

DOTZ NANO QUATERLY ACTIVITIES REPORT

- **Dotz Nano signs US\$15 million Distribution Agreement for China**
- **Dotz Nano awarded AU\$ 750,000 Grant from SIIRD foundation**
- **Dotz Nano signs MoU with Recochem Australia**
- **Dotz Nano moves registered office to Melbourne**
- **Dotz Nano implements Board Changes**
- **Dotz Nano appoints new Company Secretary**

Dotz Nano Limited (“**Dotz Nano**” or the “**Company**”), an advanced material technology company focusing on the development, manufacture and commercialisation of graphene quantum dots (GQDs) and of advanced Carbon Dots (CDs) is pleased to provide an update on its activities for the three-month period ending March 31, 2018.

In the first quarter Dotz continued to make progress in the three major market activities, anti-counterfeiting sector, tracer in the Oil and Gas market and Product Liability in the bulk liquid/oil sector. The Company continues to make headway with the various distribution agreements signed and expect initial results during the second and third quarters of 2018.

During the first quarter Dotz implemented a change of address, moving the company activities from Perth to Melbourne including appointing a new Company Secretary, and new Board members including a new Chairman of the Board.

Post the period end, the Company's cash position is US\$1.695 million. The Company also remains on track to take advantage of cost sharing grant funding from BIRD and SIIRD to the amount of approximately US\$ 962,000 available to the Company during the next 12-18 months.

Commenting on the quarterly, Dotz Nano’s CEO Dr. Moti Gross, stated: ”

“The last quarter has been immensely important to Dotz Nano, specifically in the transition to a revenue generating company with monthly recurring revenues. Many of the pilot studies we began over the past 12-18 months were completed and are moving into final negotiations. Based on forecasts from our various distribution channels we are moving forward at a rapid pace toward the finalization of these Monthly Revenue Agreements (MRA's).

Our production capability has been implemented and today Dotz Nano can supply all the quantity that is required in the foreseeable future.

In regard to the Quarterly Report, while the previous quarters outlays were higher than usual, this represented costs that were accrued during 2017, specifically to the Corporate Advisor and Board Members, which we were required to settle and to various equipment purchases needed for our Laboratory and production facilities. As to the estimated outflows for the next quarter, some cost cutting will be implemented to allow for the MRAs to come into effect.

“I look forward to notifying the market on the continuation of our activities and successes”.

FOR FURTHER INFORMATION:

Company Secretary

Ian Pamensky

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About Dotz Nano

Dotz Nano Limited (ASX: DTZ) is a nano-technology company focusing on the development, manufacture and commercialization of GQDs. Its vision is to be the premier producer of GQDs by producing and supplying high quality GQDs for use in various applications including medical imaging, sensing, consumer electronics, energy storage, solar cells and computer storage.

To learn more about Dotz Nano please view the website and our corporate video via the following link:

www.dotznano.com

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

DOTZ NANO LIMITED

ABN

71 125 264 575

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(349)	(349)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(260)	(260)
(d) leased assets*	(53)	(53)
(e) staff costs and board remuneration**	(491)	(491)
(f) administration and corporate costs***	(289)	(289)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other ****	57	57
1.9 Net cash from / (used in) operating activities	(1,385)	(1,385)

* The corporate advisor charged the company \$11,000 USD for register office service for the period Jun – Dec 2017.

** The directors fees totalled to \$103,000 USD (this includes payments related to the period Apr – Dec 2017).

*** The amount includes a corporate advisor fee for the period Apr – Nov 2017 of \$63,000 USD.

**** Includes input vat of \$60,000 and other (\$3,000).

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(70)	(70)
(b) businesses (see item 10)	-	-
(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	(70)	(70)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	400	400
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	(27)	(27)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(32)	(32)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (proceeds from unissued shares)	-	-
3.10 Net cash from / (used in) financing activities	341	341

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
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	2,838	2,838
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,385)	(1,385)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(70)	(70)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	341	341
4.5 Effect of movement in exchange rates on cash held	(29)	(29)
4.6 Cash and cash equivalents at end of quarter	1,695	1,695

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 \$US'000	Previous quarter \$US'000
5.1 Bank balances	1,695	2,838
5.2 Call deposits	-	-
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)	1,695	2,838

6. Payments to directors of the entity and their associates	Current quarter \$US'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(194)
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	

The amounts included at 6.1 relate to payments for the CEO remuneration and payments for directors fees (including payments relating to prior periods directors fees).

7. Payments to related entities of the entity and their associates	Current quarter \$US'000
7.1 Aggregate amount of payments to these parties included in item 1.2	(74)
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	

The amounts included at 7.1 relate to payments for management fee and rent expense to entities associated to former chairman, Mr Faldi Ismail. All payments were are on commercial terms.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'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.		

None

9. Estimated cash outflows for next quarter	\$US'000
9.1 Research and development	(225)
9.2 Product manufacturing and operating costs	(17)
9.3 Advertising and marketing	(119)
9.4 Leased assets	(29)
9.5 Staff costs and board remuneration	(316)
9.6 Administration and corporate costs	(212)
9.7 Other – D&O Insurance	(50)
9.8 Total estimated cash outflows	(968)

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.

Sign here:
(Director/Company secretary)

Date: ..30 April 2018.....

Print name: **.Ian Pamensky....**

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.