



# QUARTERLY REPORT

MARCH 2016

## OPERATIONAL SUMMARY

The quarter ended 31 March 2016 has seen a significant change to the Company's activities.

On 29 March 2016 the Shareholders approved the acquisition of Linius (Aust) Pty Ltd. At the shareholders meeting a total 16 resolutions were passed including a change of the Company's name to Linius Technologies Limited. See Notice of meeting released 23 February 2016.

After approval of the acquisition of Linius (Aust) Pty Ltd by Shareholders, the Company has confirmed that the capital raising has closed heavily oversubscribed and the maximum possible raising under the Prospectus dated 3 March 2016, of \$3,500,000 had been accepted.

The Directors plan to complete the acquisition in the coming weeks and have the company's securities reinstated to trading on the ASX as Linius Technologies Limited (ASX code; LNU).

The Directors are eagerly awaiting the development of the Linius technology and the potential growth in shareholder wealth. Since listing the Company in July 2011 the current Directors (and major shareholders) have carefully managed the Company with the constant attention to the growth of shareholders value. At this stage in the Company's development, the current Directors are resigning and are confident about the Company's future growth prospects.

### ABOUT LINIUS (AUST) PTY LTD

Linius has the rights to a transformative patented technology in video management and broadcasting.

The highlights of the Linius business are as follows:

- Linius transforms video file management and distribution by indexing and managing data within the video file itself.
- Linius has the potential to disrupt the entire video value chain.
- Potential to dramatically reduce the production and supply side costs of video management by, for example, removing the need for transcoding to the myriad of file formats required for broadcasting to different devices.
- Potential to facilitate truly personalised viewing experiences. No two streams need ever be the same again.
- US and International patents granted.
- Limited deployment partners identified.
- 93% of all consumer web traffic and 64% of mobile is video (ref: Cisco).
- Strong management team in place with extensive experience in the video space.

## Background

Linus has designed and patented the world's first video virtualisation engine. The technology transforms large inflexible video files into small highly flexible data structures. The patented process applies two highly successful techniques to video – data indexing and virtualisation, which means that video can be indexed, spliced and edited in real time.

Content publishing no longer requires transcoding, complex workflow systems or numerous individual streams to personalise video delivery. Instead video files can be virtualised and delivered as required to any standards based device.

### Some of the key potential benefits include:

#### *For Content owners:*

- Greater opportunity to monetise content catalogues
- Almost eliminate transcoding costs
- Improved security and control of assets
- Access and manage entire content database

#### *For Broadcasters:*

- Simplified workflow for video play out on standards based devices
- Capability to truly personalise content viewing experiences
- Ability to insert specific ads in individuals streams
- Personalised pricing options

#### *Infrastructure providers:*

- Dramatically reduce transport, storage and broadcast costs
- Significant capex savings on infrastructure and storage costs

Linus has 7 patents and 12 patent applications across 9 countries including a freedom to operate in the USA. A detailed patent report was included in the Prospectus.

## FUTHER INFORMATION

For further information on the acquisition of Linus, please review the Notice of Meeting released to the ASX 23 February 2016.

## **Copper Ridge Project – Utah USA. (100% Firestrike Resources Limited)**

The Company continues to maintain its mineral asset in meeting its statutory obligations. The asset remains of value to the Company and the project is being maintained to meet the requirements of State and the Federal legislation in the USA.

## SCHEDULE OF TENEMENTS

Held as at 31st March 2016

| Project name          | Tenement ID                                                                                                                                                                                                                                                                                                     | Number of tenements or claims | Ownership                         |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------|
| Copper Ridge Utah USA | From CR#005 to CR#012 inclusive; CR#014; CR#016; CR#030 to CR#043 inclusive; CR#045; CR#056; CR#058; CR#060; CR#062 to CR#067 inclusive; CR#069; CR#078; CR#080 to CR#089 inclusive; CR#091; CR#098; CR#100; CR#102; CR#104; CR#106; CR#112; CR#114; CR#116; CR#117; CR#120; CR#123; CR#125 to CR#144 inclusive | 78                            | 100% Firestrike Resources Limited |

Disposed of during the quarter

| Project name | Tenement ID | Number of tenements or claims | Ownership |
|--------------|-------------|-------------------------------|-----------|
| Nil          |             |                               |           |

Acquired during the quarter

|     |  |  |  |
|-----|--|--|--|
| Nil |  |  |  |
|-----|--|--|--|

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Firestrike Resources Limited

ABN

84 149 796 332

Quarter ended ("current quarter")

