National Stock Exchange of Australia

Newcastle
Level 2, 117 Scott Street,
Newcastle NSW, 2300
PO BOX 283, Newcastle, NSW, 2300
P: +61 2 4929 6377
F: +61 2 4929 1556

www.nsxa.com.au

Incorporating
NSX Limited
ABN: 33 089 447 058
National Stock Exchange of Australia Limited
ABN: 11 000 902 063
SIM Venture Securities Exchange Limited
ABN: 41 087 708 898

21st of November 2012

Mr. Spiro Sakiris
iQnovate Limited
The Galeries Victoria
Podium
Level 1
500 George Street
Sydney NSW 2000

Email : spiro.sakiris@economos.com.au

Dear Mr. Spiro,

iQnovate Limited (the "Company")

Re: Price Query

In regards to your response to the NSX Price Query dated 20th of November 2012 for the trades below, it has come to the attention of the NSX that the buyer of 18,273 IQN is IQX Limited to which the NSX are lead to believe you are the Company Secretary.

That being the case, if you could please explain to the NSX why in your reply to the Price Query from the 20th of November, 2012, you stated that the Company had no explanation for the trading of the securities on the 20th of November, 2012.

Security	Price $	Volume	Value $	Date/Time	Settle Date	Buyer	Seller	Trade #
Qnovate Limited FPO (IQN)	1.1	2,500	2,750.00	20-Nov-2012 12:01:03 PM	23-Nov-2012	Macquarie Equities(2442)	Pritchards(7512)	9
Qnovate Limited FPO (IQN)	1.1	2,500	2,750.00	20-Nov-2012 12:01:03 PM	23-Nov-2012	Macquarie Equities(2442)	Pritchards(7512)	8
Qnovate Limited FPO (IQN)	1.1	273	300.30	20-Nov-2012 12:01:03 PM	23-Nov-2012	Macquarie Equities(2442)	DJ Carmichael(6046)	7
Qnovate Limited FPO (IQN)	1.19	13,000	15,470.00	20-Nov-2012 12:01:03 PM	23-Nov-2012	Macquarie Equities(2442)	Pritchards(7512)	10
Qnovate Limited FPO (IQN)	1.1	2,000	2,200.00	20-Nov-2012 11:36:09 AM	23-Nov-2012	Shaw Stockbroking(2982)	DJ Carmichael(6046)	6
Qnovate Limited FPO (IQN)	0.9	2,000	1,800.00	20-Nov-2012 11:22:59 AM	23-Nov-2012	Shaw Stockbroking(2982)	Shaw Stockbroking(2982)	5
Qnovate Limited FPO (IQN)	0.8	39,000	31,200.00	20-Nov-2012 11:22:59	23-Nov-2012	Shaw Stockbroking(2982)	RBS Morgans Limited(4064)	4

In light of this market activity please respond to the following questions.

1. Is the Company aware of any price information concerning it that has not been announced, which, if known, could be an explanation for recent trading in the securities of the Company? For example, but not limited, to financial results, material litigation, material contracts, material leases, change in senior staff, directors or management or any other price sensitive activity.

2. If the answer to 1. is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

   Please note, if an answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Please confirm that the company is in compliance with the listing rules and, in particular, listing rule 6.4.

It is recommended that you confer with the Company's Nominated Adviser in formulating a response.

Your response should be directed to Scott Evans, General Manager, no later than **9am, Thursday, 22nd of November, 2012**. Your response will be released to the market along with a copy of this letter. If you wish to discuss the content of your response, please do not hesitate to contact me as soon as possible.

Listing Rule 6.4

The NSX continuous disclosure rule states:

Generally, and apart from compliance with all the specific requirements, the *issuer* shall keep the Exchange informed without delay, for dissemination of any information relating to the *group* of which it is aware that:

(1) is necessary to enable the Exchange and the public to appraise the financial position of the *issuer* and the *group*;

(2) is necessary to avoid the establishment of a false market in its *securities*; or

(3) a reasonable *person* would expect to have a material effect on the price or value of its *securities*.

Such information must be made available to the Exchange before the time at which any other public announcement of the information is made.

These provisions will be breached by an *issuer* who intentionally, recklessly or negligently fails to notify the Exchange of information that:

(a) is not generally available; and

(b) a reasonable person would expect, if it were generally available, to have a material effect on the price or value of its *securities*.

Trading Halts

If the Company is unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, the Company should consider a request for a trading halt in the Company's securities. The request may be writing. The NSX is not bound to act upon the request.

In your request please include the following information:

a. The reasons for the trading halt
b. How long you want the halt to last
c. The event you expect to happen that will end the trading halt
d. That you are not aware of any reason why the trading halt should not be granted
e. Any other information necessary to support your request.

Conditions for the trading halt:

87.1 A trading halt may be imposed by the Exchange if:

(a) the Exchange releases an announcement in relation to an Issuer which, in the opinion of the Exchange, is market sensitive; or

(b) an Issuer requests a trading halt and the Exchange agrees to impose a trading halt.

87.2 Securities subject to a trading halt will be placed into Pre-Opening Phase. However, if the trading halt is imposed after the end of Closing Phase, the Securities subject to a trading halt will be placed into Pre-Opening Phase the next Trading Day.

87.3 Securities subject to a trading halt must not be traded (including by way of Crossings and Special Crossings) during the period of the trading halt, regardless of whether the Securities have been placed into Pre-Opening Phase.

87.4 A trading halt will end at the earlier of:

(a) the time announced by the Exchange that the trading halt will end (and the Exchange will provide at least ten minutes notice before the end of the trading halt); or

(b) the commencement of Normal Trading on the second Trading Day after the day the trading halt is imposed.

87.5 When a trading halt ends, the Securities will be placed in the phase applying to the market as a whole unless the Exchange decides otherwise.

If a trading halt is requested and granted and the Company is still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by the NSX from the commencement of trading if not previously requested by the Company. The same applies if the Company has requested a trading halt because the Company is unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any questions regarding any of the above please do not hesitate to contact me.

Yours Sincerely,

Scott Evans

Scott Evans
General Manager