



# ALEXIUM

SPECIALTY CHEMICALS AND SOLUTIONS

QUARTERLY ACTIVITIES  
REPORT FOR THE PERIOD ENDED  
31 MARCH 2018

Alexium is pleased to provide the information below on the operations of the business for the third quarter of FY2018. The success of our capital campaign in Q2 2018 has allowed Alexium to shift focus away from short-term cash flow and towards the attainment of our 3 Cornerstone Initiatives from our flame retardant (FR) and phase change material (PCM) platform technologies. The Company continues to make significant progress on each of our initiatives, which we set out below. Alexium is confident that success with any of the three will create profitability and demonstrate the wider applications of our environmentally friendly platform technologies.

## HIGHLIGHTS FROM THE QUARTER

### FINANCIAL & OPERATIONAL

- Cash receipts increased 26% over Q2 to AU \$4.3M from AU \$3.4M;
- Cash burn from operating activities decreased from AU \$3.1M to AU \$2.0M over the previous quarter;
- Alexium believes that success with any of our 3 Cornerstone Initiatives will result in higher margins because of the proprietary solutions we have developed;
- Hired Vice President of Marketing and Corporate Communications Bobby McLain to coordinate all Alexium communications and elevate overall company messaging; and
- Launched a new lower-cost proprietary PCM solution for penetration into mid-volume mattress markets.

### THE 3 CORNERSTONE INITIATIVES

#### Development of FR Military Uniforms

- Alexium has advanced to our 3rd uniform prototype with a current fabric supplier to major Department of Defence (DOD) uniform programs; and
- In response to the DOD also seeking an FR uniform for all service personnel wherever stationed, Alexium is advancing a prototype FR standard issue uniform with another lead supply chain partner of protective finishes to the branches of the DOD to address this high value opportunity.

#### Growth in Bedding Market

- Alexium completed development of the industry's first-ever quantitative and reliable method to measure enthalpic cooling from PCM materials such as Alexicool®, allowing for Alexium to demonstrate superior performance and better market our product; and
- Alexium Global Product Manager Jonas Larue selected as Chairman of first-ever American Association of Textile Colorists and Chemists (AATCC) committee to determine method by which industry will quantify thermal properties of PCM materials.

#### Alexiflam® NF Commercialization

- Alexiflam NF achieved compliance with the chemical regulatory system in Europe, known as REACH, for sales into Europe, months ahead of schedule;
- First Alexiflam NF patent filed with U.S. Patent Office;
- European customer moved into scale-up phase with Alexiflam NF, supported by potential Alexiflam NF licensee; and
- Two additional European customers in sampling and prototype phases for Alexiflam NF in Europe.



## QUARTERLY RESULTS OVERVIEW

AUS \$ (Thousands)	Q3	Prior Quarter	\$ Variance	% Variance	YTD Average	\$ Variance	% Variance
Receipts from customers	4,269	3,392	876	↑ 26%	4,475	(206)	↓ -5%
A) Research and Development	(417)	(367)	(50)	↓ -14%	(378)	(40)	↓ -11%
B) Product Manufacturing and Operating Costs	(3,456)	(3,571)	115	↑ 3%	(3,392)	(64)	↓ -2%
C) Advertising and Marketing	(14)	(130)	116	↑ 89%	(65)	51	↑ 79%
D) Leased Assets	-	26	(26)	↑ 100%	-	-	N/A
E) Staff Cost	(973)	(828)	(125)	↓ -15%	(899)	(74)	↓ -8%
F) Admin and Corporate Costs	(1,025)	(1,058)	33	↑ 3%	(935)	(90)	↓ -10%
Net Cash From/(Used In) Operating Activities	(1,967)	(3,096)	1,129	↑ 36%	(1,568)	(399)	↓ -25%
Net Cash From/ (Used In) Investing Activities	(26)	(16)	(11)	↓ -69%	(16)	(10)	↓ -64%
Net Cash From/ (Used In) Financing Activities	1,592	10,900	(9,307)	↓ -85%	6,081	(4,489)	↓ -74%
Cash and Cash Equivalents	17,155	17,275	(120)	↓ -1%	14,629	2,526	↑ 17%

