

Mr Dale Allen
Senior Advisor
ASX Listings Compliance
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

August 1, 2017

APPENDIX 4C QUERY

In reference to your letter of 31 July 2017 regarding the Appendix 4C quarterly report for the period ended 30 June 2017 lodged with the ASX on 31 July 2017, the response to your five queries in number order is as follows:

1. The Company expects to continue to have negative operating cash-flows for the time being.
2. Yes, the Company is currently in discussions with a core shareholder group to raise further cash to fund its operations. The terms of the funding plan are yet to be finalised and not able to be released to the market at this stage. The board is confident that, given discussions held to date, the experience of the board in raising funds, and the ongoing support of its major shareholders, the Company will be able to successfully raise further cash fund operations.
3. Yes, the Company expects to be able to continue its operations and meet its business objectives based on the funding plan being negotiated.
4. Yes, the Company confirms it is in compliance with ASX Listing Rule 3.1 and that 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.

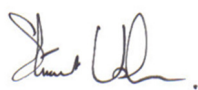
The Company notes its ASX Appendix 4C and commentary release of 31 July 2017 whereby it disclosed that the Company was in discussion with a core shareholder group in relation to ongoing funding for expansion of the Celtic business. This is the same shareholder group referred to in item 2 above.

It was also disclosed that based on current enrolments of 450 students within the Company's Celtic business that the cash contribution in the FY18 is in excess of \$2 M. This represents a 33% increase on the previous year.

5. It is confirmed that the responses to the questions above have been authorised and approved by the Board of Directors.

Please contact me if you would like to discuss any of the above matters.

Yours sincerely,



STUART USHER
Company Secretary

icollege.edu.au

Corporate inquiries
+61 8 9466 9008

Investor inquiries
investors@icollege.edu.au

Media inquiries
media@icollege.edu.au



31 July 2017

Mr Stuart Usher
iCollege Limited
Suite 1, Ground Floor, 437 Roberts Road
Subiaco WA 6008

By email

Dear Mr Usher

iCOLLEGE LIMITED ("COMPANY"): APPENDIX 4C QUERY

I refer to the Company's Appendix 4C quarterly report for the period ended 30 June 2017 lodged on the ASX Market Announcements Platform and released on 31 July 2017 (the "Appendix 4C").

ASX notes that the Company reported:

- negative net operating cash flows for the quarter of \$298,000;
- cash at the end of the quarter of \$10,000; and
- estimated cash outflows for the next quarter of \$380,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A.

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
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?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company'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 Company with delegated authority from the board to respond to ASX on disclosure matters.

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 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

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 7.00am AWST on Wednesday, 2 August 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company'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 Company'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.

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

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

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 Company'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]

Dale Allen

Senior Adviser, ASX Listings Compliance (Perth)