CAPE RANGE LTD

ABN 43 009 289 481

ASX RELEASE

16 July 2018

Emerson Walker
Adviser, ASX Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Emerson

Cape Range Limited (CAG) – ASX price and volume query

We refer to your letter dated 16 July 2018 and respond to your questions as follows:

1. Is CAG aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

No, the Company is not aware of any such information.

2. If the answer to question 1 is yes, is CAG relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1 or can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Not applicable.

3. Is there any other explanation that CAG may have for the recent trading in its securities?

No, the Company is not aware of any other explanation.

4. Please confirm that CAG is in compliance with the Listing Rules and, in particular, listing rule 3.1.

Cape Range Limited confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that CAG'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.

The Company's response to the questions have been authorised and approved by an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

29 Brookside Place, Lota, Queensland 4179
Phone/Fax: (07) 3901 0751

The Company refers the market to its ASX announcement dated 10 July 2018. In that announcement, the Company advised as follows:

"The Board of Cape Range Limited (**Company**) is delighted to announce that Phase 1 of the Company's cloud based accounting software package has been completed on time and under budget. The Company will now rapidly move towards the launch of this proprietary accounting software (**Biztrak Online**)."

"The Company's Chairman, Mr Wayne Johnson, said; "the achievement of the Phase 1 deliverables is a milestone for Biztrak that was completed on time and under budget and in accordance with the deliverables detailed in the Company's Prospectus."

In Section 7.3.4 of the Company's Replacement Prospectus dated 21 September 2017 the Company stated as follows:

"In light of the emerging trend of Cloud Accounting, Biztrak is expanding its windows-based software applications to cloud-based services (**Biztrak Online**), which will allow the company to shift gears from a Software as a Product (**SaaP**) model to a Software as a Service (**SaaS**) model, where subscription fees replace licensing fees.

"The development will be carried out in three (3) phases and will take approximately two (2) years to complete, as follows:

(i) **Phase One (approximately 6 months – First Quarter 2018)**: the development of financial modules such as system management, general ledger, account receivable, account payable, cash management, multi-currency, tax management, branch accounting, standard reports, standard business forms, E-Bridge import function and license control;

(ii) **Phase Two (approximately 12 months – Second Quarter 2018):** the development of other financial modules and distribution modules such as fixed asset, inventory control, sales order processing, purchase order processing, mobile app - sales force automation, standard reports, standard business forms and dashboard; and

(iii) **Phase Three (approximately 6 months – Third Quarter 2018):** the integration of human resource management, customer relationship management and supply chain management, either by internal development or joint-venture with third parties, to be determined after the completion of phase one."

"Biztrak is aiming to release phase one of the Biztrak Online software during the first half of 2018."

The Company confirms that as disclosed in the Replacement Prospectus dated 21 September 2017, Biztrak's management completed the phase one development work on time and under budget. Prior to making any confirmatory ASX announcement concerning phase one, the Board engaged an independent expert to assess and confirm that all of the phase one deliverables had been achieved by Biztrak's management. Following completion of the Board's due diligence, which included the receipt and review of the independent report, the Company released its announcement to ASX dated 10 July 2018.

Yours sincerely

Michael Higginson
Director/Company Secretary

16 July 2018

Mr Michael Higginson

Company Secretary
Cape Range Ltd
29 Brookside Place
Lota QLD 4179

By email: mike.higginson@iinet.net.au

Dear Mr Higginson

Cape Range Ltd (the "Entity"): price query

We note the change in the price of CAG's securities from a low of $0.265 on Tuesday, 10 July 2018 to a high of $0.56 today.

We also note the significant increase in the volume of CAG's securities traded in the past few days.

In light of this, ASX asks CAG to respond separately to each of the following questions and requests for information:

1. Is CAG aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
   a) Is CAG relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

      Please note that the recent trading in CAG's securities would suggest to ASX that such information may have ceased to be confidential and therefore CAG may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.

   b) Can an announcement be made immediately?

      Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).

   c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that CAG may have for the recent trading in its securities?
4. Please confirm that CAG is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that CAG'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 CAG with delegated authority from the board to respond to ASX on disclosure matters.

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 2.00 pm WST today. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CAG'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, CAG'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 tradinghaltsperth@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 Rules 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 CAG'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 CAG'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, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in CAG'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]

Emerson Walker

Adviser, Listings Compliance (Perth)