### Receipts from Customers

Cash receipts are up 26% over the prior quarter but down 5% from the year-to-date quarterly average. Sales are lower than expected as a result of some price pressure in a segment of our customer base. However, we believe that as a result of the new measurement technique for quantifying thermal performance, this trend will be reversed as we begin to demonstrate superior value proposition of our PCM products to new and existing customers.

### Research and Development

Research and development costs increased by 14% over the prior quarter and 11% over the year-to-date quarterly average due to increased investment in personnel and equipment to speed up research efforts on Alexium technologies and development.

### Product Manufacturing and Operating Costs

Product manufacturing costs were down 3% over the prior quarter while inventory balances saw an increase of 3% but increased 2% over the quarterly average. Product costs as a percentage of cash receipts increased over the year-to-date average by 5 percentage points from 76% to 81%. We expect this to turn around as a result of the new measurement technique to demonstrate superior cooling performance.



## QUARTERLY RESULTS OVERVIEW-CONTINUED

### **Staff Costs**

Staff costs increased over the previous period at a rate of 15% due to continued investment in sales and marketing staff.

### **Administration and Corporate Costs**

Administration and corporate costs were down 3% from the prior quarter but reflected a 10% increase over the quarterly average, which was unseasonably low. These costs are expected to remain flat compared to the Q2 and Q3 over the next quarter.

### **Net Cash Used in Operating Activities**

Net cash used during the quarter improved 36% over the previous quarter but was higher than quarterly average operating cashflows by 25%. Cash flows from operations are projected to normalize in Q4 and culminate with significant improvement as cornerstone initiatives are achieved and payments for operations remain flat.

### **Net Cash Used in Financing Activities**

During the period, Alexium finalized a successful Share Purchase Plan (SPP) resulting in AU \$1.59M of additional capital. This contributed to a final cash balance of AU \$17.15M. The working capital provided will facilitate the continued growth efforts of the company and accomplishment of cornerstone achievements.



## INTRODUCTION

Alexium remains focused on our 3 Cornerstone Initiatives and we are confident that each initiative is progressing successfully.

As with many companies focused on the development of innovative and disruptive technology solutions, short-term performance metrics can and will vary quarter to quarter. Short term quarterly variations in a long-term growth story do not reflect true value of the opportunity of platform technologies like Alexicool and Alexiflam.

So as Alexium continues to advance towards our goals, we will continue to focus on and share with you the drivers of value creation of the Company, including:

- Key business fundamentals;
- Short-term and long-term goals;
- The status of “cornerstone” projects for the Company;
- Current and future business conditions in our target markets;
- Key partnerships we are developing, including joint development agreements and licensing arrangements;
- Strides in technology development, including the launch of new products;
- Third-party validation of Alexium; and
- Cost management within the business.

The Alexium team is highly capable and we are well-positioned inside several supply chains that are poised to unlock significant growth for the Company.

