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SciDev Ltd

(Formerly known as Intec Ltd)

Appendix 4E - Preliminary Final Report - 30 June 2017

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SciDev Ltd
Appendix 4E
Preliminary final report

1. Company details

Name of entity: SciDev Ltd
ABN: 25 001 150 849
Reporting period: For the year ended 30 June 2017
Previous period: For the year ended 30 June 2016

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	35.3% to	1,925,233
Loss from ordinary activities after tax attributable to the owners of SciDev Ltd	up	41.9% to	(682,151)
Loss for the year attributable to the owners of SciDev Limited	up	41.9% to	(682,151)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Brief Explanation of any of the figures reported above

The Company and controlled entities (the Group) generated an operating loss after income tax of \$597,340 (30 June 2016: \$458,130) and net cash outflows from operations of \$225,298 (\$541,397 in the year ended 30 June 2016). At 30 June 2017, the consolidated entity had net assets of \$2,461,700 (2016: \$1,766,899) and cash balances of \$938,714 (2016: \$479,089).

This Appendix 4E should be read in conjunction with the Half-Year Financial Report of the Group as at 31 December 2016 and the Annual Financial Report of SciDev, due to be released in September 2017, for the year ended 30 June 2017. It is also recommended that the Appendix 4E be considered together with any public announcements made by the Group since commencement of the 2016/17 financial year on 1 July 2016 in accordance with the continuous disclosure obligations arising under the Corporations Act, 2001.

Events Occurring after Balance Date

On 14 August 2017, the Company issued 6.5 million unquoted options to executive and staff (not Directors). The options were granted under the SciDev Ltd Employee Share Scheme. The options have an exercise price of \$0.025 and an expiry date of 28 November 2019.

No matter or circumstance has arisen since 30 June 2017 that has significantly affected or may significantly affect the consolidated entities operations, the results of these operations, or the consolidated entities state of affairs in future financial years.

Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.24</u>	<u>0.17</u>

3. Control gained over entities

Not applicable.

4. Loss of control over entities

Not applicable.

5. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

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Previous period

There were no dividends paid, recommended or declared during the previous financial period.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit statement

This report is based on accounts that are in the process of being audited.

10. Attachments

The condensed financial statements of SciDev Ltd for the year ended 30 June 2017 is attached.

11. Signed

Signed _____



Kieran G Rodgers
Managing Director
Sydney

Date: 25 August 2017

SciDev Ltd
Condensed consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue		1,925,233	1,423,072
Other income		243,802	351,138
Expenses			
Changes in inventories		(46,673)	22,263
Raw materials and consumables used		(955,068)	(780,694)
Employee benefits expense		(741,253)	(701,317)
Depreciation and amortisation expense		(152,193)	(85,763)
Engineering and other consultants expenses		(157,684)	(147,660)
Insurance		(44,081)	(37,247)
Listing and share registry expenses		(38,635)	(25,496)
Professional fees		(140,974)	(106,167)
Rent and related expenses		(124,467)	(105,137)
Travel, accommodation and conference		(90,162)	(71,740)
Other expenses		(125,012)	(81,994)
Finance costs		<u>(26,628)</u>	<u>(26,427)</u>
Loss before income tax expense		(473,795)	(373,169)
Income tax expense		<u>(123,545)</u>	<u>(84,961)</u>
Loss after income tax expense for the year		(597,340)	(458,130)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain on revaluation of other financial assets		-	22,465
Reclassification on disposal of available-for-sale financial assets		<u>-</u>	<u>(40,565)</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>(18,100)</u>
Total comprehensive income for the year		<u>(597,340)</u>	<u>(476,230)</u>
Loss for the year is attributable to:			
Non-controlling interest		84,811	22,458
Owners of SciDev Ltd		<u>(682,151)</u>	<u>(480,588)</u>
		<u>(597,340)</u>	<u>(458,130)</u>
Total comprehensive income for the year is attributable to:			
Non-controlling interest		84,811	22,458
Owners of SciDev Limited		<u>(682,151)</u>	<u>(498,688)</u>
		<u>(597,340)</u>	<u>(476,230)</u>
		Cents	Cents
Basic earnings per share	11	(0.18)	(0.16)
Diluted earnings per share	11	(0.18)	(0.16)

Refer to note 2 for detailed information on Restatement of comparatives.

