

Ms Isabelle Andrews
Listings Advisor
ASX Listings Compliance
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

January 30, 2019

APPENDIX 4C QUERY (Amendment)

In reference to your letter of 22 January 2019 regarding the Appendix 4C quarterly report for the period ended 31 December 2018 lodged with the ASX on 17 January 2019, the response to your five queries in number order are as follows:

1. The Company does not expect to continue to have negative operating cash-flows for the time being. The Company is confident of being able to report positive cashflows from operations during this March quarter. Operations commenced 7 January and have received over \$680,000 in cash receipts in a two and a half week period with a further \$40,000 to be collected to the end of January, and with continued growth in students, cash receipts are expected to be over \$2.5M¹ in the March quarter which exceeds the estimated cash outflows for the quarter. The December quarter cash receipts represented a 35% growth quarter on quarter which was the highest since the inception of iCollege and is expected to continue.

In respect of international students, enrolment is on average 25-30 students per week, paying an initial deposit of \$1,200 as a minimum and then paying monthly instalments of \$600-\$900 depending on the course duration of between 12 to 18 months. Cash receipts increase at least \$75,000 to \$100,000 as new students commence each month.

February cash receipts are expected to total \$830,000 comprising of:

- Receipts from International students - \$120,000 for initial course fee deposits paid;
- Receipts from monthly course fee instalment payments of \$300,000;
- Course fees collected from the delivery of courses within the prison system of \$100,000;
- Course fees collected through Celtic Training of \$180,000; and
- Course fees collected through Capital Training Institute of \$130,000.

March cash receipts are expected to be a minimum of \$830,000 (based on February receipts) with a further \$150,000 due to expected student enrolment growth.

¹TABLE 1 – SUMMARY OF EXPECTED CASH RECEIPTS IN THE MARCH QUARTER

Month	Expected cash receipts
January	\$720,000
February	\$830,000
March	\$980,000
Total	\$2,530,000

2. The Company has in January arranged a line of credit of \$150,000.
3. Yes, the Company expects to be able to continue its operations and meet its business objectives utilising existing cashflow from operations.
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.

icollege.edu.au

Corporate inquiries
+61 8 9466 9008

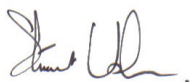
Investor inquiries
investors@icollege.edu.au

Media inquiries
media@icollege.edu.au

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



22 January 2019

Mr Stuart Usher
Company Secretary
iCollege Limited
Suite 1, Ground Floor 437 Roberts Road
PERTH WA 6000

By email:

Dear Mr Usher

iCollege Limited ('ICT'): Appendix 4C Query

ASX refers to ICT's Appendix 4C quarterly report for the period ended 31 December 2018 lodged with the ASX Market Announcements Platform and released on 17 January 2019 (the 'Appendix 4C').

ASX notes that ICT has:

- negative net operating cash flows for the quarter of \$70,000;
- cash at the end of the quarter of \$215,000; and
- estimated cash outflows for the next quarter of \$2,060,000.

It is possible to conclude, based on the information in the Appendix 4C, that if ICT were to continue to expend cash at the rate indicated by the Appendix 4C, ICT may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks ICT to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

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

Please also provide any other information that ICT considers may be relevant to ASX forming an opinion on whether ICT is complying with Listing Rule 12.2 that 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9am AWST, Tuesday 29 January 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in ICT'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, ICT'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 ListingsCompliancePerth@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 and 3.1A

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 ICT'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 ICT'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 ICT's securities under Listing Rule 17.1. If you wish to request 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*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Isabelle Andrews
Adviser, Listings Compliance (Perth)