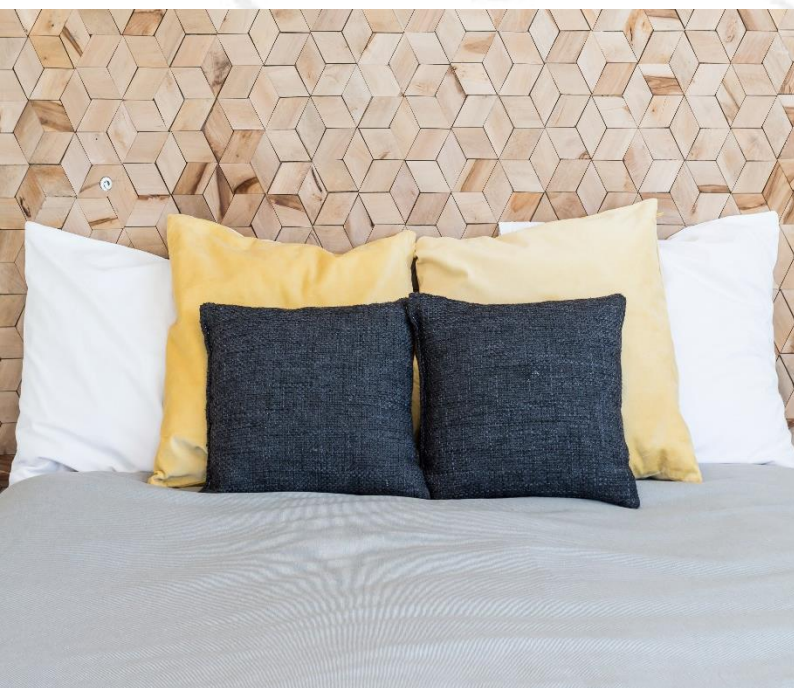
## UPDATE ON ALEXIUM'S 3 CORNERSTONE INITIATIVES

Alexium continues to realize recurring revenue from its client base and has a robust funnel of new business opportunities. We believe, however, that we should focus on those truly strategic “cornerstone” initiatives that, when successful, will be transformative for Alexium and its shareholders. Currently, those cornerstone initiatives are:

1. Development of FR military uniforms;
2. Growth in bedding markets; and
3. Commercialisation of Alexiflam NF.

These cornerstone initiatives:

- Are enabled by our stronger balance sheet, both in terms of short term development costs and working capital available to service regular high value orders;
- Will advance Alexium's unique product offerings higher up the value chain; and
- Give us access to larger and more profitable value orders.



# 1. Development of Flame Retardant Military Uniforms

## A. Flame Retardant Active Combat Uniform (FRACU)

The development of a replacement garment for Flame Retardant Active Combat Uniforms (FRACU) is an initiative that we have been pursuing for several years. We remain confident about this opportunity, which represents approximately 10% of all military uniforms.

Alexium is currently engaged with fabric partners on design prototypes, internal testing, limited user evaluations, and specification modifications.

### **Opportunity/Market Dynamics:**

- The goal of the project is to provide the US military with a more cost-efficient and durable FR military uniform;
- The opportunity represents US \$10M+ in annual revenue;
- Alexium is confident that it can provide a less expensive, more durable, more consistent solution than incumbent providers;
- Because US standards are rigorous, success with this project will provide enormous validation of Alexium's capabilities;
- Providing a US-based solution would establish an American source that would negate the need for the current exception for a foreign-based product through the Berry Amendment; and
- Success with the US military will position Alexium positively in relation to opportunities with US military allies, such as NATO, representing additional revenue opportunities.

### **Recent Accomplishments/Activity**

- This project is well advanced; and
- We are currently working on our 3rd uniform prototype to meet requested advancements in weight and breathability for optimum performance to ensure the next generation FR combat uniform will be the service standard for years to come.

### **Key Milestones Moving Forward**

1. Complete chemical finishing of new fabric and cut-and-sew into garments for testing;
2. Pass full uniform PyroMan™ test;
3. Proceed to minimum 90-day limited user evaluation (field trial) testing;
4. US military will conduct hazard assessment evaluation of the toxicological and ecological impact of the FR solution;
5. Military will finalize the specification and award contract; and
6. Alexium signs agreement with our fabric partner and produces chemistry for uniforms.

## B. Flame Retardant for Other Military Uniforms

The United States Senate Report to S. 2943, the Senate National Defense Authorization Act for Fiscal Year 2017, states that the military services continue to evaluate emerging flame-resistant technologies that may have the potential to provide a more cost-effective level of protection to a wider range of service members. Alexium has made significant strides over the period pursuing this objective.