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

SciDev Ltd
Condensed consolidated statement of financial position
As at 30 June 2017

	Note	2017 \$	2016 \$	1 July 2015 \$
Assets				
Current assets				
Cash and cash equivalents	5	938,714	478,089	926,394
Trade and other receivables		334,017	215,524	320,569
Inventories		231,839	278,040	255,777
Income tax refund due		-	11,253	5,425
Other		1,754	1,756	537
Total current assets		1,506,324	984,662	1,508,702
Non-current assets				
Other financial assets		2,900	2,900	-
Property, plant and equipment		291,201	228,545	221,323
Intangibles	6	1,279,803	1,269,090	1,288,905
Other		-	-	57,200
Total non-current assets		1,573,904	1,500,535	1,567,428
Total assets		3,080,228	2,485,197	3,076,130
Liabilities				
Current liabilities				
Trade and other payables		358,410	105,136	177,754
Borrowings		11,957	336,491	355,466
Employee benefits		163,365	139,466	-
Provisions		-	-	111,298
Total current liabilities		533,732	581,093	644,518
Non-current liabilities				
Borrowings	7	32,546	71,323	113,718
Deferred tax		52,250	65,882	74,765
Total non-current liabilities		84,796	137,205	188,483
Total liabilities		618,528	718,298	833,001
Net assets		2,461,700	1,766,899	2,243,129
Equity				
Issued capital	8	73,834,118	71,641,977	71,641,977
Reserves		2,008,395	2,653,594	2,671,694
Accumulated losses		(73,380,813)	(72,698,662)	(72,218,074)
Equity attributable to the owners of SciDev Ltd		2,461,700	1,596,909	2,095,597
Non-controlling interest		-	169,990	147,532
Total equity		2,461,700	1,766,899	2,243,129

Refer to note 2 for detailed information on Restatement of comparatives.

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

SciDev Ltd
Condensed consolidated statement of changes in equity
For the year ended 30 June 2017

	Issued capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2015	71,641,977	2,671,694	(72,218,074)	147,532	2,243,129
Profit/(loss) after income tax expense for the year	-	-	(480,588)	22,458	(458,130)
Other comprehensive income for the year, net of tax	-	(18,100)	-	-	(18,100)
Total comprehensive income for the year	-	(18,100)	(480,588)	22,458	(476,230)
Balance at 30 June 2016	71,641,977	2,653,594	(72,698,662)	169,990	1,766,899
	Issued capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2016	71,641,977	2,653,594	(72,698,662)	169,990	1,766,899
Profit/(loss) after income tax expense for the year	-	-	(682,151)	84,811	(597,340)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(682,151)	84,811	(597,340)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 8)	2,192,141	-	-	-	2,192,141
Transactions with non-controlling interests	-	(645,199)	-	(254,801)	(900,000)
Balance at 30 June 2017	<u>73,834,118</u>	<u>2,008,395</u>	<u>(73,380,813)</u>	<u>-</u>	<u>2,461,700</u>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

SciDev Ltd
Condensed consolidated statement of cash flows
For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,999,539	1,671,695
Payments to suppliers and employees (inclusive of GST)		<u>(2,304,164)</u>	<u>(2,268,673)</u>
		(304,625)	(596,978)
Interest received		13,387	18,990
R&D tax offset received		218,492	162,690
Interest and other finance costs paid		(26,628)	(26,427)
Income taxes paid		<u>(125,924)</u>	<u>(99,672)</u>
Net cash used in operating activities		<u>(225,298)</u>	<u>(541,397)</u>
Cash flows from investing activities			
Payments for non-controlling interest in subsidiary	10	(660,000)	-
Payments for property, plant and equipment		(190,764)	(58,414)
Payments for intangibles	6	(52,143)	-
Proceeds from disposal of property, plant and equipment		-	207,531
Proceeds from disposal of intangibles		<u>-</u>	<u>(14,756)</u>
Net cash from/(used in) investing activities		<u>(902,907)</u>	<u>134,361</u>
Cash flows from financing activities			
Proceeds from issue of shares	8	2,100,000	-
Share issue transaction costs	8	(147,859)	-
Repayment of borrowings		<u>(363,311)</u>	<u>(41,269)</u>
Net cash from/(used in) financing activities		<u>1,588,830</u>	<u>(41,269)</u>
Net increase/(decrease) in cash and cash equivalents		460,625	(448,305)
Cash and cash equivalents at the beginning of the financial year		<u>478,089</u>	<u>926,394</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>938,714</u></u>	<u><u>478,089</u></u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

SciDev Ltd
Notes to the condensed consolidated financial statements
30 June 2017

Note 1. Statement of significant accounting policies

Statement of compliance

This preliminary final report (the Report) is to be read in conjunction with any public announcements made by SciDev Ltd during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Australian Securities Exchange Listing Rules.

