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**Companies Announcements Office
Australian Stock Exchange**

31 July 2017

Quarterly Activities Report: Appendix 4C – June 2017

Highlights:

- **Optiflox® System deployed to NSW facility operated by Lion Dairy & Drinks – technology now being implemented in both the coal and dairy industries**
- **Second deployment of an OptiFlox® System to the dairy sector expected before end of calendar year**
- **Study commissioned to investigate opportunities for the Optiflox® System and associated chemical production in the North American market**
- **Discussions advanced for an OptiFlox® System to be trialled at a major coal handling & preparation plant in the Bowen Basin, Queensland**
- **SDV continues to position itself as a provider of Industrial Internet of Things (IIoT) solutions in the wastewater treatment industry**

SciDev Ltd (ASX: SDV) ('SciDev' or 'the Company') is pleased to provide its Quarterly Activities Report for the period ended 30 June 2017.

Operational progress

During the quarter, the Company broadened the industry footprint of its unique, cloud-based OptiFlox® System following its deployment at a major Australian dairy processing facility owned and operated by Lion Dairy & Drinks.

As announced on 23 June 2017, the deployment of an OptiFlox® System at the Lion Dairy & Drinks facility follows the receipt of a purchase order, for an initial 12-month period (announced to the market 29 March 2017). Lion Dairy & Drinks has been a longstanding customer of the Company and this commercial arrangement will provide for the receipt of monthly payments for the use of an OptiFlox® System as well as concurrent chemical sales.

The OptiFlox® System is deployed in the dissolved air flotation unit in the wastewater treatment plant of the dairy processing facility and will continuously monitor water quality and maintain optimal flocculation conditions through automated, cloud-based, real-time chemical dosing.

The deployment highlights the Company's ability to leverage its longstanding, blue chip customer base for wastewater treatment chemicals to extend its sales pipeline for OptiFlox® Systems and convert these sales enquiries into revenue-generating contracts.

Further, it is anticipated that an additional OptiFlox® System will be deployed during this calendar year at a dairy manufacturing facility in regional Victoria. The potential customer for the technology is one of the nation's largest dairy producers and an existing customer for SciDev chemicals.

The Company is also in advanced discussions for a trial of an OptiFlox® System at a coal handling & preparation plant at a coking coal mine site in the Bowen Basin, Central Queensland.

Research and business development initiatives

During the quarter, the Company commissioned a study to investigate opportunities for the OptiFlox® System and associated chemical production in the North American market. The Company is currently building a North American market entry plan encompassing a range of details such as a schedule, budget and range of target regions, which they will act upon if deemed feasible by the Board.

The Company is also undertaking work to better understand potential additional applications of the OptiFlox® System in both the coal industry and other industry sectors. For example, through the Company's current contract with Peabody Energy, an OptiFlox® System is installed in the coal tailings thickener at the 12mtpa, Wilpinjong Mine in NSW. Investigations are underway to examine the potential of the OptiFlox® System being installed in both de-watering process units such as belt press operations and coal thickener operations.

Zeehan Zinc Slag Dump, Tasmania

SciDev has maintained ownership of the Zeehan Slag Dump. During the quarter, the Company consolidated its two granted mining leases held over the asset into one consolidated mining lease. Board and Management are currently assessing opportunities on both a corporate and operational level to realise the value of the asset and look forward to updating shareholders on progress during the September quarter.

Outlook

The focus for the upcoming quarter will be as follows:

- Installations/trials of additional OptiFlox® Systems in the Australian dairy industry;
- The trial of an Optiflox® System at a major coal handling & preparation plant in the Bowen Basin;
- The progression of opportunities in the North American market;
- A better understanding of the full application potential of the OptiFlox® System; and
- Value realisation from the Zeehan Slag Dump, Tasmania.

Management summary

The quarter has been one of operational progress for the Company, having achieved the significant milestone in the deployment of OptiFlox® technology across both the coal and dairy sectors. With a cash balance of \$939,000 at the end of the quarter, the Company currently has sufficient funds to execute its current business objectives.

Kieran Rodgers

Managing Director

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The OptiFlox® System has been developed to assist in the automation and optimisation of coal mining wastewater treatment. The OptiFlox® System is a technology that continuously measures the fine particle quantity and surface charge resulting from ongoing fluctuations in flow rates and specific characteristics experienced within coal tailings wastewater operations. The measurement of these vital characteristics enables the automation and control of wastewater chemical dosing to achieve optimal flocculation conditions and water clarification performance.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

SciDev Ltd

ABN

25 001 150 849

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	606	1,995
1.2 Payments for		
(a) research and development	-	-
(b) suppliers and corporate overheads	(437)	(1,608)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(212)	(702)
(f) administration and corporate costs	-	-
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	13
1.5 Interest and other costs of finance paid	(5)	(27)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	91
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(42)	(238)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(64)	(191)
(b) businesses (see item 10)	-	(660)
(c) investments	-	-
(d) intellectual property	(33)	(39)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(97)	(890)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
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3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	1,952
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	78
3.6 Repayment of borrowings	(2)	(441)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(2)	1,589

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,080	478
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(42)	(238)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(97)	(890)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(2)	1,589
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	939	939

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	697	119
5.2 Call deposits	242	961
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	939	1,080

6. Payments to directors of the entity and their associates**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

82

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors fees are at normal commercial rates.

7. Payments to related entities of the entity and their associates**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available*Add notes as necessary for an understanding of the position***Total facility amount
at quarter end
\$A'000****Amount drawn at
quarter end
\$A'000**

8.1 Loan facilities

-

-

8.2 Credit standby arrangements

-

-

8.3 Other (please specify)

-

-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9. Estimated cash outflows for next quarter**\$A'000**

9.1 Research and development

9.2 Suppliers and corporate overheads

400

9.3 Advertising and marketing

9.4 Leased assets

9.5 Staff costs

225

9.6 Administration and corporate costs

9.7 Other (provide details if material)

9.8 Total estimated cash outflows**625**

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2017

Print name: Kieran Rodgers
Director

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.