



21 May 2019

Companies Announcements Office
ASX Limited
10th Floor, 20 Bridge Street
SYDNEY NSW 2000

31 MARCH 2020 QUARTER OPERATIONS REPORT

Significant activities in the Company's and its investee's activities during the March 2020 quarter were as follows:

Share Consolidation

Subsequent to a shareholders meeting held on 27 March 2020 the Company completed the consolidation of its issued capital on a one (1) for ten (10) basis ("Consolidation"). As a result of the Consolidation, the post consolidation securities in the Company are as follows:

- The total number of fully paid ordinary shares on issue were reduced from 3,341,463,202 shares to 334,146,072 fully paid ordinary shares.
- The share options were similarly consolidated on a one (1) for one ten (10) basis with the relevant exercise price for the options amended in inverse proportion to the consolidation ratio.

New Investments

The company commenced negotiations for the purpose of considering, planning and executing a capital raising and for new investments.

Advent Energy

Investee Advent Energy Ltd submitted to the National Offshore Petroleum Titles Administrator (NOPTA) an application to enable the drilling of the Baleen drill target in the PEP11 permit offshore NSW. Advent, through wholly owned subsidiary Asset Energy Pty Ltd, holds an 85% interest and is operator of the permit. Bounty Oil and Gas NL (ASX: BUY) holds the remaining 15%.

The PEP11 Joint Venture has reviewed the work program and now proposes to proceed with the drilling of a well at Baleen subject to approvals from NOPTA and other regulatory authorities and financing and has now made application to NOPTA to change the current Permit conditions to proceed with the drilling. Bounty and Asset are now moving to a drill ready status for PEP11. The current permit expiry date is in March 2021. The application to NOPTA includes the extension of the permit title for up to two years to enable the drilling and includes an application for the removal of the requirement for a 500 sq. km 3D seismic program. The Joint Venture will further update the market on the timing of these approvals when detail is available.

The PEP11 project lies in the offshore Sydney Basin adjacent to the NSW coast, extending from Sydney to Newcastle and situated in Commonwealth waters. The PEP11 project comprises significant structural targets believed to hold multi TCF natural gas resources. PEP11 is supremely located to potentially supply gas into the east coast gas market.

Advent with JV partner Bounty Oil completed a 200-line km 2D seismic survey in PEP11 in the second Quarter of 2018 at Baleen as a precursor to drilling of this target approximately 30 km south east of Newcastle. PEP 11 covers 4,576 sq. km of the offshore Sydney Basin immediately adjacent to the largest gas market in Australia and is a high impact exploration project. PEP 11 remains one of the most significant untested gas plays in Australia. The PEP JV has demonstrated considerable gas generation and migration in the offshore Sydney Basin, with the previously observed mapped prospects and leads being highly prospective for gas

With major gas supply issues developing in eastern Australia Asset has identified a new target at Baleen with AVO analysis of seismic data. Offshore operations are not affected by the various onshore gas exploration roadblocks and planning is underway aimed at advancing Baleen to a drill test in 2020.

The gas supply crisis on the east coast of Australia has created a significant market opportunity to raise the funding to drill with the objective of developing the PEP11 project and we are now engaging with investors to fund this drilling.

BPH and Grandbridge Ltd settled residual legal matters with Advent Energy Ltd and the actions in WA District Court have been discontinued.

Onshore Energy ("Onshore") made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded post quarter end setting out a course of action in relation to that decision which Onshore is following.

During the quarter Advent raised \$170,000 through the issue of 3,400,000 shares at \$0.05 per share. In addition, BPH converted \$162,566 of debt owing by Advent into equity by the issue of 3,251,320 shares in Advent at \$0.05 per share as approved by Advent shareholders at its 2019 Annual General Meeting. Together with the conversion to equity of debt owing by Advent to Grandbridge Limited, also approved at Advent's 2019 Annual General Meeting, BPH's direct shareholding in Advent increased from 22.6% to 22.7%.

Cortical Dynamics Limited

The Company announced that investee Cortical secured an investment of \$250,000 from IntuitiveX ("IX") and Korean based VC investor Gentium Partners ("GP") by the issue of 12,500,000 shares at \$0.02 per share. Mr Charles Chang and Mr. Ashley Zimpel joined the Cortical board following the resignations of other Cortical directors My Gary Todd and Mr David Liley. BPH director David Breeze remained as a Cortical board member.

The investor is a Seattle-based life science consulting firm and incubator. Its management team is comprised of life science entrepreneurs, physicians, investors, and innovators. It brings a combined 100+ years of experience in R&D, Clinical, IP Strategy, Prototyping, Product Development, and Commercialisation. IX catalyzes medical innovation by identifying novel and timely ideas and applying its resources to make them possible.

From initial concept to final commercialisation, IntuitiveX has the in-house knowledge and network to meet the unique needs of the most innovative life science companies in the world. The

Intuitive X team will assist Cortical in the FDA regulatory approval process. It has investments in eleven MedTech, digital health, robotics to augmented reality, and 3-D printing to biotech and brings to Cortical extensive experience in the US capital raising and commercialisation arena. Gentium Partners Inc is a FSS licensed asset management company based in Seoul, South Korea. It was established in 2018 by professionals who have broad experience in domestic and global financial institutions. Previously, the partners have headed up divisions at Morgan Stanley, Bankers Trust, KB Bank, Commerzbank, and Meritz Securities. Using their collective broad network and experience, GP was created to assist venture companies, particularly those in the startup stages, with mentoring and fund raising. GP also assists and invests in promising pre-IPO companies.

While sector agnostic, GP prefers to invest in companies with innovative technologies and/or ideas, particularly when they are impactful in healthcare, environment, and lifestyle. Among some of GP's investments are: the leading urban farm business in Korea; B2C payment technology based on Bluetooth identifier; a biomedical startup with a breakthrough approach for diagnosing and treating amyloid diseases; and "hycore" for electrifying a 26" bicycle, just to name a few.

BPH converted \$2,313,304 of debt owing by Cortical into equity by the issue of 23,134,067 shares in Cortical at \$0.10 per share as approved by Cortical shareholders at its 2019 Annual General Meeting. Cortical also issued 1,062,500 shares at a deemed \$0.02 per share in lieu of fees. BPH's shareholding in Cortical went from 3.95% before the conversion of debt to equity by itself and Grandbridge Limited, and Cortical's issue of 1,062,500 shares in lieu of fees, to 18.2% afterwards.

Patagonia Genetics

Investee Patagonia Genetics executed a joint venture agreement with Israeli based research group Bio-Sciences Pharma Ltd (BSP), a subsidiary of Impact NRS (NRS).

Expenditure on activities during the quarter (Appendix 4C)

Line 2.5: \$17,000 investment in Patagonia Genetics.

Transaction costs related to the issue of equity securities (Appendix 4C)

Line 3.4: \$45,000 primarily relating to funds raised in the December 2019 quarter.

Details of payments to / receipts from related parties (Appendix 4C)

Line 6.1: \$23,000 from the recharge of costs to Grandbridge Limited less \$19,000 paid to a related party of a director as remuneration.

Line 6.2: \$26,000 net receipts from the Advent Energy Limited group for funds previously advanced to them.

Authorised by



David Breeze
Chairman