ASX Announcement

Melbourne, Australia, 31st January 2023

Quarterly Activities Report and Appendix 4C

Highlights

Commercial activities continue to build:

- Exopharm entered into a Material Transfer Agreement with Sartorius BIA Separations (Sartorius) and initiated an associated collaborative program under which Sartorius will test the synergy of Exopharm's patented LEAP exosome purification technology with the unique CIM (Convective Interaction Media) monolith chromatography for improved large-scale exosome purification.
- Exopharm's ongoing collaboration services agreement with the Astellas Institute for Regenerative Medicine (AIRM), a subsidiary of Astellas Pharma Inc, enters Phase 2 of the collaboration under which Exopharm will undertake LEAP technology transfer to AIRM to enable AIRM researchers to conduct in-house evaluation. Additional payments of AU$0.1M were received during the quarter from AIRM under the agreement announced in January 2022, as part of potentially up to US$481,000.
- Other partnership and feasibility study agreements are under discussion.

Exopharm's tool chest of technologies enables exosome medicine development:

- Exosomes engineered using EVPS, Exopharm's exosomes tissue targeting technology, were shown to selectively target a cancer cell receptor. In a mixed cell population, the EVPS-engineered exosomes were only taken up by cells carrying the target receptor, demonstrating EVPS functionality.
- Passive and active loading techniques were successfully demonstrated to load RNA species, including mRNAs, into exosomes for potential genetic medicine (GM) applications.
- Exopharm's manufacturing technologies support development of Exopharm's in-house lead programs, targeting cystic fibrosis and elastin deficiency.
- Post reporting period, a further United States patent US 11,559,552 has been granted to Exopharm on 24th January 2023.

Further cost reductions extend the cash runway and keep focus:

- Further cost reductions have been made, reducing the size of Exopharm's R&D and corporate team and focusing on the core activities of the Company.
- Monthly costs of operations reduced to under around $430,000 per month from around $1m per month previously.

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Genetic medicine and exosome-based drug-delivery company Exopharm Limited (ASX:EX1) provides this update on activities and the Appendix 4C for the quarter ending 31 December 2022.

Exopharm is a pioneer in the field of exosome medicine and exosome manufacturing technologies. The present focus is on engineered exosomes as a new generation of important medicines. Exopharm seeks to build financial value from a combination of a comprehensive portfolio of key enabling exosome technologies and intellectual property, revenue from licensing and other transactions and advancing two in-house product development programmes for Cystic Fibrosis and Elastin deficiency.

Commercial activities continue to build

Exopharm continues its strategy of commercialising its proprietary exosome platform technologies under license agreements with leading companies in the pharmaceuticals and biomanufacturing fields. These transactions could deliver income to Exopharm.

As announced on 17 November 2022, Exopharm entered into a Material Transfer Agreement and associated collaborative program with Sartorius BIA Separations (Sartorius). Under this agreement, Sartorius will test the synergy of Exopharm's patented LEAP exosome purification technology with the CIM (Convective Interaction Media) monolith chromatography for improved large-scale exosome purification.
Sartorius BIA Separations is part of the international life science group Sartorius, a leader in bioprocessing with 15,000 employees, over US$3 billion in 2021 sales and over 60 manufacturing and sales sites worldwide. Sartorius BIA provides specialised bioprocessing purification columns to leaders in the worldwide biomanufacturing industry, supporting the pharmaceutical and biotechnology sector.
BIA's monolithic columns are potentially an ideal carrier for Exopharm's LEAP ligands that gently 'pull out' exosomes from the input material. BIA and Exopharm will test the addition of LEAP ligand chemistry to the existing BIA CIM monolithic columns. The expectation is that the addition of LEAP ligands to the CIM will improve specificity and purity of the purified exosome product over BIA CIM ion exchange columns.
BIA and Exopharm expect to have the results from this testing program in H1 CY '23, after which plans for commercialisation could potentially be made.

