

ASX Company Announcement

ACTIVITY REPORT & APPENDIX 4C

20 April 2015

During the quarter the Company increased its efforts to identify opportunities in the therapeutic space to add to its biotechnology portfolio. Alongside this, the Company is evaluating alternative ways to progress the development of its Oraline® family of workplace saliva drug testing products.

The Company was pleased to receive confirmation of its Oraline® trademark registration in the European Union with a trademark confirmation issued on 18 March 2015 under the Madrid Agreement and Protocol.

Despite the Company's interest in evaluating therapeutic projects, the Board continues to hold the view that workplace drug testing is a robust opportunity, poised to grow in both developed and developing markets. There is significant evidence that the saliva segment is becoming more and more important as predicted. To capitalise on the growing opportunity, the Board has decided to commence discussions with third parties with a view to partnering in the effort to bring Oraline® to market.

The Company is also pleased to report that the Asthma study, to be conducted by the Telethon Kids institute in Perth and funded by the company, has commenced successfully. Dr Anthony Bosco, an internationally respected expert in the area of immunology and genomics, who has led breakthrough research in the relationship of complex gene networks to Asthma, is leading the study. Dr Bosco's team aims to identify genes, which have potential utility as a diagnostic and/or therapeutic target that are predictive of asthma. This would be a significant step on the way to identifying new treatments and prevention mechanisms. The project is now at culture stage and is proceeding according to plan.

In addition to the Telethon Institute study, the Company has evaluated a number of therapeutic projects that may be worthwhile for further consideration. In February the company made a founding investment in a new technology venture accelerator/incubator out of Western Australia.

Howard Digby
Executive Chairman

About Sun Biomedical:

Sun Biomedical Limited is an international biotechnology company with assets and intellectual property in the area of occupational drug testing. The Company also has significant research interests in the area of asthma and other respiratory diseases. Sun Biomedical is currently funding a study at the Telethon Kids Institute in people with allergies. The objective of this project is to perform a detailed analysis of immune responses to house dust mites in allergic subjects with or without asthma, to determine if there is a specific pattern of immune responses associated with asthma. This could lead to developing new mechanisms to predict asthma and new therapeutic targets.

The Company is also commercialising new improved versions of its "Oraline®" hand held multi drug test device. Sun Biomedical is currently developing Oraline®4 and dual-strip Oraline®6 tests.

For more information about Sun Biomedical visit its corporate website at www.sunbiomed.com.au

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Sun Biomedical Limited

ABN

18 001 285 230

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) staff costs	-	-
(b) business development	-	(26)
(c) research and development	(26)	(199)
(d) commercialisation	(8)	(25)
(e) other working capital	(51)	(196)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	81
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(77)	(365)

+ See chapter 19 for defined terms.

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		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	(77)	(365)
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	-	(6)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	12
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Payment for term deposit	-	-
1.13	Investment in Technology Accelerator Program	(100)	(100)
	Net investing cash flows	(100)	(94)
1.14	Total operating and investing cash flows	(177)	(459)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	-	825
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 (share issue costs)	(5)	(54)
	Net financing cash flows	(5)	771
	Net increase (decrease) in cash held	(182)	312
1.21	Cash at beginning of quarter/year to date	1,673	1,179
1.22	Exchange rate adjustments to item 1.21	-	-
1.23	Cash at end of quarter	1,491	1,491

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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	63
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors' fees, salaries including superannuation benefits and corporate secretarial fees. All payments are on normal commercial terms.

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

N/A

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

N/A

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	N/A	N/A
3.2	Credit standby arrangements	N/A	N/A

+ See chapter 19 for defined terms.

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	-	62
4.2 Deposits at call	1,491	1,611
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	1,491	1,673

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

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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.

Sign here:



Date: 20 April 2015

Print name: Howard Digby
(Chairman)

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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