



SPRINTEX LIMITED
ABN: 38 106 337 599

ASX Code: SIX

30 November 2017

By email: jeremy.newman@asx.com.au

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

Dear Jeremy,

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

We refer to your letter dated 29 November 2017 and respond to your questions in the same order.

1. The Company expects to have sufficient cash to fund its ongoing activities. On 20 November 2017, the Company announced it had received an advance of \$294,750 related to the Research & Development (“R&D”) expenditures incurred during the period 1 July 2017 to 30 September 2017 and which will be claimed in its 2018 R&D Tax Incentive Claim. Under this facility, the Company will be 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 repaid from the actual tax offsets at the end of the financial year.

Subsequent to the release on 31 October 2017 of the Appendix 4C for the quarter ended 30 September 2017, the Company has also lodged its 2017 R&D Tax Incentive claim, which will provide additional funds to enable the Company to fund its activities. Finally, 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 also evaluating other sources of finance.

2. The Company continues building sales volume and allocating resources to various marketing and sales efforts. As such, the Company contemplates further short-term losses, and working capital requirements, which are in line with the Company’s budgets. 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 sources of finance, will ensure it has sufficient funds to continue its activities.
3. The Company 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. 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 will be made to ASX in due course and in accordance with the requirements of the Listing Rules.
5. 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 2017 R&D Tax Incentive rebate claim, the advances available to it against the 2018 R&D Tax Incentive rebate claim, 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 sources of finance.
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



29 November 2017

Mr Robert Molkenthin
Company Secretary
Sprintex Limited

By email:

Dear Mr Molkenthin

SPRINTEX LIMITED ("ENTITY"): ASX APPENDIX 4C QUERY

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 September 2017, released to ASX Limited ("ASX") on 31 October 2017 (the "Appendix 4C").

ASX notes that the Company has reported the following.

- Receipts from customers for the quarter of \$514,000.
- Net negative operating cash flows for the quarter of \$1,184,000.
- Cash at end of quarter of \$212,000.

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.



6. Please confirm that the Entity'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 the Entity with delegated authority from the board to respond to ASX on disclosure matters.

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 rules 3.1 – 3.1B".

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 emailed to jeremy.newman@asx.com.au. It should not be sent to ASX Market Announcements.

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 **9.00 am WST on Friday, 1 December 2017**.

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 or concerns about any of the above, please contact me immediately.

Yours sincerely

[sent electronically without signature]

Jeremy Newman
Senior Adviser, ASX Listings Compliance