

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Murray Cod Australia Ltd

ABN

74 143 928 625

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	322	554
1.2 Payments for		
research and development		
product manufacturing and operating costs		
advertising and marketing		
leased assets		
staff costs		
administration and corporate costs		
Total 1.2	<1,251>	<1,905>
1.3 Dividends received (see note 3)		
1.4 Interest received	6	15
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	262	262
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	<661>	<1,074>
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	<302>	<837>
(b) businesses (see item 10)		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(c) investments		
	(d) intellectual property		
	(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	<302>	<837>

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.6	Repayment of borrowings	<10>	<22>
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	<10>	<22>

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	2,165	3,125
4.2	Net cash from / (used in) operating activities (item 1.9 above)	<661>	<1074>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	<302>	<837>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	<10>	<22>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,192	1,192

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	1,190	2,163
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other – Petty Cash	2	2
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,192	2,165

6. Payments to directors of the entity and their associates

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

**Current quarter
\$A'000**

74
Nil

All payments were made for Directors Fees or in respect of contractual arrangements on arms length terms.

7. Payments to related entities of the entity and their associates

- 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

**Current quarter
\$A'000**

72
nil

All payments were made for Directors Fees or in respect of contractual arrangements on arms length terms.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	\$500	\$500
8.2 Credit standby arrangements	Nil	Nil
8.3 Other (please specify)	Nil	Nil
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.		

Finance Facility made available to Bidgee Fresh Pty Ltd, a subsidiary of MCA. The lender is Business Finance Specialists Pty Ltd. Interest rate is 6% pa. Funds have been lent on an unsecured basis.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	20
9.2 Product manufacturing and operating costs	393
9.3 Advertising and marketing	50
9.4 Leased assets	
9.5 Staff costs	120
9.6 Administration and corporate costs	80
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	663

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
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.

Sign here:


(Director/Company secretary)

Date: 31st January 2018

Print name: Ross Anderson

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.



ASX CODE: MCA
ASX Announcement

Quarterly Activities Report

Murray Cod Australia (ASX:MCA) (the “Company”) is pleased to provide the quarterly activities report for the three months ended 31 December 2017, to be read in conjunction with the Appendix 4C.

New Pond Development Progress

Last quarter the company announced that negotiations have advanced with a local farmer (at Foley's Corner near Griffith) for the lease of a facility which will hold an additional 300,000 fish. The company has now executed a lease with the farmer. The lease commences upon works being completed.

The farmer currently has the earthworks completed; 4 of the 8 ponds are now full of water and electrical work is expected to be completed this week. Once the electrical work is complete, stocking of the facility will commence in the next few weeks. This increase in productive capacity will enable the company to provide confidence to export customers of our capacity to ensure continuity of supply. One of the company's major issues to date has been the inability to supply volumes of fish to export customers in the quantities required.

Aerial View of Development at Foley's Corner





Quarterly Activities Report (continued)

Average Sale Weight Lower as Demand remains Strong

The average weight of each fish sold during the quarter was 1.27kg during the quarter. This is lower than the 1.45kg from the previous quarter. It reflects the continued strong demand for premium fish and the time required by MCA to grow out fish from the additional ponds added to production over the last 12 months.



Average Size of Fish Sold has been 1.27kg for the last quarter

Market Development – Domestic & International

The company continues to look at all market development opportunities on both a domestic and international level. Our planned growth in capacity will alleviate the current shortage of suitably sized saleable fish. We continue to receive enquiries from export markets. We have developed a detailed production model and have begun the process of engaging with distributors to negotiate export orders as our production volumes increase.



Quarterly Activities Report (continued)

First Orders Received from Hong Kong/China

In December samples were sent to Hong Kong for market appraisal and we are pleased to announce that the Maxim's Group is trialling the fish in their luxury restaurants from March 2018 onwards. Maxim's is a large group in the food and beverage space with over 1,000 outlets spread throughout Hong Kong, China, Vietnam, Cambodia, Thailand and Singapore. Details of the Maxim's group can be found at www.maxims.com.hk/en. MCA has arranged for samples to be tested by selected chefs in both Japan and USA in coming weeks. Updates on marketing progress will be announced regularly as developments occur.

Pricing and Demand Remain Strong

Pricing of the fish has remained stable through the last quarter. New restaurants continue to enquire about supply. Recently Tetsuya's in Sydney and Bather's Pavilion of Balmoral added our fish to their menus. We continue regular sales to our existing domestic and export customers. Chefs continue to provide us with positive feedback on quality and versatility of the fish. In recent weeks shipments to our wholesaler in Melbourne have doubled without any impact on prices received.

Murray Cod being processed for 5 Star Restaurants in Sydney





Quarterly Activities Report (continued)

Spawning Results – over 2 million larvae produced

Both our wild caught and our genetically selected stock have produced excellent spawning results this season. As of 31 December we had in excess of 2 million hatched larvae. This will mean we will have sufficient fingerling stock to:

1. Meet our existing contracts with government for the sale of fingerlings to re-stock native waterways;
2. Fulfil our internal demand (including our projected growth in capacity) and that of our contract growers for fingerlings for the season ahead;
3. Continue with a rigorous genetic selection process for developing faster growth rates and better brood stock.

Spawning results have improved again this season





Quarterly Activities Report (continued)

For further information, please contact:

Ross Anderson, Chairman

T: (02) 69 625 470

About the Company

Murray Cod Australia is a vertically integrated producer for the breeding, growing and supply of premium Murray Cod to domestic and export markets. Murray Cod Australia uses an innovative farming technique with market-leading bio-security techniques while being environmentally friendly and sustainable. The Company has developed a land-based aquaculture model, using dams and irrigation water, which allows it to control the breeding, feeding, water conditions and biological inputs throughout the entire lifecycle of the fish, providing confidence for customers in the quality and sustainability of the produce. The business is located in the Riverina region of NSW.