



INNOVATIVE SCIENCE • REAL VALUE

Suite 105  
48 Atchison Street  
St Leonards NSW 2065 Australia  
ABN 25 001 150 849

Phone: 61 0428 002 590  
Email: [admin@scidev.com.au](mailto:admin@scidev.com.au)  
Website: [www.scidev.com.au](http://www.scidev.com.au)  
ASX code: SDV

Companies Announcements Office  
Australian Stock Exchange

28 April 2017

### Quarterly Activities Report: Appendix 4C – March 2017

#### Highlights:

- **Two-year contract with Peabody Energy secured for the supply of OptiFlox® System at Wilpinjong Mine**
- **Purchase order received from leading Australian dairy manufacturer for OptiFlox® System**
- **Pipeline of opportunities continues to strengthen – OptiFlox® technology soon to be commercially deployed in both coal and dairy industries with additional installations/trials to follow**
- **Finalised 100% acquisition of Science Developments Pty Ltd**
- **Completed Placement and Share Purchase Plan to raise \$2.1 million**

SciDev Ltd (ASX: SDV) ('SciDev' or 'the Company') is pleased to provide its Quarterly Activities Report for the period ended 31 March 2017.

The March quarter has been a period of significant progress for the Company, both corporately and operationally.

#### Operational progress

During the quarter, the Company secured a two-year contract with Peabody Energy, the world's largest non-government coal mining company, for the supply of an OptiFlox® System and associated chemicals at the 12mtpa Wilpinjong thermal coal mine in New South Wales (refer ASX announcement 16 March 2017).

The total contract value is estimated at between \$350,000 and \$400,000 per annum, and will significantly strengthen the Company's revenue base. Peabody Energy will pay a monthly leasing fee for the use of the OptiFlox® System together with the purchase of associated waste-water treatment chemicals.

To further support the contract with Peabody Energy, and assist with business development in the New South Wales region, SciDev appointed an executive with considerable experience in industrial waste-water treatment; particularly in the coal, metalliferous and quarrying industries. The executive, who is based in the Hunter Valley, has previously held roles with BASF, the world's largest chemical company, and Nalco, owned by US-based Ecolab. He will be responsible for expanding sales in extractive industries in NSW with a primary focus on the coal industry.

Encouragingly, the Company also received a purchase order, for an initial 12-month period, for the installation of an OptiFlox® System at a New South Wales processing facility of a leading Australian dairy manufacturer. The purchase order, which is from an existing customer of the Company, represents a meaningful achievement and paves the way for the first commercial deployment of an OptiFlox® System in the dairy sector. Installation of the system is expected in May 2017, and similar to the arrangement with Peabody Energy, the customer will pay a monthly leasing fee for the use and maintenance of the OptiFlox® System.

With regards to the deployment, the OptiFlox® System will be installed in the dissolved air flotation unit in the wastewater treatment plant of the dairy processing facility and will continuously monitor water quality to maintain optimal flocculation conditions through automated, cloud-based, real-time coagulant dosing. Installation of the OptiFlox® System will deliver productivity and cost benefits to the customer.

It is also expected that a second dairy sector customer will install an OptiFlox® System at one of its Victorian processing facilities during the second half of 2017. This will further strengthen SciDev's presence in the dairy sector while it continues to pursue additional opportunities in the coal sector as well as targeting the energy, sewage, metalliferous and food processing industries.

### **Corporate activities**

During the quarter, Intec Ltd exercised its option to acquire a further 50% of Science Developments Pty Ltd (Science Developments) (refer ASX announcement 27 February 2017), and thus move to 100% ownership. Intec Ltd was subsequently renamed SciDev Ltd following completion of the transaction. The change of name was approved by shareholders at the Extraordinary General Meeting held on 25 January 2017.

The consideration paid for the exercise of the option totalled \$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 \$0.012 per share to Paul Pembroke, the Technical Director of Science Developments. Following the transaction, Paul Pembroke has remained as Technical Director of Science Developments.

