



ASX Release

APPENDIX 4C – QUARTERLY CASH FLOW REPORT & COMPANY UPDATE

Melbourne, Australia, Thursday 30th April 2015: Avexa Limited (ASX: AVX) lodges the attached Appendix 4C Quarterly Consolidated Statement of Cash Flows for the period ending 31 March 2015.

Commentary is provided as follows:

- The Company held cash reserves of \$1.5 million at 31 March 2015.
- Net operating cash outflows for the March quarter were \$0.45 million which is anticipated to be reduced significantly for the remainder of 2015.
- The Company has invested USD\$4million in Coal Holdings USA, LLC and through a loan facility, invested another USD\$4.5million in Coal Holdings USA, LLC as at 31 March 2015.
- \$0.79 million was raised from the Share Purchase Plan (SSP) in December 2014. The proceeds of \$0.75 million (net of costs) were received in January 2015.
- The Company expects to receive in the second half of the calendar year proceeds from the R&D Tax Incentive and ATC's Named Patient Supply.

COMPANY UPDATE

Key points:

1. North Pratt coal mine – coal production and sales below budget due to very weak market conditions.
2. Named Patient Supply (NPS) - actively working with marketing partner LINK to supply Special Access ATC.

North Pratt coal mine

As previously reported, the North Pratt coal mine near Birmingham, Alabama is fully operational with coal production and sales commenced in late March. An independent, UK based technical consultant visited the site in early April and reported to the investors that the mining operation was first class.

At the beginning of 2015 the market for both metallurgical (and high calorific value thermal) coal has remained weak primarily as a result of the significant and sustained fall in oil prices, amidst lower demand from overseas net importers, in particular China. Until mid-2014, oil prices had remained at or above US\$100 per barrel since 2012. During the first quarter of 2015 the oil price continued to decline to under \$US50. This has had a flow on effect to domestic gas prices allowing industrial consumers to switch from coal to gas and reduced demand for steel drill pipe used in the oil and gas industry. In addition, these market-related factors have resulted in several industrial customers, including power generators, taking advantage of significantly lower energy prices and reacting to lower demand. Their actions include reducing inventories significantly, switching to gas and shutting down plants for unscheduled maintenance.

North Pratt's executive management had been confident of securing additional medium and longer term contracts to add to North Pratt's initial 100,000 short ton contract secured with a local customer in late 2014. Most recently this customer requested a temporary halt in North Pratt shipments as a result of the rapid decline in their customer orders.

As a consequence, plans to increase production as reported in February have been deferred and coal production from North Pratt was, consequently, temporarily halted. As of today, North Pratt will recommence shipping coal to the said customer although on a reduced basis and at a tonnage to be mutually agreed on a month to month basis. Coal production will, therefore, be reduced pending securing further contracts to enable normal production to recommence.

Apricitabine (ATC) – Named Patient Supply (NPS)

ATC is now able to be supplied prior to formal marketing approval in a number of global markets under a variety of arrangements such as Special Access Schemes (SAS) and named patient supply (NPS).

Avexa is working with its marketing partner Link Healthcare (LINK) to provide ATC on a pre-approval basis. This, however, is a gradual process as active promotion of availability is not permitted and is only supplied to physicians with the necessary permits.

To help provide ATC to patients on an NPS type basis Avexa has produced capsules ready for supply and LINK is facilitating medical education of physicians informing them of the benefits of the usage of ATC in their patients. In addition LINK is launching an ATC website for physicians to enable ATC to be quickly supplied in a number of global markets once the necessary permits have been received. LINK is currently actively assisting a number of physicians in this regard.

About Avexa Limited

Avexa Limited is a Melbourne-based biotechnology company with a focus on discovery, development and commercialization of small molecules for the treatment of infectious diseases. Avexa's key projects include Apricitabine (ATC) for the treatment of drug-resistant HIV, an HIV integrase program and an antibiotic program for antibiotic-resistant bacterial infections.

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+ See chapter 19 for defined terms.

Appendix 4C

Quarterly report

for entities admitted on the basis of commitments

Name of entity

AVEXA LIMITED

ABN

53 108 150 750

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Cumulative to
	\$A'000	31 Mar 2015 -
		\$A'000
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) Staff costs	(244)	(819)
(b) Advertising and marketing	-	(29)
(c) Research and development	(50)	(272)
(d) Leased assets	-	(10)
(e) Laboratory consumables	-	-
(f) Occupancy	(28)	(85)
(g) Consulting	(27)	(75)
(h) Legal and professional	(41)	(211)
(i) Corporate administration	(21)	(93)
(j) Travel and entertainment	(6)	(42)
(k) Insurance	1	(82)
(l) Intellectual property	(66)	(237)
(m) Other working capital	(6)	(34)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	53
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST refunds/payments	(1)	6
- Government grants	-	295
- Support services	18	30
Net operating cash flows	(454)	(1,605)

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Cumulative to 31 Mar 2015 - \$A'000
1.8 Net operating cash flows (carried forward)	(454)	(1,605)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	(2)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	232
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	(1,211)
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	-	(981)
1.14 Total operating and investing cash flows	(454)	(2,586)
Cash flows related to financing activities		
1.15 Net proceeds from issues of shares, options, etc. net of raising costs	782	750
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings		
1.19 Dividends paid	-	-
1.20 Other:	-	-
Net financing cash flows	782	750
Net increase (decrease) in cash held	328	(1,836)
1.21 Cash at beginning of quarter/year to date	1,188	3,362
1.22 Exchange rate adjustments to item 1.21	5	(5)
1.23 Cash at end of quarter	1,521	1,521

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current qtr to 31 Mar 2015 - \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	53
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Cash payments to directors comprise non-executive director fees for the quarter.
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not applicable

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	None	Not applicable
3.2	Credit standby arrangements	None	Not applicable
3.3	Credit card facility	150	Nil
3.4	Bank Guarantee	31	Nil

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	201	133
4.2 Deposits at call / Term Deposits	1,320	1,055
4.3 Bank overdraft	-	-
4.4 Other (provide details):	-	-
Total: cash at end of quarter (item 1.23)	1,521	1,188

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	None	None
5.2 Place of incorporation or registration	Not applicable	Not applicable
5.3 Consideration for acquisition or disposal	Not applicable	Not applicable
5.4 Total net assets	Not applicable	Not applicable
5.5 Nature of business	Not applicable	Not applicable

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Mr Iain Kirkwood
 Director

Date: 30 April 2015

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