

## **Appendix 4C - Quarterly Report & Company Update For the period ended 30 June 2016**

PharmAust Limited ("PharmAust") (ASX: PAA) is pleased to provide an update and review of its activities.

### **University of Cambridge to begin Phase II Trial**

During the quarter, PharmAust reported that following the signing of a Materials Transfer Agreement with the University of Cambridge, Department of Veterinary Sciences, Dr Jane Dobson will oversee and evaluate the role of monepantel ("MPL") as a treatment for canine cancers.

The Phase II trial will be undertaken in canines which have failed standard of care and follows on from the Phase I trial undertaken in Sydney, Australia by Dr Angela Frimberger. The Phase I trial showed excellent safety with suppression of tumour markers and the Phase II will build on these successful earlier results.

PharmAust has a Research and Option Agreement with Novartis Animal Health and, as such, the outcome of this study will be important in understanding the commercial potential of MPL in veterinary cancer therapy.

### **Juniper Pharma successfully completes manufacture of reformulated MPL capsules**

During the quarter, the Company reported that Juniper Pharma Services Ltd have developed and completed the manufacture of 1,000 capsules of MPL (monepantel) to GMP (Good Manufacturing Practice) standards to support further development of PharmAust's cancer programs. The new capsules have been developed to address the palatability issues with monepantel solution (Zolvix). This first batch of capsules were provided to the University of Cambridge to be used in the canine cancer trial. A total of 20,000 capsules will be produced to support the clinical work moving forward.

### **Epichem Successful in AusTrade & DNDi Grant**

On 16<sup>th</sup> June 2016, PharmAust announced that the Australian Tropical Medicine Commercialisation Grants Programme, through the support of Australia's Trade and Investment Ministry, will provide \$250,000 for a project entitled "Novel compounds for the treatment of Leishmaniasis in humans and animals," to be led by its subsidiary Epichem in partnership with the Swiss-based Drugs for Neglected Disease initiative (DNDi).

Leishmaniasis is a potentially fatal parasitic disease spread by various species of sand fly. Already a human health issue in 98 countries, 350 million people are estimated to be at risk of infection, most notably poor populations living in remote areas. Leishmaniasis is also a significant disease in a number of animals, especially dogs in many parts of Europe and North America.

The grant will see Epichem provide the synthetic and medicinal chemistry component of a research program focused on developing new treatments for leishmaniasis in collaboration with the DNDi team. Any human drugs resulting from the project will be for the benefit of DNDi, but Epichem has the right to commercialise treatments for leishmaniasis in animals.

Twelve applications to the ATMCG programme have been successful, four are from Victoria, four are from Queensland, two are from NSW and two are from WA. Five of the successful applicants are private companies, two are independent research institutes and five are from Australian universities.

## **PharmAust signs mandate for US\$10m fully underwritten NASDAQ listing**

During the quarter, PharmAust advised that it has signed a Mandate with prominent New York-based investment bank, Joseph Gunnar & Co., LLC, for a fully underwritten registered public offering in the USA. The listing process typically takes 4-6 months and will run in parallel to the next stages of product development at PharmAust.

PharmAust's Executive Chairman, Dr Roger Aston said: "I believe that this is an important step for PharmAust, particularly judging from the level of US interest in the prospects of repurposing MPL for the global cancer therapy market."

## **Epichem receives \$420k from DNDi in July**

In July 2016, Epichem received \$419,944.00 from DNDi for work continuing on its flagship project on Chagas disease. This payment is not included in this Appendix 4C – Quarterly Report as it was received after 30 June 2016.

**For further details please contact:**

**Dr Roger Aston**  
**Executive Chairman**  
**Tel: 0402 762 204**  
[rogeraston@pharmaust.com](mailto:rogeraston@pharmaust.com)

**Mr Robert Bishop**  
**Executive Director**  
**Tel: 0417 445 180**  
[robertbishop@pharmaust.com](mailto:robertbishop@pharmaust.com)

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

PharmAust Limited

ABN

35 094 006 023

Quarter ended ("current quarter")

June 2016

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	384	2,429
1.2 Payments for		
(a) staff costs	(450)	(1,913)
(b) advertising and marketing		
(c) research and development	(208)	(568)
(d) leased assets	(8)	(32)
(e) other working capital	(571)	(2,138)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	35
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (GST)	(12)	529
<b>Net operating cash flows</b>	<b>(861)</b>	<b>(1,657)</b>

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**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(861)	(1,657)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(9)	(1,458)
(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		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Proceeds from acquisitions of controlled entity		
	(9)	(1,458)
<b>Net investing cash flows</b>		
1.14 <b>Total operating and investing cash flows</b>	(871)	(3,115)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		1
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		740
1.18 Repayment of borrowings		(153)
1.19 Dividends paid		
1.20 Other		
<b>Net financing cash flows</b>		588
<b>Net increase (decrease) in cash held</b>	(871)	(2,527)
1.21 Cash at beginning of quarter/year to date	1,755	3,411
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	884	884

+ 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	170
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	
	Director's Salaries & Superannuation	

### 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

- 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

### Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

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**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	874	745
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (Term Deposit)	10	1,010
<b>Total: cash at end of quarter (item 1.23)</b>	<b>884</b>	<b>1,755</b>

**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 ~~does not~~\* (delete one) give a true and fair view of the matters disclosed.

Sign here:  Date: 29 July 2016  
 (Director & Company Secretary)

Print name: Sam Wright

+ See chapter 19 for defined terms.

## 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.

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