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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
Website: www.scidev.com.au
ASX code: SDV

Ms Kimberley Brown
Principal Adviser
Listings Compliance
Australian Securities Exchange

14 November 2017

Appendix 4C Query

SciDev Ltd (**SciDev** or the **Company**) refers to your letter dated 8 November 2017.

Using the numbering in your letter, the Company respond to your questions as follows:

1. *Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

The Company may incur negative operating cashflows in future quarters but the quantum of these are likely to be less than that incurred in the September 2017 Quarter for the reasons outlined in the Appendix 4C. We note that the Appendix 4C for the June 2017 Quarter recorded a negative operating cashflow significantly less than that recorded in the September 2017 Quarter.

The Board monitors cash flows closely to ensure the Company remains positioned to achieve its business objectives.

2. *Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

The Company has been able to raise working capital in the past to support its activities and is confident that it can raise working capital as and when required. The Company's announcement of 25 October 2017 ('SciDev Optimises Value of Zeehan Zinc Project') outlined the terms of a (conditional) sale transaction that is expected to result in a payment of \$250,000 to the Company prior to end December 2017 and a further \$250,000 prior to 30 June 2018. Additionally, the Company is in regular contact with investor groups that have indicated a willingness to support future Company capital raisings, if undertaken. At the current time, no capital raising is planned.

3. *Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

The Board expects to be able to continue its operations and to meet its business objectives. As mentioned above, the Company is generating revenue and expects revenue and overall financial performance to improve in the current and following quarters. The (conditional) receipt of \$500,000 from the sale of the Zeehan Zinc Project will augment the Company's working capital

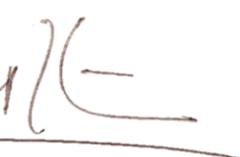
position. The Company has been able to raise capital in the past to support its activities and is confident that it can raise working capital if required.

4. *Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.*

The Company is in compliance with the ASX Listing Rules, in particular listing rule 3.1 and there is no information that should be given to ASX about the Company's financial condition in accordance with that Rule that has not already been released to the market.

5. *Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.*

The Company confirms that its responses to the questions above have been authorised and approved by the Board.



Heath Roberts

Company Secretary
SciDev Ltd
0419 473925



8 November 2017

Heath Roberts
Company Secretary
SciDev Ltd
Suite 105
45 Atchison Street
St Leonards NSW AU 2065

By Email

Dear Heath,

SciDev Limited (the “Company”): Appendix 4C Query

I refer to the Company’s Appendix 4C quarterly report for the period ended 30 September 2017 lodged with ASX Market Announcements Platform and released on 31 October 2017 (the “Appendix 4C”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$411,000;
- cash at the end of the quarter of \$517,000; and
- estimated cash outflows for the next quarter of \$612,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an

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officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than close of business AEDT on Tuesday, 14 November 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail or by facsimile to (02) 9241 7620. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,



Kimberley Brown

Principal Adviser, Listings Compliance (Sydney)

+61 (0)2 92270133

kimberley.brown@asx.com.au

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