

REPORT FOR FOURTH QUARTER FY16

Advanced Nano Technologies Ltd is a specialist developer, manufacturer and supplier of nano materials used in personal care, cosmetic and other sectors.

Advanced Nano Technologies' two primary products are ZinClear™ a transparent zinc oxide based broad spectrum UV absorber for use in the sun care and cosmetics sector and Alusion™ an aluminium oxide pigment with applications in cosmetics products.

ANO services its international customer-base via a global network of 9 distributors covering 29 countries.

ASX: ANO

Directors

Rade Dudurovic (Chairman)

Lev Mizikovsky

Geoff Acton

Company Secretary

Geoff Acton

For further information, please contact:

Rade Dudurovic – Non Executive Chairman

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Quarterly Overview

- Cash flow from operations for the June 2016 quarter was a positive \$17,616 which compares favourably to a cash outflow of \$812,816 for the prior corresponding quarter.
- Cash balance (unaudited) as at 30 June 2016 was \$1,091,528 compared to \$1,078,489 as at 31 March 2016.
- Sales revenue for our ZinClear™ range of products was \$700,842 for the quarter. Total revenue (unaudited) for the fiscal year ending 30 June 2016 (unaudited) was down 4% compared to fiscal year ended 30 June 2015.
- Significant progress has been made in improving our supply chain and potential contract manufacturers.
- Advanced Nano Technologies continues to work to resolve the issues relating to its manufacturing agreement with Merck KgaA relating to Alusion.
- The fortnightly pay for June 2016 was \$12,688 some 62% below the same fortnightly pay in June 2015 and fortnightly Director fees have reduced by \$4,807 some 43% below the same period in June 2015.
- Directors and Officers insurance has been halved from \$20 million cover to \$10 million cover with a saving of \$9,925. A review of other insurance policies has resulted in further savings of \$8,276. Total insurance savings of \$18,201 with a reduction of 19.2% compared to 30 June 2015
- The quarterly result includes all costs associated with new projects, with two universities, in an attempt to commercialise a number of existing patents. In addition we identified two partially completed projects, involving our applications of nano particles in solar battery technology, that we are now assessing for potential patent applications to protect our intellectual property.
- The Board are considering steps to recover company funds from prior management as a result of a preliminary review of stock on hand and fixed assets.



ASX ANNOUNCEMENT
(ASX: ANO)

29 JULY 2016

APPENDIX 4C – QUARTERLY REPORT FOR ENTITIES ADMITTED ON THE BASIS OF COMMITMENTS

Name of entity	Advanced Nano Technologies Limited
ABN	54 079 845 855
Quarter ended	30 June 2016 (“Current Quarter”)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Quarter (3 months) \$A	Year to date (12 months) \$A
30-Jun-16		
Cash flows related to operating activities		
1.1 Receipts from customers	932,835	5,025,842
1.2 Payments for (a) staff costs (excluding R&D staff costs)	(214,473)	(918,501)
(b) advertising and marketing	(24,490)	(88,158)
(c) R&D (including staff costs)	(17,658)	(416,193)
(d) other working capital	(637,474)	(3,163,074)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1,095	9,966
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (R&D credit)	(22,219)	185,453
1.7 Other - contract research and development	-	-
1.8 Net operating cash flows	17,616	635,335
Cash flows related to investing activities		
1.9 Payments for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property (including capitalised development costs)	-	-
(d) physical non-current assets	-	(35,809)
(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	-	-
(e) other non-current assets	-	-

CONSOLIDATED STATEMENT OF CASH FLOWS cont.

	Current Quarter (3 months) \$A	Year to date (12 months) \$A
Cash flows related to investing activities (continued)		
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	-	(35,809)
1.14 Total operating and investing cash flows	17,616	599,526
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
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	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	17,616	599,526
1.21 Cash at beginning of quarter/year to date	1,081,382	608,223
1.22 Exchange rate adjustments to item 1.21	(7,470)	(116,221)
1.23 Cash at end of quarter	1,091,528	1,091,528

PAYMENTS TO DIRECTORS OF THE ENTITY AND ASSOCIATES OF THE DIRECTORS

PAYMENTS TO RELATED ENTITIES OF THE ENTITY AND ASSOCIATES OF THE RELATED ENTITIES

PAYMENTS TO DIRECTORS ETC

1.24 Explanation necessary for an understanding of the transactions and directors fees

Summary of Payments

	Note	Current Quarter	Year to Date
Payments to directors - salary & fees	(i)	-	-
Payments to director related entities	(ii)	41,000	195,073
		41,000	195,073

(i) Payments to Directors – Salary & Fees

During the quarter Rade Dudurovic, Geoff Acton and Lev Mizikovsky were directors of the Company. Mr Mizikovsky does not receive director's fees.

Payments to the non-executive directors are set out in the table below.

		Current Quarter	Year to Date
Non-Executive Directors		41,000	195,073
Executive Directors		-	-
		41,000	195,073

Explanation necessary for an understanding of the transactions and directors fees

(ii) Payments to Director Related Entities

A summary of payments to director related entities during the current quarter and year to date is set out in the table following:

		Current Quarter	Year to Date
Sequent Corporation P/L		31,250	125,000
G & S Quality Systems Pty Ltd		9,750	70,073
		41,000	195,073

Sequent Pty Ltd is a director related entity of Rade Dudurovic and billed Advanced Nano Technologies Limited for director's fees.

G & S Quality Systems Pty Ltd is a director related entity of Geoff Acton and bills Advanced Nano Technologies Limited for director's fees.

Note: Amounts included above exclude payments to directors and associates for reimbursement of expenses incurred on the Company's behalf.

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 businesses in which the reporting entity has an interest

Not applicable

FINANCING FACILITIES AVAILABLE

	Amount Available \$A	Amount Used \$A
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

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	Previous Quarter \$A
4.1 Cash on hand and at bank	1,085,899	1,075,779
4.2 Deposits at call	5,629	5,604
4.3 Bank overdraft		
4.4 Other		
Total: cash at end of quarter (item 1.23)	1,091,528	1,081,383

ACQUISITIONS AND DISPOSALS OF BUSINESS ENTITIES

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

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:



Print name: Geoff Acton
Company Secretary

Date: 29 July 2016

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 1026: Statement of Cash Flows apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. 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.