The preliminary final report has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board and the Corporations Act 2001.

The Report is presented in Australian dollars, which is the functional currency of SciDev Ltd and its controlled entities and has been prepared on the basis of historical cost except in accordance with relevant accounting policies where assets and liabilities are stated at their fair values.

Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are consistent with those of the previous financial year.

Comparatives

Where necessary, comparative figures have been adjusted to comply with the changes in presentation in the current period.

Going concern

The consolidated entity generated an operating loss after income tax of \$597,340 (2016: \$458,130) and net cash outflows from operations of \$225,298 (2016: \$541,397) in the year ended 30 June 2017. At 30 June 2017, the consolidated entity had net assets of \$2,461,700 (2016: \$1,766,899) and cash balances of \$938,714 (2016: \$479,089).

These matters give rise to a material uncertainty that may cast doubt whether the consolidated entity can continue as a going concern and realise its assets and extinguish its liabilities in the ordinary course of business and at amounts stated in the financial statements. The continuing viability of the consolidated entity and its ability to continue as a going concern and meet its debts and commitments as and when they fall due are dependent upon the consolidated entity being successful in the following:

- Commercialisation of the Optiflox® System with resultant increased product sales and technology leasing fees;
- The raising sufficient capital by way of either additional debt and/or equity capital; and
- The receipt of proceeds from the sale of non-core assets.

The Directors are of the opinion that sufficient additional funding will be secured and are themselves likely to participate in any future equity capital raising. The financial report has therefore been prepared on the basis of a going concern. This basis presumes that funds from the above sources will be available to finance future operations, and to repay liabilities and that the realisation of assets and settlement of liabilities will occur in the normal course of business.

However, the Directors note that if sufficient funds are not raised through the above-mentioned sources, the going concern basis may not be appropriate with the result that the group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the financial report.

Note 2. Restatement of comparatives

Reclassification

For the year ended 30 June 2016 the net gain on disposal of investments, income from subsidiaries and grants, and income from the reimbursement of expenses have been reclassified from 'Revenue' to 'Other income' in the statement of profit or loss.

The expenses in the statement of profit or loss for the year ended 30 June 2016 were not presented using a consistent classification based on either the nature of expenses or their function within the consolidated entity. For the year ended 30 June 2017 the consolidated entity has presented expenses in the statement of profit or loss based on the nature of the expense and the comparatives have been reclassified to reflect the changes in presentation.

The 30 June 2016 statement of financial position has been restated as follows: the income tax receivable and prepayments are disclosed separately on the face of the statement of financial position under current assets, and the loans from related related parties have been reclassified from trade and other payables to borrowings.

SciDev Ltd
Notes to the condensed consolidated financial statements
30 June 2017

Note 2. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income

Extract	2016 \$ Reported	\$ Adjustment	2016 \$ Restated
Revenue	1,774,210	(351,138)	1,423,072
Other income	-	351,138	351,138
Expenses			
Changes in inventories	-	22,263	22,263
Raw materials and consumables used	(758,431)	(22,263)	(780,694)
Administration expense	(307,529)	307,529	-
Insurance	-	(37,247)	(37,247)
Listing and share registry expenses	-	(25,496)	(25,496)
Professional fees	-	(106,167)	(106,167)
Travel, accommodation and conference	-	(71,740)	(71,740)
Other expenses	(15,115)	(66,879)	(81,994)
Loss before income tax expense	(373,169)	-	(373,169)
Income tax expense	(84,961)	-	(84,961)
Loss after income tax expense for the year	(458,130)	-	(458,130)
Other comprehensive income for the year, net of tax	(18,100)	-	(18,100)
Total comprehensive income for the year	(476,230)	-	(476,230)
Loss for the year is attributable to:			
Non-controlling interest	22,458	-	22,458
Owners of SciDev Ltd	(480,588)	-	(480,588)
	(458,130)	-	(458,130)
Total comprehensive income for the year is attributable to:			
Non-controlling interest	22,458	-	22,458
Owners of SciDev Ltd	(498,688)	-	(498,688)
	(476,230)	-	(476,230)

SciDev Ltd
Notes to the condensed consolidated financial statements
30 June 2017

Note 2. Restatement of comparatives (continued)

Statement of financial position at the beginning of the earliest comparative period

