



Murray Cod Australia Ltd

ASX:MCA

Quarterly Update for the 3 Months Ended 30 September 2018

31 October 2018

The Board of MCA announce the following in respect of activities of the Company since our last update in conjunction with the release of Appendix 4C:

Processing Plant Construction Underway

The Company now has access to the site in Griffith and work has commenced on modifications to the building. The site was previously an orange juice processor and significant infrastructure from the previous tenant has been purchased in order to speed up the commissioning of the site. The purchase also provided significant cost savings over the option of a complete build on a greenfield site. The site will be used for processing of fish (which is currently outsourced) and will enable the Company to value add product. It will also reduce the logistics work currently involved in processing product for various markets. It will enable the company to control the supply chain in value adding and thereby continue to build on our strategy of positioning the company as an international luxury food brand and not a mere commodity producer.

First Aquna Sustainable Murray Cod served in Japan

Earlier this week our product was served at Salt restaurant in Tokyo. This is an excellent validation of our product quality and is the result of significant due diligence of our product by a Japanese distributor.

Negotiations with Japanese distributors are ongoing and we will update the market as developments occur.



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Aquna Murray Cod Served at Salt Restaurant in Tokyo.

<https://www.instagram.com/p/BpZD3iNgj32/?tagged=murraycod>

Aquna Murray cod given the green tick

Farmed Murray cod has been listed as a 'better choice' in the updated Sustainable Seafood Guide – marking a significant win for MCA and the industry.

[Australia's Sustainable Seafood Guide](#) (SSG) is an independent tool for choosing seafood wisely. The latest guide, which was released last week, is Australia's resource for consumers seeking to make responsible seafood choices. The guide was developed in response to growing public concern about overfishing, farming practices and their impact on our oceans and wildlife.

Assessments are conducted on the major species of seafood caught and farmed in Australia, which results in an overall ranking of either: Green 'better choice', Amber 'eat less', or Red 'say no'.

Managing Director Mathew Ryan stated "As Australia's largest Murray cod producer, we're delighted to see the species marked as a 'better choice' for consumers. We've been working hard with the [Australian Marine Conservation Society](#) over the last six months to ensure this important change was made to the guide."



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Samples of Aquna Cod well received in USA

Following feedback from the Tokyo seafood Show the Company visited a distributor in the USA in the last quarter with the result that two separate sets of samples of Aquna Cod have been shipped to USA. The feedback has been outstanding and negotiations remain ongoing.

Initial Plans for “Super-Site” Completed

Initial plans for a super site in the MIA have been completed and soil testing and development application work is underway. The initial plan caters for 35 ponds that would vary in size between 15 and 20 megalitres each. This site would provide a holding capacity of a minimum of 1,260,000 fish. This would add to our existing holding capacity of 820,000 fish. Our average sale size increased to 1.6kg per fish for the last quarter. We continue to aim at selling fish in the range 1.5 to 2kg each.

Current Spawnings Provide Positive Outlook

Spawnings are currently underway at our hatchery with initial results of spawning and larvae numbers placing the company on target to equal or exceed last year's result of 2 million larvae. Updates will be provided in coming weeks as spawning completes and numbers are finalised.

Smoked Product Update

The Company continues to aim at releasing the Aquna Hot Smoked Murray Cod to the Australian market by Christmas. Agreement in principle has been negotiated with distributors and processors. Delays in finalising the packaging for the product have slowed progress to date. However the Company expects these to be overcome in coming weeks. The smoked product is unique in Australia and many parts of the world as a high fat white fleshed fish. Feedback from taste tests around the world has been outstanding.

