

30 July 2015

June 2015 Quarterly Update and Appendix 4C

Bioxyne Limited (the Company) reported a negative operating cash flow for the quarter of \$190,000, that took into account a payment of \$101,000 for prior years' royalties. As indicated in the March 2015 quarterly update, it was unlikely that sales in the June 2015 quarter would be able to claw back the year to date March 2015 sales shortfall. The cash collection in the June quarter reflected the lower sales made in the March quarter.

Despite sales being lower than expected for the 2015 year, cash collections from the probiotics business (PCC®) for the quarter totalled \$258,000 with annual cash collections of \$1,464,000. Sales invoiced in late June and received subsequent to the quarter were in excess of \$170,000.

Included in operating cash outflows for the quarter were business development costs associated with the review of projects that may be suitable for the Company of \$47,000.

On a year to date basis to June 2015, the Company ended the year with a negative cash flow of \$165,000. This included the royalty payment of \$101,000, the Company's decision to invest in a strategic marketing review of circa \$79,000 and business development costs of \$47,000. The Company ends the financial year to 30 June 2015 with \$958,000 (2014: \$992,000) cash on hand.

The royalty payment of \$101,000 related to a payment of royalties for sales made in prior financial years up to the period ended 30 June 2014. The payment was a working capital movement (it reduced Trade Creditors). The payment is not representative of the ongoing amount currently accrued on sales.

But for these prior year and non operating investment costs of \$192,000, the Company would have ended the year with a positive operating cash flow. The Company's PCC probiotic business continues to generate a positive cash flow.

The Company continues to balance the short and longer term objectives of shareholders in its deliberations to acquire an appropriate project to grow shareholder value. This should leverage on the Company's proprietary Intellectual Property of our *Lactobacillus fermentum* strain of Probiotics.

For more information, please contact:

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Chairman
Bioxyne Limited
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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Bioxyne Limited

ABN

97 084 464 193

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	258	1,464
1.2 Payments for		
(a) staff costs	-	-
(b) advertising and marketing	(35)	(91)
(c) Royalty payments	(101)	(101)
(d) leased assets	-	-
(e) cost of goods sold	(176)	(703)
(f) other working capital	(137)	(741)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	8
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid		
1.7 Other (R&D Tax Concession Proceeds)	-	
Net operating cash flows	(190)	(165)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(190)	(165)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other		
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(190)	(165)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from issue of convertible notes		
1.18 (Repayment)/Proceeds of borrowings		
1.19 Dividends paid		
1.20 Cost of issuing equity		
Net financing cash flows	-	-
Net increase (decrease) in cash held	(190)	(165)
1.21 Cash at beginning of quarter/year to date	1,150	992
1.22 Exchange rate adjustments	(2)	131
1.23 Cash at end of quarter	958	958

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Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	38
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Royalty payment of \$101,000 related to a payment of royalties for sales made in prior financial years up to the period ended 30 June 2014. The payment was a working capital movement (it reduced Trade Creditors). The payment is not representative of the ongoing amount currently accrued on sales.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	958	1,150
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	958	1,150

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net liability	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 July 2015
 (Director/Company secretary)

Print name: Jarrod T White

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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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.