As announced on 14th November 2022, Exopharm has entered Phase 2 of its ongoing collaboration services agreement with the Astellas Institute for Regenerative Medicine (AIRM), a subsidiary of Astellas Pharma Inc.
In the first Phase, conducted at its research facilities in Melbourne, Australia, Exopharm demonstrated its LEAP technology to purify exosomes derived from two proprietary AIRM cell lines.

This second Phase of work, encompassing LEAP technology transfer to AIRM's in-house researchers, will enable AIRM to further evaluate Exopharm's LEAP technology for the isolation of exosomes. In addition, AIRM will be able to use two other Exopharm technologies, EVPS and LOAD. EVPS technology from Exopharm could enable AIRM to develop and evaluate surface-engineered exosomes. Exopharm's LOAD technology could enable AIRM to load functional RNA into exosomes derived from AIRM cells.

Exopharm continues its commercial discussions with other leading pharmaceutical and biotechnology companies interested in using exosomes for their own products. Discussions with companies in the bioprocessing industry are also underway. The level of interest in exosomes in medicine appears to be building. Many partners want to see more data validating our technology.

Exopharm's tool chest of technologies enables exosome medicine development

Significant advances have been made with Exopharm's proprietary exosome manufacturing technologies, including the LEAP-based manufacturing process, EVPS tissue targeting engineering and LOAD capabilities.
Many variations of genetic medicines require the delivery of a therapeutic cargo to a target tissue type (e.g. cardiac muscle cells). EVPS is Exopharm's name for tissue targeting technology.

EVPS enables Exopharm to surface-engineer and fluorescently label its exosomes, attaching custom ligands that give the exosomes tropism for selected cell types.
In the last quarter, the R&D team demonstrated exosomes made with a variant of EVPS to selectively target cells displaying a cancer cell receptor, EphA2. Tissue targeting would enable, as an example, targeting an anticancer drug to cancer cells.

Exopharm's LOAD technology platform enables loading of an array of active pharmaceutical ingredients (APIs) into exosomes including mRNA. Exopharm has successfully established loading different nucleic acid species into exosomes and is developing a suite of strategies and approaches to load nucleic acids efficiently.
LOADing of Exopharm's HEK293-derived exosomes with mRNA has now been validated, providing data that will assist partnering activities and our own exosome-mRNA products.

Numerous patent applications are progressing towards or are in national phases and potentially towards granted patents in key countries.

Continued validation of these technologies supports Exopharm's in-house genetic medicine lead programs targeting cystic fibrosis and elastin deficiency.

Further cost reductions extend the cash runway and keep focus

As announced on 20th December 2022, further cost reductions have been made, reducing the size of Exopharm's R&D and corporate team and focusing on the core activities of the Company. Monthly costs of operations have been reduced to under around $430,000 per month from around $1m per month previously.
Changes included:

- downsizing the board from four to three;
- reducing staff numbers by around 24 people (down from around 40) while retaining a core team to deliver on ongoing activities and outcomes;
- non-executive directors voluntarily cutting their Directors fees by an additional 30% of remuneration to a total reduction of 50% of the base remuneration as a temporary measure (a 20% reduction was previously announced); and

- Managing Director/CEO Dr Ian Dixon voluntarily cutting his remuneration by an additional 5% of base remuneration to a total reduction of 25% of the base remuneration as a temporary measure (a 20% reduction was previously announced). downsizing of premises costs are subject to further negotiations.

These changes further focus the Company on core activities aimed at delivering increased future value and improving the cashflow runway into CY'23.

Industry interest in exosomes as an emerging drug-delivery chassis

Exopharm's partnering discussions during Q2 FY22/23 have expanded into larger companies with broad disease target areas of interest and biomanufacturing companies. We are also seeing increased interest from companies advancing aesthetic-medicine portfolios and those advancing natural, plant-derived product portfolios.
For companies interested in exosome medicines, Exopharm offers non-exclusive licenses for its 'tool chest' suite of exosome manufacturing technologies, including the patented LEAP platform for commercial-scale exosome purification, and two companion technologies - LOAD that enables active pharmaceutical ingredient (API) encapsulation, and EVPS, enabling surface engineering for select cell and tissue-specific delivery ('tissue tropism') throughout the body.
This unique set of proprietary technologies sets Exopharm apart from others in the nanoparticle sector.

