



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

30 April 2018

### Quarterly Activities Report: Appendix 4C – March 2018

#### Highlights:

- **Two proposals pending to install OptiFlox® Systems at a metallurgical coal mine and a mineral sands operation**
- **Customer sales during the quarter broadly in line with prior quarter sales**
- **Appointment of Lewis Utting as Project Director to drive growth and lead international expansion**
- **Collaborative work with Phoenix Processing Equipment Co., and The Seydel Companies Inc under respective MOUs progressing**
- **Strategy to optimise value of Zeehan Zinc Project continues – Initial Public Offer for Tartana Resources Limited currently open**

SciDev Ltd (ASX: SDV) ('SciDev' or 'the Company') is pleased to provide its Quarterly Activities Report for the period ended 31 March 2018.

#### Operational progress

Sales to customers during the quarter (\$567,000) were broadly in line with the previous quarter (\$601,000).

During the quarter, the Company presented a proposal to install an OptiFlox® System at a major metallurgical coal mine in the Bowen Basin, Queensland. In addition, SciDev also presented a proposal to install an OptiFlox System at a major mineral sands operation in South Australia. Both proposals were developed following extensive on-site laboratory evaluation. The Company is confident that both proposals will proceed to commercial trials. Consequent upon successful trials, the Company expects to progress to significant chemical sales to realise additional revenues for the Company. Sales orders were also received from Hydroflow for SciDev manufactured chemicals for field qualification at Hydroflow installations during the quarter.

#### Appointment of Lewis Utting as Project Director

Lewis Utting was appointed as Project Director on 1 March 2018. Lewis has over 15 years' experience in the water treatment, mining and chemical industries. His most recent role was as the Global Project Manager and Global

Business Development Manager for the Mining Solutions business in BASF AG, the world's largest chemical company by sales.

Lewis' role with the Company will be primarily focused on driving growth in revenue through the Company's existing client base, as well as seeking new business throughout the Australian mining, dairy, paper and water treatment industries. Further, Lewis will work closely with SciDev's Memorandum of Understanding (MOU) partners, Phoenix Processing Equipment Company and The Seydel Companies Inc., to progress the North American market entry and assess further international licencing opportunities across multiple sectors.

### **North American market entry**

#### **Phoenix Process Equipment Co.**

On 2 January 2018, the Company announced that it had executed an MOU with Phoenix Process Equipment Co. (Phoenix), the world's largest integrated supplier of chemicals and dewatering equipment, to investigate joint business opportunities.

Under the MOU, SciDev and Phoenix will evaluate the opportunity for the incorporation of the Company's proprietary OptiFlox® technology into Phoenix's equipment offering, as well as assess the feasibility of a partnership to manufacture certain chemicals for de-watering operations in selected locations throughout North America using SciDev manufacturing technology.

During the quarter matters relevant to the terms of the MOU progressed significantly. This has included the potential incorporation of the OptiFlox® System into the operation of Phoenix belt press filters, particularly in relation to installations in the Australian and US coal industry. In addition, research and development was undertaken on the potential establishment of manufacturing operations in North America. This included the construction of a commercial scale pilot plant to demonstrate recently developed manufacturing technology, which, if commercially proven would support a North American market entry plan.

The activities included in the MOU with Phoenix continue.

#### **The Seydel Companies Inc.**

On 10 January 2018, the Company announced that it had executed an MOU with The Seydel Companies, Inc. (Seydel) headquartered in Pendergrass, Georgia. Seydel is a leading producer of chemicals essential in the textile & apparel, paper & packaging, personal care, agriculture and metalworking industries. The business has been operating for over a century.

Under the terms of the MOU, SciDev and Seydel will collaborate on a business plan to evaluate and potentially establish a facility to manufacture chemicals for wastewater treatment at Seydel's facilities in the US utilising SciDev's manufacturing technology, currently the subject of a pilot plant trial.

The activities included in the MOU with Seydel continue.