### Opportunity/Market Dynamics:

- 90% of US military uniforms are not designated as “Active Combat” and have not traditionally received FR treatment;
- Because of the changing nature of combat, the US military now seeks to treat all uniforms with some level of FR;
- This opportunity represents a potential US \$40M+ of annual revenue for Alexium; and
- Relationship with US military will assist Alexium in pursuing military uniform programs with US Allies, including ASEAN and NATO countries.

### Recent Accomplishments/Activity

- Achieved interim technical milestones; and
- Receiving additional fabric to complete prototype.

### Key Milestones Moving Forward

1. Finalize lab prototype which passes all performance specifications;
2. Reproduce prototype on manufacturing scale with supply chain partner;
3. Enter into agreement with supply chain partner;
4. Successful limited user evaluation (field trial) testing; and
5. Award of contract and begin revenue generation.





## 2. Growth in Bedding Market

### A. Development and Acceptance of Phase Change Material (PCM) Metrics

Until recently, there has been an inability to quantify “cooling capacity” among PCM products, most notably when it comes to measuring the *intensity* and *duration* of the cooling sensation created by PCM solutions. As a result, PCM cooling solutions for bedding and pillow fabrics have essentially been considered indistinguishable from each other. This lack of performance metrics has, until now, made it difficult to market Alexicool’s superior performance capabilities, resulting in some margin and revenue pressure in the last quarter.

In response to the lack of a reliable methodology to quantify PCM cooling, Alexium developed a testing protocol using a standard industry tool to quantify the cooling capacity, or enthalpic cooling, of PCM products when applied to pillows and other bedding fabrics. Alexium believes that the superior cooling capabilities of Alexicool will support increased sales of our product and also deliver higher margins.

#### Recent Accomplishments/Activity

- Alexium has successfully created a scientifically valid test to quantify PCM cooling capacity;
- The test uses a refined version of a common and trusted PCM evaluation methodology known as differential scanning calorimetry, to create reliable and scientific verification of PCM cooling performance;
- Pillows treated with Alexium’s Alexicool PCM solution tested 500% cooler than commercially available pillows treated with other PCM products;
- Alexium’s Global Product Manager, Jonas Larue, has been selected chairman of American Association of Textile Chemists and Colorists (AATCC), the organization that will develop the test method standardization for quantitative assessment of thermal regulation properties of textiles; and
- Alexicool cooling superiority creates application flexibility and potential new products for new markets.

#### Key Milestones Moving Forward

1. Conduct marketing campaign to educate consumers and bedding manufacturers on new testing protocol and Alexium PCM differentiation; and
2. Work through AATCC to ensure proper, reliable metrics are established which clearly differentiate products based on performance.

## B. Integration into Additional Bedding Components

Alexium's success to date in the bedding market has largely been in the area of PCM application to the top portion of the mattress ("top of mattress").

PCM applications, however, are quickly expanding to include all aspects of the mattress. Many bedding fabric and finished product manufacturers have little in-house chemistry expertise and seek to partner with PCM manufacturers who are "trusted advisors," and who can bring PCM to the entire mattress, including foams, as well as to pillows.

### Opportunity/Market Dynamics:

- Alexium is rapidly becoming viewed as a trusted partner and solutions provider for the "top of mattress";
- Much of the PCM market in bedding is now in areas outside the mattress top, including mattress foam, mattress sock (FR-treated fabric that encases the mattress foam core), and pillows;
- Alexium is using its experience and product expertise achieved in bedding to bring PCM solutions to other applications; and
- These other components represent much higher volume potential for Alexium.

### Key Milestones Moving Forward

1. Modify current Alexicool product for additional bedding components such as foam and bedding socks;
2. Identify potential partners at both component- and brand-level to develop new mattress products;
3. Enter into agreements with one or more of these partners; and
4. Product scale-up and launch final mattress product.



