



ASX Code: **PHK**

Share Price: **A\$0.068**

52 Week High: **A\$0.125**

52 Week Low: **A\$0.031**

Issued Shares: **367.9m**

Market Cap: **A\$25.0M**

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[www.phoslock.com.br](http://www.phoslock.com.br)

[www.phoslock.cn](http://www.phoslock.cn)

PHK BLOG on Water Issues:

[www.phoslock.com.au](http://www.phoslock.com.au)

# ASX ANNOUNCEMENT

Wednesday 1<sup>st</sup> February, 2017

## Clarification of December Quarterly

The Company has received a number of queries from shareholders on the recently December Quarterly Report.

- The July to December 2016 six month period produced record Sales and record Cash Receipts for the Company.
- Sales were up 30% for the six months to 31 December, 2016 to \$1.9m and Cash Receipts were up 55% to \$1.7m, compared with the previous period. A further \$302,000 was received in early January 2017 relating to the December period. This would have taken Cash Receipts to over \$2.0m for the six months.
- Inventory purchases for the six months period were up 85% to \$1.7m. This is a large outflow of cash but very positive for the business. A large portion of this inventory will be used to meet sales deliveries in the January-June 2017 period.
- The Company is currently funding its Inventory and Debtors, totalling over \$1.6m through its own cash resources, along with a \$1m short-term working capital facility.
- The current Sales Order Book is in excess of \$5m , hence the need to increase Inventory in advance of delivery. We anticipate that these Sales Orders will be completed in the current calendar year. We expect to add additional Sales Orders in most of our key markets.
- As stated in our recent December Quarterly, the Company continues to invest heavily in our China Business. This comprises a team of six in China plus frequent time spent by the Managing Director and GM Operations. The Company has signed five marketing agreements with well-credentialed Chinese environmental companies. These companies have a combination of existing customers and large contracts which they are currently tendering for, in which they could use Phoslock as part of the contract. The Company believes that China is poised to deliver substantial sales.

- The Company is making solid progress on our pipeline of nearly 50 projects, ten of which are classified as Large. Due to Commercial Confidentiality, details can only be provided when contracts are signed or orders received.

**Mr Laurence Freedman AM**  
Chairman

**Mr Robert Schuitema**  
Managing Director

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## PHOSLOCK WATER SOLUTIONS LIMITED (PHK)

PHK produces *PHOSLOCK*, a patented technology which was developed by the Commonwealth Scientific and Industrial Research Organisation (“CSIRO”). PHK has lodged a subsequent patent application to protect the core *PHOSLOCK* technology which is in an advanced stage of being granted in some 50 countries, with the intention of extending the core *PHOSLOCK* technology to 2033.

PHK is headquartered in Sydney, Australia and has offices in Brisbane, Shanghai, China and Bremen, Germany covering Europe/UK and South America. PHK is represented by licensees, distributors and agents in ten other countries including Bentophos in Germany, SePRO Corporation in the United States and HidroScience in Brazil.

PHK has signed agreements in China with five environmental companies to gain access to their clients for remediation work on lake, river and canal projects. These include Hangzhou Enjoy Water Technology Co. Ltd, 29% owned by Shenzhen Stock Exchange listed Xingyuan Environmental Technology Co. Ltd ([www.xingyuan.com](http://www.xingyuan.com)) and Nanjing Zhongke Water Environment Co. Ltd.

*PHOSLOCK* is a certified NSF/ANSI Standard 60 product - North American Drinking Water (see websites [ansi.org](http://ansi.org) and [scc.ca](http://scc.ca)). This certification enables *PHOSLOCK* to be applied to water bodies used for human consumption.

*PHOSLOCK* has been certified by Chinese Research Academy of Environmental Sciences (CRAES). *PHOSLOCK* is classified as a general environmental substance. It is neither hazardous nor harmful to the environment. *PHOSLOCK* has low risk to hydro ecological system.



**North America**



**China**

**Phoslock Water Solutions Limited is listed on the Australian Stock Exchange (ASX Code: PHK).**

For more information about *PHOSLOCK* Water Solutions and *PHOSLOCK* please visit our websites: [www.PHOSLOCK.com.au](http://www.PHOSLOCK.com.au) or [www.PHOSLOCK.eu](http://www.PHOSLOCK.eu) (Spanish, Italian, Dutch and German) or [www.PHOSLOCK.com.br](http://www.PHOSLOCK.com.br) (Portuguese) or [www.PHOSLOCK.cn](http://www.PHOSLOCK.cn) (Chinese).

***PHOSLOCK* BLOG** on *PHOSLOCK* news and current Water Issues – see [www.PHOSLOCK.com.au](http://www.PHOSLOCK.com.au) and look for *PHOSLOCK* BLOG icon in top right corner of the Home Page.

## **ABOUT PHOSLOCK – the Product**

*PHOSLOCK* is a unique water treatment product which binds phosphorus in water bodies such as lakes and dams. It provides a protective permeable layer to sediments, permanently preventing the re-release of phosphorus.

Retention of phosphorus reduces the level of algae by depriving it of nutrients. This in turn improves water quality, both for human use and aquatic life as well as preventing and controlling Harmful Algal Blooms (HAB).

*PHOSLOCK* is primarily used as an in-water solution for lakes, drinking water reservoirs and other recreational water bodies. It is also used as a preventative product to absorb phosphorus before it is transported into water bodies by being applied in storm water basins and inflow channels, rivers and canals.

*PHOSLOCK* is approved for use in North American Drinking Water Reservoirs via NSF/ANSI Standard 60 Certification. This certifies that *PHOSLOCK* is safe for use in drinking water.

*PHOSLOCK* has been certified by Chinese Research Academy of Environmental Sciences (CRAES). *PHOSLOCK* is classified as a general environmental substance. It is neither hazardous nor harmful to the environment. *PHOSLOCK* has low risk to hydro ecological system.

*PHOSLOCK* has been used on many high profile water bodies in Europe/UK, North America and Australia. To date over 300 initial and follow-up applications have been successfully made.

Over 50 peer reviewed scientific and technical papers, have been published on *PHOSLOCK* in leading scientific journals. For access: [www.PHOSLOCK.com.au](http://www.PHOSLOCK.com.au)