Extract	1 July 2015	\$	1 July 2015
Assets	\$	\$	\$
Current assets	Reported	Adjustment	Restated
Trade and other receivables	326,531	(5,962)	320,569
Income tax refund due	-	5,425	5,425
Other	-	537	537
Total current assets	<u>1,508,702</u>	<u>-</u>	<u>1,508,702</u>
Total assets	<u>3,076,130</u>	<u>-</u>	<u>3,076,130</u>
Liabilities			
Current liabilities			
Trade and other payables	277,754	(100,000)	177,754
Borrowings	255,466	100,000	355,466
Total current liabilities	<u>644,518</u>	<u>-</u>	<u>644,518</u>
Total liabilities	<u>833,001</u>	<u>-</u>	<u>833,001</u>
Net assets	<u>2,243,129</u>	<u>-</u>	<u>2,243,129</u>

Statement of financial position at the end of the earliest comparative period

Extract	2016	\$	2016
Assets	\$	\$	\$
Current assets	Reported	Adjustment	Restated
Trade and other receivables	228,533	(13,009)	215,524
Income tax refund due	-	11,253	11,253
Other	-	1,756	1,756
Total current assets	<u>984,662</u>	<u>-</u>	<u>984,662</u>
Total assets	<u>2,485,197</u>	<u>-</u>	<u>2,485,197</u>
Liabilities			
Current liabilities			
Trade and other payables	205,136	(100,000)	105,136
Borrowings	236,491	100,000	336,491
Total current liabilities	<u>581,093</u>	<u>-</u>	<u>581,093</u>
Total liabilities	<u>718,298</u>	<u>-</u>	<u>718,298</u>
Net assets	<u>1,766,899</u>	<u>-</u>	<u>1,766,899</u>

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity operates in primarily one geographical segment, namely Australia. The primary business segment is the treatment of industrial waste including the manufacture and supply of chemicals for the treatment of waste water.

Operating and business segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Note 4. Expenses

Significant movements (increases) in expenses during the reporting period related primarily to organic business growth, with the exception of Listing and Share registry fees and Professional Fees, where increases related primarily to capital raisings.

Note 5. Current assets - cash and cash equivalents

	2017 \$	2016 \$
Cash on hand	150	150
Cash at bank	438,564	477,939
Cash on deposit	500,000	-
	<u>938,714</u>	<u>478,089</u>

Note 6. Non-current assets - intangibles

	2017 \$	2016 \$
Goodwill - at cost	1,030,018	1,030,018
Trademarks and intellectual property - at cost	374,833	322,690
Less: Accumulated amortisation	(125,048)	(83,618)
	<u>249,785</u>	<u>239,072</u>
	<u>1,279,803</u>	<u>1,269,090</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill \$	Trademarks and intellectual property \$	Total \$
Balance at 1 July 2015	1,030,018	258,887	1,288,905
Additions	-	14,756	14,756
Amortisation expense	-	(34,571)	(34,571)
	<u>1,030,018</u>	<u>239,072</u>	<u>1,269,090</u>
Balance at 30 June 2016	1,030,018	239,072	1,269,090
Additions	-	52,143	52,143
Amortisation expense	-	(41,430)	(41,430)
	<u>1,030,018</u>	<u>249,785</u>	<u>1,279,803</u>
Balance at 30 June 2017	<u>1,030,018</u>	<u>249,785</u>	<u>1,279,803</u>

Note 6. Non-current assets - intangibles (continued)

Impairment testing

Goodwill which was acquired through a business combination, has been allocated to the Science Development Pty Ltd cash-generating unit (CGU). The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 1-year projection period approved by management and extrapolated for a further 4 years using variable rates, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

Key assumptions in the discounted cashflow model include:

- a. Post-tax discount rate of 12.5% (2016: 8%) per annum;
- b. Revenue growth of 49% in 2018, 9% in 2019 and 16% in 2020 (2016: 93% in 2017, 66% in 2018 reducing to 4% in 2019);
- c. Growth in gross margin of 56% in 2018, 9% in 2019 and 14% in 2020 (2016: 103% in 2017, 76% in 2018 reducing to 5% in 2019); and
- d. Average per annum increase in operating expenses of 5% (2016: 18%).

The discount rate of 12.5% post-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital, the risk-free rate and the volatility of the share price relative to market movements.

Management believes the projected revenue growth rate is prudent and justified, based on past performance and management's expectations of market development.

The budgeted gross margin is based on past performance and management's expectations for the future.

Management has budgeted for operating costs based on the current structure of the business, but not reflecting any future restructurings or cost saving measures.

