

9 May 2018

ASX Compliance Pty Ltd
Level 40, Central Park,
152-158 St Georges Terrace
Perth WA 6000

Attn: Ms Dawn James

Flexiroam Limited (“FRX”): Appendix 4C Query

We acknowledge receipt of your letter dated 7 May 2018 regarding the Company’s Appendix 4C quarterly report for the period ended 31 March 2018.

In response to each of your questions, we advise as follows:

1. Yes, the Company presently does expect to continue to have negative operating cash flows for a period of time based on its current levels of sales and operating expenditure. However, the Company remains committed to its growth objectives and has recently embarked on new initiatives which it expects will yield positive results in the near term;
2. The Board is very mindful of the need to fund the Company’s operations and is taking a number of steps to achieve this. As outlined in the Company’s recent investment update, the launch of new products will target frequent recurring users of Flexiroam’s services as well as seeking mass market acquisition with new innovations with lower customer acquisition costs. In the meantime, high-quality strategic investment opportunities with local and international investors have been identified, and discussions are continuing with these parties with the intent of securing a strategic cornerstone investment. Some of the discussions are well advanced and the Company believes a successful conclusion is imminent. Other fund-raising initiatives are also under consideration.
3. The Company fully expects to be able to continue its operations and to meet its business objectives on the basis of the success of one or several of the abovementioned initiatives.
4. The Company confirms that, to its best knowledge and belief, 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 that Rule that has not already been released to the market.
5. This response has been approved by the Board.

Yours faithfully,

Jefrey Ong
Managing Director

For personal use only



7 May 2018

Mr Kim Hogg
Company Secretary
Flexiroam Limited
79 Broadway
Nedlands WA 6009

By email:

Dear Mr Hogg

Flexiroam Limited ("FRX"): Appendix 4C Query

I refer to FRX's Appendix 4C quarterly report for the period ended 31 March 2018 lodged with ASX Market Announcements Platform and released on 30 April 2018 (the "Appendix 4C").

ASX notes that FRX has reported:

- negative net operating cash flows for the quarter of \$802,000;
- cash at the end of the quarter of \$792,000; and
- estimated cash outflows for the next quarter of \$1,986,000.

It is possible to conclude, based on the information in the Appendix 4C, that if FRX were to continue to expend cash at the rate indicated by the Appendix 4C, FRX may not have sufficient cash to continue funding its operations. In view of that, ASX asks FRX 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 FRX expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has FRX 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 FRX expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that FRX is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that FRX'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 FRX with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that FRX considers may be relevant to ASX forming an opinion on whether FRX 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 8.00 am WST on Thursday 10 May 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in FRX'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, FRX'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 tradinghaltperth@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 FRX’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 FRX’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 FRX’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 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.

Kind regards

[Sent electronically without signature]

Dawn James

Adviser, Listings Compliance (Perth)