## C. Expansion Into Higher Volume Mattress Tiers

High volume mattress manufacturers have typically not considered PCM application, primarily due to pricing resistance at the retail level. Alexium believes that there is a growing trend among these manufacturers to consider the addition of PCM as a key potential differentiator.

Alexium is developing a new and unique product that provides flexibility and enhanced cost control in the application of PCM to high-volume bedding products. We believe that this will create a unique opportunity for Alexium to deliver PCM solutions across the entire line of bedding products.

### Opportunity/Market Dynamics:

- Lower tiers of mattresses are currently underserved by PCM providers due to retail cost restrictions;
- This segment is highly competitive, with little differentiation;
- This market is quite large and expands as retail price points become lower; and
- Alexium is receiving strong pull from existing and potential customers to integrate PCM cooling across additional product lines.

### Recent Accomplishments/Activity

- Launched a new lower-cost proprietary PCM solution for mid-volume markets.

### Key Milestones Moving Forward

1. Secure initial key customers for Alexicool AC in higher-volume markets to prove concept to broader market;
2. Complete commercial launch of next-generation PCM product with disruptive cooling value proposition;
3. Identify potential fabric partners to develop mattresses for high-volume tiers;
4. Enter into agreements with one or more of these partners; and
5. Product scale-up and launch final mattress product.



### 3. Alexiflam NF Commercialisation

Alexiflam NF is a proprietary solution that provides an eco-friendly FR treatment for cotton and cotton-polyester blend fabrics. In Europe, the United States, China, and many other developed countries, stringent environmental regulations are being implemented to address the production and use of chemical substances, and their potential impact on both human health and the environment. Many long-standing FR solutions do not meet the new eco-friendly standards. Alexiflam NF is poised to benefit from the shift towards environmentally safe FR solutions.

#### A. Commercialisation of NF into European Markets

##### Opportunity/Market Dynamics:

- The European market for cotton and cotton-blend fabrics is large and growing;
- Incumbent FR technology can be hazardous and may not meet the new eco-friendly standards;
- Legacy FR technologies can be difficult to formulate and apply; and
- Alexiflam NF is price competitive and complies with the new eco-friendly standards.

##### Recent Accomplishments/Activity

- Alexium NF has become compliant with REACH requirements;
- Alexium has developed a solid prototype;
- Alexium has filed for a patent on this unique proprietary FR treatment; and
- Currently have several customers validating chemistry in their labs.

##### Key Milestones Moving Forward

1. Finalize customer validation and move to 3<sup>rd</sup> party trials with potential partners;
2. Potential customers are currently conducting trials and evaluating the product; and
3. Upon completion of successful validations and trials, our next step is to sign agreements with partners.

## B. Commercialisation of NF in the United States

Alexium is on a similar path with NF in the United States. The Toxic Substances Control Act (TSCA) governs the regulations for the production and sale of industrial chemicals in the US. Alexium is working to register NF under TSCA guidelines to allow us to market and sell this product in the United States. Additionally, new toxic FR regulations have been proposed or enacted in 10 states since the US Consumer Product Safety Commission (CPSC) issued guidance in September 2017, with six more states currently considering action.

### Opportunity/Market Dynamics:

- Incumbent FR technology has known hazards and off-quality issues;
- Alexiflam NF is price competitive and free from regulatory pressure; and
- Total worldwide potential for chemistries to FR-treat cotton estimated to be \$100M+ per year.

### Recent Accomplishments/Activity

- Initiated ecological/toxicological testing to support TSCA registration.

### Key Milestones Moving Forward

1. Complete TSCA registration process on current product;
2. As we await TSCA approval, we continue to identify and work with potential partners and customers to develop our supply chain and pipeline in advance of registration;
3. Development of prototype; and
4. Scale up and launch.