Sensitivity to change of assumptions

If the next year's financial budget used in the value-in-use calculation had been 10% lower than management's estimates at 30 June 2017, the consolidated entity would have a recoverable amount in excess of \$2.02 million against the carrying amount of the cash generating unit to which the goodwill relates. If the post-tax discount rate applied to the cash flow projections of this CGU had been 20% higher than management's estimates (15% instead of 12.5%), the consolidated entity would have a recoverable amount in excess of \$2.14 million against the carrying amount of intangible assets and property, plant and equipment.

Note 7. Non-current liabilities - borrowings

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2017 \$	2016 \$
Total facilities		
Trade finance	-	250,000
Used at the reporting date		
Trade finance	-	196,535
Unused at the reporting date		
Trade finance	-	53,465

Note 8. Equity - issued capital

	2017 Shares	2016 Shares	2017 \$	2016 \$
Ordinary shares - fully paid	494,818,673	299,818,669	73,834,118	71,641,977

SciDev Ltd
Notes to the condensed consolidated financial statements
30 June 2017

Note 8. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2015	<u>299,818,669</u>		<u>71,641,977</u>
Balance	30 June 2016	299,818,669		71,641,977
Share placement	19 December 2016	44,972,800	\$0.012	539,674
Share purchase plan	12 January 2017	50,000,004	\$0.012	600,000
Share placement	2 February 2017	80,027,200	\$0.012	960,326
Acquisition of shares in Science Developments Pty Ltd	27 February 2017	20,000,000	\$0.012	240,000
Share issue transaction costs		<u>-</u>	\$0.000	<u>(147,859)</u>
Balance	30 June 2017	<u>494,818,673</u>		<u>73,834,118</u>

Share placement
ordinary shares on 19 December 2016 and 2 February 2017
The Company issued 44,972,800 and 80,027,200 respectively, in terms of a conditional placement to sophisticated and professional investors at an issue price of 1.2 cents per share.

Share purchase plan
On 12 January 2017, the company issued 50,000,004 ordinary shares under a Share Purchase Plan at an issue price of 1.2 cents per share.

Acquisition of Science Developments Pty Ltd
The company exercised its option to acquire the remaining 50% of Science Developments Pty Ltd. The consideration paid for the exercise of the option amounted to \$900,000 and was comprised of \$660,000 in cash and the issue of 20,000,000 ordinary shares at an issue price of 1.2 cents per share.

Note 9. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 10. Interests in subsidiaries

On 27 February 2017, the consolidated entity acquired the remaining 50% of the ordinary shares of Science Developments Pty Ltd. With the 50% acquisition, the consolidated entity now holds a 100% interest in Science Developments Pty Ltd. The total consideration paid amounted to \$900,000 and was comprised of \$660,000 in cash and the issue of 20 million fully paid ordinary shares at a deemed issue price of 1.2 cents per share amounting to \$240,000. Immediately prior to the purchase, the carrying amount of the existing 50% non-controlling interest in Science Developments Pty Ltd was \$254,801. The consolidated entity recognised a decrease in non-controlling interests of \$254,801 and a decrease in equity attributable to owners of the parent of \$645,199. The effect on the equity attributable to the owners of SciDev Ltd during the year is summarised as follows:

	2017 \$	2016 \$
Carrying amount of non-controlling interests acquired	254,801	-
Consideration paid to non-controlling interests	<u>(900,000)</u>	<u>-</u>
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	<u>(645,199)</u>	<u>-</u>

SciDev Ltd
Notes to the condensed consolidated financial statements
30 June 2017

Note 11. Earnings per share

	2017	2016
	\$	\$
Loss after income tax	(597,340)	(458,130)
Non-controlling interest	<u>(84,811)</u>	<u>(22,458)</u>
Loss after income tax attributable to the owners of SciDev Ltd	<u>(682,151)</u>	<u>(480,588)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>386,472,852</u>	<u>299,818,669</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>386,472,852</u>	<u>299,818,669</u>
	Cents	Cents
Basic earnings per share	(0.18)	(0.16)
Diluted earnings per share	(0.18)	(0.16)

Options are considered to be potential ordinary shares but were anti-dilutive in nature and therefore the diluted loss per share is the same as the basic loss per share.

Note 12. Share-based payments

On 2 February 2017, the company granted 22,500,000 options to the Lead Manager and Underwriter for services rendered in connection with the placement of shares and the share purchase plan (refer note 8). The options have an exercise price of \$0.025, vested on grant date and expire on 28 November 2019. The value of the options granted was \$160,828.