



11 February 2011

Ms Suzanna Dabski  
Advisor, Issuers (Sydney)  
ASX Market Supervision Pty Ltd  
20 Bridge Street  
Sydney, NSW 2000

Dear Suzanna,  
Thank you for your letter of 2 February 2011 regarding the Giaconda Ltd 4C that we lodged for the October - December 2010 quarter. Below I will respond to each of your questions.

1. Will the Company have sufficient cash to fund its activities?
  - a. The Directors believe that the Company will be able to continue to fund activities with the cash on hand at the end of the quarter. We are in the process of attempting to raise additional funds to invest in development of the remaining therapies in our portfolio.
2. Will the Company continue to have negative operating cash flows similar to those reported in the 4C?
  - a. The Directors believe that this will not be the case.
3. What steps is the Company taking to allow it to continue to meet its business objectives?
  - a. As mentioned above, the Company is now attempting to raise additional funds to continue development of the remaining therapies and the Directors believe there is sufficient cash to continue to fund operational activities.
4. Can the Company confirm that it is in compliance with the listing rules, especially 3.1?
  - a. The Directors believe that the Company is and has been fully compliant with all of the listing rules.
5. Is the Company compliant with listing rule 12.2?
  - a. The Directors believe that the Company is compliant with rule 12.2 in regards to the matters discussed in the note to the rule due to the lack of significant liabilities on the Balance Sheet and attempts to raise funds as described above.

I do hope that this response is satisfactory and am available for further discussion if you would like more information.

Sincerely,

Patrick L. McLean  
CEO / Acting Chairman

GIACONDA LIMITED

Ground Floor, 44 East Street, Five Dock NSW 2046 Phone: [612] 9370 0069 Fax: [612] 9712 1469  
email: [info@giacondalimited.com](mailto:info@giacondalimited.com) ABN 68 108 088 517 [www.giacondalimited.com](http://www.giacondalimited.com)



ASX Compliance Pty Limited  
ABN 26 087 780 489  
20 Bridge Street  
Sydney NSW 2000  
PO Box H224  
Australia Square  
NSW 1215

Telephone 61 2 9227 0892  
Facsimile 61 2 9241 7620  
[www.asx.com.au](http://www.asx.com.au)

2 February 2011

Mr Patrick McLean  
CEO/Acting Chairman  
Giaconda Limited  
Level 6  
2 Bulletin Place  
Sydney NSW 2000

By Email

Dear Patrick

**Giaconda Limited (the "Company")**

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 31 December 2010, released to ASX Limited ("ASX") on 1 February 2011 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$0.
2. Net negative operating cash flows for the quarter of \$95,000.
3. Cash at end of quarter of \$49,000.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

For personal use only



### Listing rule 3.1

Listing rule 3.1 requires an 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. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by e-mail to [suzanna.dabski@asx.com.au](mailto:suzanna.dabski@asx.com.au) or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 5:00 p.m. A.E.D.T. on Monday, 14 February 2011.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me on (02) 9227 0892.

Yours sincerely,

*[Sent electronically without signature]*

Suzanna Dabski  
**Senior Adviser, Listings (Sydney)**

For personal use only