The Company completed the second stage of its Conditional Share Placement (Placement) and an oversubscribed Share Purchase Plan (SPP) (refer ASX announcements 11 January 2017 and 2 February 2017) to raise a total of \$2.1 million. These funds were used in part to exercise the option held over the remaining 50% of Science Developments and repay certain Science Developments related debt facilities.

The SPP, which raised \$0.6 million through the issue of 50 million new shares at a price of \$0.012 per share, was heavily oversubscribed with applications received by the closing date totalling approximately \$1.4 million.

The Placement comprised two tranches and raised a total of \$1.5 million from sophisticated and professional investors through the issue of 125 million new shares at \$0.012 per share. Applications for the first tranche closed on 19 December 2016 with approximately 45 million new shares issued to raise \$0.54 million. The second tranche was completed on 2 February 2017 with approximately 80 million new shares issued to raise \$0.96 million.

On 1 March 2017, the Company advised that Robert Waring resigned as Company Secretary. The Board would like to thank Robert for his contribution and wishes him well for his future endeavours. SciDev appointed Heath Roberts as the new Company Secretary. Heath is a commercial solicitor with more than 20 years of listed company experience and brings strong transactional, compliance and capital raising experience to the role.

The company's cash balance at 31 March 2017 was \$1.080 million.

### **Zeehan Zinc Slag Dump, Tasmania**

SciDev has maintained ownership of the Zeehan Slag Dump. Ownership is held via two granted mining leases. Management are currently assessing several options to generate value from the asset including the direct sale of material, blending, and Australian-based beneficiation.

### **Outlook**

The focus for the fourth quarter will be as follows:

- Installations/trials of additional OptiFlox® Systems in the Australian coal industry;
- Installation of the first OptiFlox® System in the Australian dairy industry;
- The identification of opportunities for SciDev technology in the sewage industry;
- The pursuit of international licencing opportunities; and
- Value realisation from the Zeehan Slag Dump, Tasmania.

### **Management summary**

The quarter has been one of corporate and operational progress for the Company. SciDev's OptiFlox® technology will soon be deployed in both the coal and dairy sectors providing strong validation that SciDev can deliver productivity and cost benefits to customers across diverse industries.

**Kieran Rodgers**  
Managing Director

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

SciDev Ltd

ABN

25 001 150 849

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	453	1,389
1.2 Payments for		
(a) research and development	-	-
(b) suppliers and corporate overheads	(359)	(1,171)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(166)	(490)
(f) administration and corporate costs	-	-
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	7
1.5 Interest and other costs of finance paid	(11)	(22)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	91	91
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>12</b>	<b>(196)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(60)	(127)
(b) businesses (see item 10)	(660)	(660)
(c) investments	-	-
(d) intellectual property	(6)	(6)
(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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(726)</b>	<b>(793)</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	1,445	1,952
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	-	78
3.6	Repayment of borrowings	(368)	(439)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,077</b>	<b>1,591</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	717	478
4.2	Net cash from / (used in) operating activities (item 1.9 above)	12	(196)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(726)	(793)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,077	1,591
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,080</b>	<b>1,080</b>

<b>5.</b>	<b>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</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	119	118
5.2	Call deposits	961	599
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,080</b>	<b>717</b>

<b>6. Payments to directors of the entity and their associates</b>		<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	82
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors fees are at normal commercial rates.

<b>7. Payments to related entities of the entity and their associates</b>		<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	67
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
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.		

<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1	Research and development	
9.2	Suppliers and corporate overheads	350
9.3	Advertising and marketing	
9.4	Leased assets	
9.5	Staff costs	165
9.6	Administration and corporate costs	
9.7	Other (provide details if material)	
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>515</b>

<b>10.</b>	<b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1	Name of entity	Science Developments Pty Ltd	-
10.2	Place of incorporation or registration	New South Wales	-
10.3	Consideration for acquisition or disposal	\$900,000 comprising \$600,000 cash and \$240,000 ordinary shares	-
10.4	Total net assets	\$331,858	-
10.5	Nature of business	Manufacture and importation of a range of coagulants and flocculants for use in wastewater treatment and sludge dewatering in the agribusiness and mining industries.	-

### 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: Kieran Rodgers  
Director

Date: 28 April 2017

### 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.