launch of the ACT Government National Multicultural Festival documentary that was produced by GoConnect. The documentary was well received by the Minister for Multicultural Affairs and the Director for Multicultural Affairs. The ACT Government and GoConnect will be cooperating with each other to market this documentary to commercial sponsors in the coming weeks particularly targeting its distribution to the Chinese market.

The marketing of the documentary to commercial sponsors has been aided by the recent significant increases in marketing budgets by various Australian tourism authorities targeting the China outbound tourist market. According to a recent Australian government report, in excess of \$61 million had been earmarked for attracting the Chinese tourists to Australia over the next 4 years.

Exporting Australian higher education to the Asian market has become a major source of income for Australia in the past decade. In recent years, due to the higher level of the Australian dollar and a number of incidents against Asian students studying in Australia, Australia's image amongst Asian students has suffered. The documentary represents a celebration of Australian multiculturalism but is also a significant showpiece for Australia for the inbound tourist as well as the student markets.

Based on revenue expected to be generated from the GoConnect free WiFi marketing platform, uctv.fm IPTV, sponsorships of the National Multicultural Festival documentary, income from other new and existing businesses, capital contribution from the exercise of share options, R&D Tax Rebate claimed, and the unused credit facility in place, GoConnect has sufficient capital for the next two quarters and beyond.

Yours sincerely

Richard Li
Chairman

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

GOCONNECT LIMITED

ABN

14 089 240 353

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (3 months) \$A
1.1 Receipts from customers	23,657	23,657
1.2 Payments for		
(a) staff costs	(352,883)	(352,883)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(218,154)	(218,154)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(592)	(592)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(547,972)	(547,972)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A	Year to date (3 months) \$A
1.8 Net operating cash flows (carried forward)	(547,972)	(547,972)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(6,579)	(6,579)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	(1,650)	(1,650)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(8,229)	(8,229)
1.14 Total operating and investing cash flows	(556,201)	(556,201)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	250,000	250,000
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from issue of convertible notes	-	-
1.18 Proceeds from borrowings	308,000	308,000
1.19 Dividends paid	-	-
1.20 Transaction cost	-	-
Net financing cash flows	558,000	558,000
Net increase (decrease) in cash held	1,799	1,799
1.21 Cash at beginning of quarter/year to date	1,606	1,606
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter **	3,405	3,405

- *Refer to comments in the cover letter to this report and further support from unused credit facilities of \$829,331
- # 10,000,000 options exercisable at 2.5 cents each for \$250,000 were exercised on 9th october 2012

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.24	Aggregate amount of payments to the parties included in item 1.2	
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A	Amount used \$A
3.1	Loan facilities	2,100,000	1,270,669
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A	Previous quarter \$A
4.1 Cash on hand and at bank	3,405	1,606
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	3,405	1,606

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:
 (Director/Company secretary)

Date: 31 October 2012

Print name: Tony Ng

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.