### **Divestment of Zeehan Zinc Project to Tartana Resources Limited**

After quarter-end, Tartana Resources Limited (Tartana) lodged an initial public offering replacement prospectus with ASIC on 23 April 2018 and the offer of Tartana shares is now open (Tartana Offer). Tartana is seeking to raise between \$5 million and \$6 million to advance its projects, which include the Zeehan Zinc Project in Tasmania. The Zeehan Zinc Project, previously owned by SciDev, was sold to Tartana earlier this year for a combination of cash (\$500,000, of which \$250,000 has been received, with the balance expected before 30 June 2018) and equity (15 million fully paid ordinary shares in Tartana). At the offer price of Tartana shares under the Tartana Offer (\$0.20 per Tartana share),

SciDev's equity interest in Tartana has a notional value of \$3 million and represents both a significant shareholding position in Tartana and a potential major asset for the Company.

Shareholders of SciDev as at 5.00pm AEST on 27 April 2018 will receive a priority offer to participate in the Tartana Offer (the Priority Offer). Details of the Priority Offer are set out in Section 3.8, page 26 of the Tartana prospectus.

The Tartana prospectus can be viewed at the following website:

**<http://www.tartanaresources.com.au/investor-centre>**

The Board of Directors recommend that shareholders read the Tartana prospectus carefully, taking independent legal, financial and/or technical advice where considered necessary, before taking a decision whether to invest in Tartana. Separate correspondence will be forwarded to SciDev shareholders related to the Priority Offer including a Priority Offer Code to utilise to secure participation in the Tartana Offer.

### **Financial Performance**

Sales to customers during the quarter (\$567,000) were broadly in line with the previous quarter (\$601,000). Staff costs during the quarter were higher than the previous quarter due to payment of an employee termination amount.

After quarter-end, the Company received a cash refund of \$303,000 under the Federal Government's R & D Tax Incentive Program. At the date of this report, the Company's cash balance is approximately \$500,000. Funding is expected to be further augmented in coming months by the expected receipt of the second and final payment of \$250,000 from Tartana for its acquisition of the Zeehan Zinc Project.

### **Outlook**

The focus for the current quarter is as follows:

- Receipt of approval for commercial trial of OptiFlox® System at major metallurgical coal mine;
- Receipt of approval for commercial trial of OptiFlox® System at mineral sands operation;
- Progressions of opportunities for installations/trials of OptiFlox® Systems in the Australian Dairy industry;
- Progression of North American market entry opportunities;
- Progression of additional chemical sales channels; and
- Additional R&D to enhance the Company's manufacturing opportunities.

**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 2018

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	567	1,669
1.2 Payments for		
(a) research and development	-	-
(b) suppliers and corporate overheads	(594)	(1,808)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(324)	(736)
(f) administration and corporate costs	-	-
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	(2)	(5)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(352)</b>	<b>(874)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(6)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(4)	(32)
(e) other non-current assets	(11)	(11)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	250
(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>(16)</b>	<b>201</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	-	-
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	-	-
3.6	Repayment of borrowings	(2)	(9)
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>(2)</b>	<b>(9)</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	627	939
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(352)	(874)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	201
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(9)
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>257*</b>	<b>257</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	257	257
5.2	Call deposits	-	-
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>257*</b>	<b>257</b>

\*Note: SciDev Ltd received an additional \$303,000 after the end of the Quarter under the federal Government R & D Tax Incentive Programme. Additionally, a further \$250,000 cash payment is anticipated prior to June 2018, as a result of the Zeehan Zinc Project divestment. Neither of these cash flows (received or anticipated) are brought to account in this Appendix 4C, however they significantly increase SciDev's available cash for operating purposes.

6. <b>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.

7. <b>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	-
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	

8. <b>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.		

9. <b>Estimated cash outflows for next quarter*</b>	<b>\$A'000</b>
9.1 Research and development	-
9.2 Suppliers and corporate overheads	475
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	200
9.6 Administration and corporate costs	-
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>675</b>

Note: SciDev generates regular income from operating activities. That income is expected to offset a significant part of the total estimated cash outflows reported at 9.8 above. SciDev Ltd received an additional \$303,000 after the end of the Quarter under the federal Government R & D Tax Incentive Programme. Additionally, a further \$250,000 cash payment is anticipated prior to June 2018, as a result of the Zeehan Zinc Project divestment. Neither of these cash flows are brought to account in this Appendix 4C, however they significantly increase SciDev's available cash for operating purposes.

<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	-	-
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.

Date: 30 April 2018

Print name: Kieran Rodgers  
Director

### 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