31 March 2016

### Consolidated statement of cash flows

|                                                                 | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|-----------------------------------------------------------------|----------------------------|---------------------------------------|
| <b>Cash flows related to operating activities</b>               |                            |                                       |
| 1.1 Receipts from product sales and related debtors             | -                          | -                                     |
| 1.2 Payments for (a) exploration & evaluation                   | -                          | (20)                                  |
| (b) development                                                 | -                          | -                                     |
| (c) production                                                  | -                          | -                                     |
| (d) administration                                              | (84)                       | (283)                                 |
| 1.3 Dividends received                                          | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 1                          | 11                                    |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes paid                                           | -                          | -                                     |
| 1.7 Other - Due Diligence on Linus acquisition                  | (59)                       | (106)                                 |
| <b>Net Operating Cash Flows</b>                                 | <b>(142)</b>               | <b>(398)</b>                          |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 1.8 Payment for purchases of:                                   |                            |                                       |
| (a) prospects                                                   | -                          | -                                     |
| (b) equity investments                                          | -                          | -                                     |
| (c) other fixed assets                                          | -                          | -                                     |
| 1.9 Proceeds from sale of:                                      |                            |                                       |
| (a) prospects                                                   | -                          | -                                     |
| (b) equity investments                                          | -                          | -                                     |
| (c) other fixed assets                                          | -                          | -                                     |
| 1.10 Loans to other entities                                    | -                          | -                                     |
| 1.11 Loans repaid by other entities                             | -                          | -                                     |
| 1.12 Other – Deposit on acquisition of Linus (Aust) Pty Ltd     | -                          | (250)                                 |
| <b>Net investing cash flows</b>                                 | <b>-</b>                   | <b>(250)</b>                          |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(142)</b>               | <b>(648)</b>                          |

|      |                                                            |       |       |
|------|------------------------------------------------------------|-------|-------|
| I.13 | Total operating and investing cash flows (brought forward) | (142) | (648) |
|      | <b>Cash flows related to financing activities</b>          |       |       |
| I.14 | Proceeds from issues of shares, options, etc.              | -     | 641   |
| I.15 | Proceeds from sale of forfeited shares                     | -     | -     |
| I.16 | Proceeds from borrowings                                   | -     | -     |
| I.17 | Repayment of borrowings                                    | -     | -     |
| I.18 | Dividends paid                                             | -     | -     |
| I.19 | Other – Capital Raising costs                              | (122) | (135) |
|      | – Prospectus funds awaiting share issue                    | 500   | 500   |
|      | <b>Net financing cash flows</b>                            | 378   | 1,006 |
|      | <b>Net increase (decrease) in cash held</b>                | 236   | 358   |
| I.20 | Cash at beginning of quarter/year to date                  | 838   | 716   |
| I.21 | Exchange rate adjustments to item I.20                     | -     | -     |
| I.22 | <b>Cash at end of quarter</b>                              | 1,074 | 1,074 |

#### 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         |
| I.2  | Aggregate amount of payments to the parties included in item I.2 | 51              |
| I.24 | Aggregate amount of loans to the parties included in item I.10   | -               |

I.25 Explanation necessary for an understanding of the transactions

|                              |
|------------------------------|
| Consulting fees and salaries |
|------------------------------|

#### 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

|                |
|----------------|
| Not Applicable |
|----------------|

2.2 Details of outlays made by other entities to establish or increase their share in projects 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<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | -                           | -                      |
| 3.2 Credit standby arrangements | -                           | -                      |

## Estimated cash outflows for next quarter

|                                | \$A'000 |
|--------------------------------|---------|
| 4.1 Exploration and evaluation | -       |
| 4.2 Development                | -       |
| 4.3 Production                 | -       |
| 4.4 Administration             | 120     |
| <b>Total</b>                   | 120     |

## 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<br>\$A'000 | Previous quarter<br>\$A'000 |
|--------------------------------------------------|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 1,074                      | 838                         |
| 5.2 Deposits at call                             | -                          | -                           |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (provide details)                      | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b> | 1,074                      | 838                         |

## Changes in interests in mining tenements

|     | Tenement reference                                            | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---------------------------------------------------------------|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed |                               |                                  |                            |

6.2 Interests in mining tenements acquired or increased

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

|                                                                                                                                | Total number      | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|-----------------------------------------------|--------------------------------------------------|
| 7.1 <b>Preference securities</b><br>(description)                                                                              |                   |               |                                               |                                                  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |                   |               |                                               |                                                  |
| 7.3 <b>*Ordinary securities</b>                                                                                                | 119,511,308       | 119,511,308   |                                               |                                                  |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              | 202,269<br>25,000 | -<br>25,000   | \$0.074<br>\$0.04 option ex                   | \$0.074<br>\$0.04                                |
| 7.5 <b>*Convertible debt securities</b><br>(description)                                                                       |                   |               |                                               |                                                  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |                   |               |                                               |                                                  |
| 7.7 <b>Options</b><br>(description and conversion factor)                                                                      | 14,527,554        | 14,527,554    | Exercise price<br>\$0.04                      | Expiry date<br>31 December 2016                  |
| 7.8 Issued during quarter                                                                                                      |                   |               |                                               |                                                  |
| 7.9 Exercised during quarter                                                                                                   | 25,000            | 25,000        |                                               |                                                  |
| 7.10 Expired/Cancelled during quarter                                                                                          |                   |               |                                               |                                                  |
| 7.11 <b>Debentures</b><br>(totals only)                                                                                        |                   |               |                                               |                                                  |
| 7.12 <b>Unsecured notes</b> (totals only)                                                                                      |                   |               |                                               |                                                  |



## compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....

Date: 13/04/2016

Print name: Paul Lloyd

## 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 "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.