

25 May 2016

### **Transition to Contract Manufacturing**

As part of the pending relocation of Antaria's office to Brisbane, the Board has committed to establishing contract manufacturing facilities in Australia and Europe that create operational and logistical efficiencies.

This strategy should lead to a reduction in manufacturing costs, improvement in consistency of the product as well as a reduction in fixed costs.

The future reduction in costs will assist our distribution network sales at a time where zinc has been approved in Europe and our competitors are achieving much lower costs due to economies of scale.

The Board is currently in early discussions, on a confidential basis, with a number of contract manufacturers in Australia. We hope to finalise this process before the end of July, and then focus our attention to the European manufacturing process.

Antaria has lost a number of employees due to the pending relocation process without any significant cost in redundancies or any effect on sales.

ENDS

Rade Dudurovic  
Non-executive Chairman