



ASX Announcement

For immediate release

11 July 2016

BLUECHIIP LIMITED JUNE 2016 QUARTERLY CASH FLOW REPORT

Bluechiip Limited (**Bluechiip or Company**) (ASX: BCT) today released its quarterly cash flow report for the period ended 30 June 2016.

Commentary

Net operating cash outflow for June 2016 quarter was \$445,393, compared to \$468,773 for the previous quarter (after Research and Development (**R&D**) tax incentive adjustment).

During the quarter, \$180,030 was raised from issue of new shares in Bluechiip pursuant to a private placement of shares to sophisticated and professional investors. The net capital raised was \$177,798 after share issue costs. The Company also obtained a R&D loan facility of \$500,000 to part finance the activities. The loan repayment is secured by the expected R&D Tax incentive to be received for the financial year ended 30 Jun 2016.

During the quarter, we:

- Progressed to the second phase of our Original Equipment Manufacturing (**OEM**) license and supply agreement to incorporate Bluechiip's technology into our partner's Assisted Reproductive Technologies (**ART**) medical device for sale into In Vitro Fertilisation (**IVF**) clinics across the globe, recording invoices for delivery of technology support service and components culminating in highly successful demonstration at the world's largest ART trade show;
- Continue to introduce the Bluechiip OEM Developer Kit to a number of potential OEM partners with successful sales during the quarter. The Developer Kit enables OEM partners to integrate Bluechiip's technology with their own products. We also continue research and development of solutions to meet the OEM partners' requirements;
- Continued expansion of Bluechiip's OEM pipeline in the US and Europe market and conversion of OEM partner opportunities;
- Continued to engage closely with our OEM pipeline partners in responding to their needs and market feedback in respect of our mobile handheld readers and prototype multi-vial reader; and
- Continue to work with our patent adviser on registering further patents from the R&D activities.

In reviewing the company's liquidity and cash flow, the directors note that the Company is considering, amongst others, sales and licensing income anticipated to be generated over the next twelve months, loans from third party and/or directors and assessing alternatives for capital raising in the near term.

END.

For more information:

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About Bluechiip Limited:

Founded in 2003 and ASX listed in 2011 [ASX:BCT], Bluechiip has its head office in Melbourne, Australia and distribution channels around the globe.

Bluechiip's unique and patented technology combines secure wireless sample tracking with integrated temperature reading for use in extreme environments, working reliably in temperatures from -196°C to +200°C, and impervious to autoclaving, gamma irradiation sterilization, humidification, centrifuging, cryogenic storage and frosting.

Based on MEMS technology, the Bluechiip® tag contains no electronics. Unlike traditional tracking technology like labels, barcodes or RFID, Bluechiip does not require line-of-sight visibility for temperature readings and tracking, and so can be read through frost without damaging the sample.

The tag can either be embedded or manufactured into storage products such as vials or bags. Easy identification, along with any associated information from the tag can be detected by a reader, which can also sense the temperature of the tagged items. Unlike other tracking methods, the Bluechiip® technology can sense the temperature of each item a tag is attached to or embedded in.

This technology is particularly important for industries such as the \$2b biopreservation & cryopreservation market, which processes more than 300 million samples per year of tissue, blood, serum, plasma, etc., for industries such as pharmaceuticals, IVF, research and clinical trials. It also has applications in cold chain logistics, food, manufacturing, security and defence.

Further information is available at www.bluechiip.com

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

BLUECHIIP LTD

ABN

79 104 795 922

Quarter ended ("current quarter")

30 JUNE 2016

Consolidated statement of cash flows

		Current quarter	Cumulative to
		\$A'000	30 Jun 2016
			\$A'000
Cash flows related to operating activities			
1.1	Receipts from customers (inclusive of GST)	-	121
1.2	Payments for:		
	(a) staff costs	(302)	(1,154)
	(b) advertising and marketing	(10)	(53)
	(c) research and development	(39)	(423)
	(d) leased assets	-	(5)
	(e) other working capital	(102)	(916)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other:		
	- GST refunds	6	91
	- Income tax refund	-	681
	- Government grants	-	-
Net operating cash flows		(446)	(1,653)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter	Cumulative to
	\$A'000	30 Jun 2016
		\$A'000
1.8 Net operating cash flows (carried forward)	(446)	(1,653)
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	-	(3)
(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 Other	-	-
Net investing cash flows	-	(3)
1.14 Total operating and investing cash flows	(446)	(1,656)
Cash flows related to financing activities		
1.15 Net proceeds from issuance of shares, options, etc via private placement net of costs	178	948
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	500	1,100
1.18 Repayment of borrowings	-	(600)
1.19 Dividends paid	-	-
1.20 Others – Other material expenditure	(15)	(46)
Net financing cash flows	663	1,402
Net increase (decrease) in cash held	217	(254)
1.21 Cash at beginning of quarter/year to date	271	742
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	488	488

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

1.26 Explanation necessary for an understanding of the transactions

Item 1.20: This was in relation to interest and establishment fee of:

- (i) \$31,000 for a loan facility of \$600,000 obtained in September 2016 and subsequently repaid in November 2016; and
- (ii) \$15,000 for a loan facility of \$500,000 obtained in June 2016

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

None.

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

None.

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	500
3.2	Credit standby arrangements	None
3.3	Credit card facility	None

Item 3.1 This relates to a loan facility of \$500,000 obtained for part financing the research & development activities and its repayment secured by the expected R&D Tax incentive to be received for the financial year ended 30 Jun 2016.

+ 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	Previous quarter
	\$A'000	\$A'000
4.1 Cash on hand and at bank	462	245
4.2 Deposits at call	26	26
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	488	271

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	None	None
5.2 Place of incorporation or registration	Not applicable	Not applicable
5.3 Consideration for acquisition or disposal	Not applicable	Not applicable
5.4 Total net assets	Not applicable	Not applicable
5.5 Nature of business	Not applicable	Not applicable

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.



Andrew McLellan
Managing Director

Date: 11 July 2016

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