

4 August 2016

Ms Anjuli Sinniah
ASX Compliance Pty Ltd (**ASX**)
Level 40 Central Park
152-158 St Georges Terrace
PERTH WA 6000

By email

Dear Anjuli

Alcidion Group Limited ("Company" or "Alcidion") - ASX Aware Query

We refer to ASX's letter dated 3 August 2016 in relation to the ASX Aware query ("**ASX Letter**") and the Company's announcement "Quarterly Cashflow and Activities Report" lodged with ASX Market Announcement Platform on 29 July 2016 ("**Quarterly Report**").

The Company has identified that a simple clerical error was made in relation to the date of the Company's MoU with Western Health in the Quarterly Report and provides the following Background in support and clarification.

Terms defined in the ASX Letter have the same meaning in this letter, unless otherwise defined.

Background

1. On 28 July 2016 at 9:14 am AEDT, the Company announced the appointment of Resapp Health co-founder Brian Leedman.
2. On 29 July 2016 at 5:55 pm AEDT, following close of market, the Company received a partially executed memorandum of understanding for a five year, \$2.35m contract with the Western Health network ("**MoU**"). The Company then entered into the MoU.
3. On 29 July 2016 at 6:06 pm AEDT, following close of market and entry into the MoU, the Company announced the Quarterly Report.
4. The Quarterly Report contained the following section relating to the MoU, which incorrectly referred to the relevant date as the 29th February 2016:

*"On the 29th **February** 2016, Alcidion announced that it had entered into a Memorandum of Understanding for a five year, \$2.35m contract with the Western Health network, the operator of three public hospitals in the Western suburbs of Melbourne (Footscray, Williamstown and Sunshine Hospitals) to license its Miya platform and key application including: Miya ED, Missed Results Tracker, Miya Flow and Miya Access."*

The correct expression of this sentence should have been:

*"On the 29th **of July** 2016, Alcidion entered into a Memorandum of Understanding for a five year, \$2.35m contract with the Western Health network, the operator of three public hospitals in the Western suburbs of Melbourne (Footscray, Williamstown and Sunshine Hospitals) to license its Miya platform and key application including: Miya ED, Missed Results Tracker, Miya Flow and Miya Access."*

5. On 1 August 2016 at 9:39 am AEDT, prior to market open, the Company made a standalone announcement in relation to the MoU.
6. We confirm that the Company intended to make an announcement correcting the erroneous reference in the Quarterly Report when it was made aware of the typographic error.

Responses to Specific Questions in the ASX Letter

1. Does the Entity consider the MoU Information or any part thereof, to be information that a reasonable person would expect to have a material effect on the price of value of its securities?

Yes.
2. If the answer to question 1 is "no", please advise the basis for that view.

Not applicable.
3. If the answer to question 1 is "yes", when did the Entity first become aware of the MOU Information, or any party thereof?

See above.
4. If the answer to question 1 is "yes" and the Entity first became aware of the MOU Information, or any part thereof, before 29 July 2016, did the Entity make any announcement prior to 29 July 2015 which disclosed the MOU Information? If so, please provide details. If not, please explain why the MOU Information, or any part thereof, was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the MOU Information under Listing Rule 3.1 and 3.1A and what steps the Entity took to ensure that the MOU Information was released promptly and without delay.

See background.
5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours sincerely,

[Sent electronically without signature]

Loren Jones
Company Secretary



3 August 2016

Miss Loren Jones
Company Secretary
Suite 9, 330 Churchill Avenue
SUBIACO WA 6008

By email: loren@cicerocorporate.com.au

Dear Miss Jones

Alcidion Group Limited (the "Entity"): ASX aware query

ASX Limited ("ASX") refers to the following:

1. The Entity's announcement entitled "Quarterly Activities Reports" lodged with ASX Market Announcements Platform and released at 6:06pm AEDT on 29 July 2016 (the "Quarterly Report") summarizing the Entity's activities for the period ended 30 June 2016.
2. The Quarterly Report states the following on page 2 in the section titled "\$2.35m Memorandum of Understanding with the Western Health Network":

"On the 29 February 2016, Alcidion announced that it had entered into a Memorandum of Understanding for a five year, \$2.35m contract with the Western Health network, the operator of three public hospitals in the Western suburbs of Melbourne (Footscray, Williamstown and Sunshine Hospitals) to license its Miya platform and key application including: Miya ED, Missed Results Tracker, Miya Flow and Miya Access."

(referred to as "MOU Information").

3. The MOU Information was not disclosed on 29 February 2016 and was disclosed in the announcement entitled "Alcidion signs \$2.35m MOU with Western Health" lodged with ASX Market Announcements Platform and released at 9:39am AEDT on 1 August 2016 ("MOU Announcement"). However, the MOU Information was included in the Quarterly Report, noting specifically the Quarterly Report details the activities of the Entity for the period 1 April 2016 to 30 June 2016.
4. The Entity's increase in share price from a close of \$0.045 on 28 July 2016 to an intraday high of \$0.046 on 29 July 2016 and a close of \$0.045 on 29 July 2016 to an intraday high of \$0.05 on 1 August 2016.
5. Listing Rule 3.1, which 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.
6. The definition of "aware" in Chapter 19 of the Listing Rules. This definition states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into



possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

7. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

5. ASX’s policy position on the concept of “confidentiality” which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “Listing Rule 3.1A.2 – the requirement for information to be confidential”*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the MOU Information or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.



3. If the answer to question 1 is “yes”, when did the Entity first become aware of the MOU Information, or any part thereof?
4. If the answer to question 1 is “yes” and the Entity first became aware of the MOU Information, or any part thereof, before 29 July 2016, did the Entity make any announcement prior to 29 July 2016 which disclosed the MOU Information? If so, please provide details. If not, please explain why the MOU Information, or any part thereof, was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the MOU Information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the MOU Information was released promptly and without delay.
5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

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 **9:00am WST on Friday 5 August 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 anjuli.sinniah@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 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]

Anjuli Sinniah
Adviser, Listings Compliance (Perth)