**For more information contact:
Ross Anderson Chairman
+61 269 625 470**

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Murray Cod Australia Limited

ABN

74 143 928 625

Quarter ended ("current quarter")

30 September 2018

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date 3 months \$A'000 |
|---|----------------------|------------------------------------|--|
| 1. Cash flows from operating activities | | | |
| 1.1 Receipts from customers | 627 | 627 | |
| 1.2 Payments for | | | |
| (a) research and development | | | |
| (b) product manufacturing and operating costs | | | |
| (c) advertising and marketing | | | |
| (d) leased assets | | | |
| (e) staff costs | | | |
| (f) administration and corporate costs | | | |
| Total 1.2 | <1,838> | <1,838> | |
| 1.3 Dividends received (see note 3) | | | |
| 1.4 Interest received | 6 | 6 | |
| 1.5 Interest and other costs of finance paid | | | |
| 1.6 Income taxes paid | | | |
| 1.7 Government grants and tax incentives | 18 | 18 | |
| 1.8 Other (provide details if material) | | | |
| 1.9 Net cash from / (used in) operating activities | <1,187> | <1,187> | |
| 2. Cash flows from investing activities | | | |
| 2.1 Payments to acquire: | | | |
| (a) property, plant and equipment | <163> | <163> | |
| (b) businesses (see item 10) | | | |
| (c) investments | | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date 3 months \$A'000 |
|--------------------------------------|---|----------------------------|-------------------------------------|
| | (d) intellectual property | | |
| | (e) other non-current assets | | |
| 2.2 | Proceeds from disposal of: | | |
| | (a) property, plant and equipment | | |
| | (b) businesses (see item 10) | | |
| | (c) investments | | |
| | (d) intellectual property | | |
| | (e) other non-current assets | | |
| 2.3 | Cash flows from loans to other entities | | |
| 2.4 | Dividends received (see note 3) | | |
| 2.5 | Other (provide details if material) | | |
| 2.6 | Net cash from / (used in) investing activities | <163> | <163> |

| | | | |
|-----------|---|------------|------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | | |
| 3.2 | Proceeds from issue of convertible notes | | |
| 3.3 | Proceeds from exercise of share options | | |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | | |
| 3.5 | Proceeds from borrowings | 668 | 668 |
| 3.6 | Repayment of borrowings | <25> | <25> |
| 3.7 | Transaction costs related to loans and borrowings | | |
| 3.8 | Dividends paid | | |
| 3.9 | Other (provide details if material) | | |
| 3.10 | Net cash from / (used in) financing activities | 643 | 643 |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of quarter/year to date | 2,077 | 2,077 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | <1,187> | <1,187> |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | <163> | <163> |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 643 | 643 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date 3 months \$A'000 |
|---|--|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of quarter | 1,370 | 1,370 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 1,219 | 2,076 |
| 5.2 Term Deposits | 150 | |
| 5.3 Bank overdrafts | | |
| 5.4 Other – Petty Cash | 1 | 1 |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,370 | 2,077 |

6. Payments to directors of the entity and their associates

| | Current quarter \$A'000 |
|--|------------------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 73 |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | Nil |

Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

All payments were made for Directors Fees or in respect of contractual arrangements on arms length terms.

7. Payments to related entities of the entity and their associates

| | Current quarter \$A'000 |
|--|------------------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | 344 |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | Nil |

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

All payments were made for Directors Fees or in respect of contractual arrangements on arms length terms.

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|--|---|
| 8.1 Loan facilities | 2,500 | 668 |
| 8.2 Credit standby arrangements | 2,500 | Nil |
| 8.3 Other (please specify) | | |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

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| 9. Estimated cash outflows for next quarter (net of cash receipts) | \$A'000 |
|---|------------|
| 9.1 Research and development | |
| 9.2 Product manufacturing and operating costs | |
| 9.3 Advertising and marketing | |
| 9.4 Leased assets | |
| 9.5 Staff costs | |
| 9.6 Administration and corporate costs | |
| 9.7 Other (provide details if material) | |
| 9.8 Total estimated cash outflows | 550 |

| 10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above) | Acquisitions | Disposals |
|--|--------------|-----------|
| 10.1 Name of entity | N/A | N/A |
| 10.2 Place of incorporation or registration | | |
| 10.3 Consideration for acquisition or disposal | | |
| 10.4 Total net assets | | |
| 10.5 Nature of business | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Director/Company secretary)

Date: 31 October 2018

Print name: Ross Anderson

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.