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**Australian Securities Exchange Limited  
Companies Announcements Office  
SYDNEY**

**27 July, 2012**

## **Quarterly Cash Flow**

The Company advises that it has today lodged the 4C statement and provides the following commentary-

- 1) The cash position as at the end of June 2012 was \$730,000.
- 2) As a result of the completion of the HI005 Clinical trial, the business is now able to focus upon the commercialisation of the lead asset-HI164 OV, and, in parallel ,the exploration of further opportunities for growth. This has enabled a significant reduction in the monthly expenditure from previously reported levels. The Company is continuing to assess the cash flow requirements for the business, and is continuing to assess and manage the underlying cash requirements as the business moves forward.
- 3) The Company expects to be the recipient of an R&D tax rebate in early FY 2013 which will provide working capital to enable the business to actively explore the commercialisation initiatives for the future growth of the business.

As previously communicated, the Company has commenced a marketing program with Torrey Partners, which has seen over 50 companies contacted to assess their interest in the HI 164OV asset. It is anticipated that by the end of Q1-FY13, the Company will have more clarity as to the potential commercialisation of this asset, and, pending the outcome of this indication, will determine the future steps in the commercialisation of HI 164OV

Your Sincerely

David J Radford  
Managing Director



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## **About Bioxyne**

Bioxyne Limited (ASX:BXN) is an Australian immunotherapeutics business created in April 2012 through the reverse takeover of Probiomics (ASX: PCC) by privately held Hunter Immunology. The Company's lead therapy, HI-164OV is based on the Company's proprietary technology that uses the application of mucosal immunology to treat common human diseases such as Chronic Obstructive Pulmonary Disease (COPD). The global incidence of COPD, which includes common diseases like bronchitis and emphysema, is growing rapidly and is a substantial burden on health budgets. Bioxyne also makes and sells consumer food supplements, based on a proprietary probiotic compound, generating a source of revenues. For further information please visit [www.bioxyne.com](http://www.bioxyne.com)

# 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 2012

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from customers	150	150 <sup>1</sup>
1.2 Payments for		
(a) staff costs	(118)	(480)
(b) advertising and marketing	(78)	(180)
(c) research and development	(918)	(2,780)
(d) leased assets		
(e) other working capital	(452)	(2,326)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	11	13
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Other (R&D Tax Concession Proceeds)	-	910
<b>Net operating cash flows</b>	<b>(1,406)</b>	<b>(4,694)</b>

<sup>1</sup> As noted on page 2, the Consolidated Statement of Cash Flows shown represents the cash flows of Hunter Immunology and its controlled entities from the date of acquisition.

**The legal parent, Bioxyne Limited, had cash receipts from customers of \$696,222 for the financial year ended 30 June 2012.**

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(1,406)</b>	<b>(4,694)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		(2)
(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 Cash held by subsidiary on acquisition	1,854	1,854
<b>Net investing cash flows</b>	<b>1,854</b>	<b>1,852</b>
<b>1.14 Total operating and investing cash flows</b>	<b>448</b>	<b>(2,842)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		767
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from issue of convertible notes		3,000
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Cost of issuing equity	(431)	(850)
<b>Net financing cash flows</b>	<b>(431)</b>	<b>2,917</b>
<b>Net increase (decrease) in cash held</b>	<b>17</b>	<b>75</b>
1.21 Cash at beginning of quarter/year to date	763	705
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>780</b>	<b>780</b>

Under the accounting standard applicable to business acquisitions, *AASB 3 Business Combinations*, the acquisition of Hunter Immunology Limited ("HIL") by BXN is required be accounted for as a reverse acquisition of BXN by HIL. Under this scenario, HIL is deemed be the acquirer and BXN is deemed to be the subsidiary. Applying the reverse acquisition method of accounting, following the acquisition, the Consolidated Statement of Cash Flows is required to represent the continuation of the financial statements of HIL and its controlled entities.

As a result of the reverse acquisition methodology outlined above, the Consolidated Statement of Cash Flows shown represents the cash flows of HIL and its controlled entities from the date of acquisition.

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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	191
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Amounts included in item 1.23 include consultancy fees paid to directors or their nominees. All transactions with related parties have occurred on an arm's length basis.

Throughout the period and year to date comparatives there was a large amount of expenditures that were of a one off nature. \$935,082 was incurred by BXN, with a further \$640,838 being incurred by HIL. These were largely:

- Costs of raising equity (\$418,927);
- Legal fees associated with the reverse acquisition transaction (\$715,280);
- Registry and ASX listing fees (\$213,816);
- Stamp duty on the purchase of HIL shares by BXN (\$140,000).

It is noted that these are extraordinary items related to the transactions that took place particularly in the period from 1 January 2012 – 30 June 2012.

On an ongoing basis the ordinary business of BXN and HIL will mean that these items are not included and as a result there will be a lower rate of cash outflows.

**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

During the period, the Company had successfully acquired all the shares on issue in Hunter Immunology Limited. These shares in Hunter Immunology Limited were acquired through the issue of BXN shares and options on a 9:1 basis.

These were later consolidated on a 20:1 basis along with all other BXN equity.

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

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**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	-	-

**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	780	763
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>780</b>	<b>763</b>

**Acquisitions and disposals of business entities**

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	Hunter Immunology	-
5.2 Place of incorporation or registration	New South Wales	-
5.3 Consideration for acquisition or disposal	126,756,397 shares 7,228,821 options (all figures are post 20:1 consolidation)	-
5.4 Total net assets	\$358,395	-
5.5 Nature of business	Biotechnology Development	-

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+ See chapter 19 for defined terms.

**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: ..27 July 2012  
(Director/Company secretary)

Print name: Ashok Jairath

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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.

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