



ASX Announcement

For immediate release

30 July 2015

BLUECHIIP LIMITED JUNE 2015 QUARTERLY CASH FLOW REPORT

Bluechiip Limited (ASX: BCT) today released its quarterly cash flow report for the period ended 30 June 2015.

Commentary

Net operating cash outflow for June 2015 quarter was \$588,907 representing an average monthly operating net cash outflow of \$196,302 (previous four quarters to March 2015 averaged \$229,158 per month). The improvement in operating net cash outflow over the last quarter is attributable to a reduced payment to suppliers for tags and also reflects the continuous attention to expenditure assessed as essential.

There was no investing cash flow for the June 2015 quarter.

During the quarter, the net cash inflow from financing activities was \$926,317 attributable to proceeds from Placement of \$1 million after defraying share issue costs of \$73,683. The Placement to professional and sophisticated investors was completed on 15 April 2015.

During the quarter, commercial and validation activities were ongoing including:

- Sale and installation of Bluechiip chain of custody solutions at BluBioBank (China), a greenfield high value biobanking facility focused on regenerative health
- Expanding Bluechiip's co-development Original Equipment Manufacturer (**OEM**) strategy opportunity pipeline with targeted release of a Bluechiip OEM Developer Kit
- Engagement of a Business Development representative in North America to support distribution and OEM partners in the single largest biobanking market
- Core research partners identified to respond to the requirements of SIAD Group in Italy to integrate the Bluechiip Cryotag into SIAD's cryobags used to store cord blood and other biological products
- Continued development and refinement of the multi vial reader prototype for dual identity cryovials as part of the co-development project with Micronic BV
- Customer demonstration and validation of functional reader-mini prototypes, defining requirements for handheld Bluechiip reader commercialisation to target OEM partners

In reviewing the company's liquidity and cash flow, the directors note that the Company:

- (a) expects sales, licensing and royalty receipts from customers over the coming months;
- (b) anticipates receiving a Research & Development (R&D) Tax Incentive of over \$500,000 in the 3rd quarter CY 2015; and
- (c) is assessing alternatives for capital raising

END.

For more information:

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About Bluechiip Limited:

Bluechiip has developed a wireless tracking solution for the healthcare and life science, security, defence and manufacturing industries which represents a generational change from current methods such as labels (hand-written and pre-printed), barcodes (linear and 2D) and microelectronic integrated circuit (IC)-based RFID (Radio Frequency Identification).

The unique tag is based on MEMS technology and contains no electronics. The tag can either be embedded or manufactured into a storage product, such as vials or bags. Easy identification, along with any associated information from the tag such as temperature can be detected by a reader, which can also sense the temperature of the tagged items. The traditional identification technologies have significant limitations. Whereas a barcode requires a visible tag or line-of-sight optical scan, bluechiip® technology does not. Unlike labels, barcodes and RFID, the bluechiip® technology can sense the temperature of each item a tag is attached to, or embedded in.

The bluechiip® technology has initial applications in the healthcare industry particularly those businesses which require cryogenic storage facilities (biobanks and biorepositories). bluechiip® offers the only technology that enables accurate and reliable tracking of products including stem cells, cord blood, and other biospecimens. In addition to functioning in extreme temperatures, the bluechiip® tracking solution can survive autoclaving, gamma irradiation sterilization, humidification, centrifuging, cryogenic storage and frosting.

The bluechiip® technology has other healthcare applications in pathology, clinical trials and forensics. Several other key markets outside of healthcare include cold-chain logistics/supply chain, security/defence, industrial/manufacturing and aerospace/aviation.

Further information is available at www.bluechiip.com

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

BLUECHIIP LTD

ABN

79 104 795 922

Quarter ended ("current quarter")

30 JUN 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Cumulative to
		\$A'000	30 Jun 2015 \$A'000
1.1	Receipts from customers	3	56
1.2	Payments for:		
	(a) staff costs	(243)	(929)
	(b) advertising and marketing	(13)	(59)
	(c) research and development	(55)	(772)
	(d) leased assets	(3)	(12)
	(e) other working capital	(308)	(1,296)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	20
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other:		
	- GST refunds	27	111
	- Income tax refund	-	625
	- Government grants	-	-
Net operating cash flows		(589)	(2256)

+ See chapter 19 for defined terms.

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

	Current quarter	Cumulative to
	\$A'000	30 Jun 2015
		\$A'000
1.8 Net operating cash flows (carried forward)	(589)	(2,256)
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	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	(1)
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	-	(1)
1.14 Total operating and investing cash flows	(589)	(2257)
Cash flows related to financing activities		
1.15 Net proceeds from issuance of shares, options, etc via private placement net of costs	926	2654
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	235
1.18 Repayment of borrowings	-	(486)
1.19 Dividends paid	-	-
1.20 Others – Other material expenditure	-	(15)
Net financing cash flows	926	2388
Net increase (decrease) in cash held	337	131
1.21 Cash at beginning of quarter/year to date	405	611
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	742	742

+ 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 quarter \$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	
	Item 1.2(c): Included in the Research & Development was a payment of AUD\$27,453 (USD21,021) to a major supplier for inventory.	
	Item 1.24: Directors fees.	

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

None.

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	29
3.2	Credit standby arrangements	24
3.3	Credit card facility	None
		Not applicable
		Not applicable
Item 3.1 This amount is in relation to loan facilities for premium insurance and IT server financing.		

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	742	405
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	742	405

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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.



Andrew McLellan
Managing Director

Date: 30 Jul 2015

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