

Friday 27th April 2018

ASX Announcement – MICRO-X LIMITED (ASX: MX1)

R & D CONTRACT SIGNED WITH UK MINISTRY OF DEFENCE

Micro-X Limited (**'Micro-X'**) is pleased to inform the market that it has signed a contract with the Defence Science and Technology Laboratory (DSTL) of the UK Ministry of Defence to undertake the first phase of Research and Development of a lightweight x-ray imaging system for detecting explosives hidden in consumer electronic devices.

The contract, won competitively, has been awarded by the UK Government's Defence and Security Accelerator which, working with the Department for Transport, is looking for innovative technologies and solutions to improve aviation security.

Under this contract Micro-X will develop and test a system using a novel combination of x-ray backscatter and conventional projection x-ray imaging techniques to provide a unique high resolution image of consumer electronic devices which might be carried on board passenger aircraft.

"We are very excited to win this contract in the UK" said Micro-X's Managing Director Peter Rowland. "This project uniquely combines the technical successes we have had both in our lightweight medical projection imaging system and our Backscatter Imager which we demonstrated to the Australian Defence Force's Counter-IED Task Force last year. We conducted some imaging tests before submitting our bid for this project and were very pleased at the tiny amounts of explosive material which were easily detectable using this Backscatter imaging technique."

Micro-X is pleased to be collaborating in this project with Professor Toby Breckon of the Department of Computer Science of Durham University in the UK, whose research group is a world-leader in computer vision, image processing and machine learning in pattern recognition applied to automated x-ray security screening. The Durham University group will be working on the application of existing Automated Target Recognition (ATR) algorithms to Micro-X's unique combined backscatter/projection x-ray images.

This first phase contract is for GBP71,900 and will run for six months. Micro-X has provided indicative costs for a follow-on second phase which will ready the technology for a future airport trial system.

For further information please contact:

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About Micro-X: Micro-X Limited (“**MX1**”) is an Australian Securities Exchange listed company developing and commercialising a range of highly innovative products based on proprietary carbon nanotube emitter technologies exclusively licensed and sourced from XinRay Systems Inc., a US based technology developer. These technologies enable the miniaturisation of a number of X-ray applications relevant to large global markets.

The Company has three initial products in its development pipeline – a mobile medical x-ray imager for hospitals, a version for deployed military use and a mobile security back-scatter imager. It is establishing manufacturing for these products in an ISO13485 certified facility in Tonsley, South Australia.