## UPDATES ON ADDITIONAL ALEXIUM EFFORTS

### Update from the International Sleep Products Association Expo 2018

In mid-March, Alexium exhibited at the International Sleep Products Association (ISPA) Expo 2018 in Charlotte, North Carolina. The ISPA Expo is the world's largest mattress industry trade show and occurs once every two years. Mattress producers, innovators and industry leaders come from around the globe to see the latest developments in equipment, components and services. This year, the ISPA Expo welcomed 4,300 attendees and featured 264 exhibiting companies including Alexium.

With a newly redesigned booth and collateral, Alexium's focus was on meeting potential customers with thermal management needs. The response to Alexicool yielded:

- Meetings with 24 high probability potential customers from the US and UK
- Introductions to 26 mattress foamers
- Discussions with four mattress manufacturers
- One-on-one meetings with leading pillow producers
- A total of 160 new leads generated

Since the show, Alexium has received sample fabric from four potential customers and will continue to provide updates as progress is made.

**ISPA**  
 **EXPO**

**MARCH 14-16, 2018**

Charlotte, North Carolina | USA

**#ISPAEXPO**



## Alexium Continues to Pursue Robust Pipeline of Additional Opportunities

In addition to the Cornerstone Initiatives discussed above, Alexium has a robust pipeline of additional projects which will continue to be assessed for prioritization based on their potential value to Alexium and the Company's ability to manage the opportunity at the given time.

Alexium expects this opportunity pipeline to greatly expand moving forward as regulatory decisions stemming from the September 2017 CPSC action to ban organohalogen flame retardants picks up steam.

- Protective wood coatings
- Medical nonwovens
- Athletic and racing uniforms
- Activewear/underwear
- Outdoor fabrics
- Alexiflam NF for structural timber
- Alexiflam NF for cotton fleece
- Alexiflam SYN for epoxy materials

All of these sales opportunities exist in various stages of product development: including being actively staffed in the lab, supporting customers as they scale-up, waiting for sales feedback from our customers, etc. Alexium will continue to advise the market as these opportunities mature into material revenue streams and complete information is available.



## 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**

ALEXIUM INTERNATIONAL GROUP LIMITED

**ABN**

91 064 820 408

**Quarter ended ("current quarter")**

31 March 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,269	13,424
1.2 Payments for		
(a) research and development	(418)	(1,133)
(b) product manufacturing and operating costs	(3,456)	(10,176)
(c) advertising and marketing	(14)	(196)
(d) leased assets	-	-
(e) staff costs	(973)	(2,696)
(f) administration and corporate costs	(1,025)	(2,805)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	14
1.5 Interest and other costs of finance paid	(435)	(987)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST received)	78	114
1.8 Other( FX Effect on Intercompany Transfer)	-	(262)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,965)</b>	<b>(4,703)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(26)	(48)
(b) businesses (see item 10)	-	-
(c) investments	-	-



Consolidated statement of cash flows	Current quarter \$A'000	Year to date ( 9 months) \$A'000
(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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(26)</b>	<b>(48)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	1,647	13,377
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	457
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(679)
3.5 Proceeds from borrowings	-	12,161
3.6 Repayment of borrowings	(54)	(6,495)
3.7 Transaction costs related to loans and borrowings	-	(578)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,593</b>	<b>18,243</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	17,273	3,410
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,965)	(4,703)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(26)	(48)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,593	18,243

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	280	253
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>17,155</b>	<b>17,155</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,276	12,435
5.2	Call deposits	13,879	4,838
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>17,155</b>	<b>17,273</b>

**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

<b>Current quarter \$A'000</b>
158
-

N/A

**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

<b>Current quarter \$A'000</b>
211
-

N/A

8. <b>Financing facilities available</b> <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	14,080	13,681
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.		


N/A

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	383
9.2 Product manufacturing and operating costs	3,966
9.3 Advertising and marketing	15
9.4 Leased assets	-
9.5 Staff costs	975
9.6 Administration and corporate costs	1,041
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>6,380</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	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: .....  ..... Date: 30 April 2018| .....

(Director/Company secretary)

Maja McGuire

Print name: .....

**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.