Commercial exosome products come in two broad formats:

- naïve exosomes – as naturally produced by cells; and
- engineered exosomes – produced with additional design features and engineering

Naïve exosomes are potentially valuable to both regenerative medicine and aesthetic medicine development strategies. Exopharm's LEAP technology provides a large-scale solution for the purification of naïve exosomes. Additional interest in Exopharm's LEAP technology has followed the news of Exopharm working with AIRM.
Engineered exosomes are an emerging drug-delivery technology well-suited to delivering nucleic acids (e.g. mRNA) without unwanted toxicity and immunogenicity. Exosomes are seen as an alternative to viral vectors for additive gene therapy products.

Exosomes' non-viral and immune-silent nature makes them an attractive chassis for developers of a range of therapeutic Genetic Medicine (GM) products, such as biotech companies advancing additive gene therapies and gene editing programs.
The active cargo of GM products (e.g., RNA, DNA, CRISPR) require a drug-delivery chassis that is non-toxic and non-immunogenic.
Exosomes are a feature of nature and work inside our bodies by transferring biological signal efficiently and safely.

Large-scale manufacturing technology has been the main roadblock for the adoption of exosomes as a drug-delivery chassis for GMs, but Exopharm's suit of 7 manufacturing technologies potentially opens the door to their broad application in the growing field of Genetic Medicines.

GMs offer the potential to treat or cure a wide range of medical problems including rare diseases, genetic paediatric conditions, age-related diseases and neurodegeneration.

Post reporting period additional update

A further United States patent US 11,559,552 has been granted to Exopharm on 24th January 2023. This patent is entitled 'Methods and compositions for purification or isolation of microvesicles and exosomes' and adds further claims to the US patent granted in December 2021 (US11,202,805B2).

Exopharm is progressing a building portfolio of patented intellectual property to support potential licensing transactions.

Finance and Appendix 4C commentary

Exopharm ended the quarter with cash of $1.7 million ($2.4 million at 30 September 2022).

Quarterly operating net cash inflow for the period was $1.7 million ($2.7 million outflow in the prior quarter).

Cash outflow for the period predominately related to R&D costs – exosomes made for future testing, product & technology development, manufacture, product testing programs and R&D related salary costs – all aimed at supporting Exopharm's development and commercialisation activities.

Offsetting cash out flow was $4.06 million received in relation to the Company's FY22 R&D tax incentive claim.

During the quarter, Exopharm entered into a non-dilutive funding agreement with Radium Capital, providing $0.9 million in prepayment of the Company's FY23 R&D tax incentive claim. Prior R&D loan balances (including interest) were repaid upon receipt of the Company's FY22 R&D tax incentive claim.

Exopharm continued to receive income from the existing Astellas research collaboration agreement, with a total of AU$0.1M received during the quarter ($0.26M received in prior quarter). Revenue from new research collaboration agreements is planned to build in FY23.

Exopharm is managing the business costs and incoming cash carefully.

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in items 6.1 of the Appendix 4C includes gross salaries, superannuation, fees to executive and non-executive directors and advisory panel fees, as follows:

- Total Gross salaries to directors: $120,880 (including superannuation)
- Total payments to related parties and their associates included in items 6.1: $120,880

This announcement has been authorised for release by the Board.

GLOSSARY

AAV	Adeno-Associated Virus
CRISPR	Clustered Regularly Interspaced Short Palindromic Repeats – a gene editing technology
DNA	Deoxyribonucleic Acid
GM	Genetic medicine
mRNA	messenger Ribonucleic Acid
R&DTI	Research & Development Tax Incentive
siRNA	silencing Ribonucleic Acid
Tropism	selective targeting of certain cells, tissues, or organs

COMPANY AND MEDIA ENQUIRIES:

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ABOUT EXOPHARM

Exopharm (ASX:EX1) is a leader in advancing Genetic Medicines and other exosome-based medicines using exosomes or extracellular vesicles (EVs) as a chassis for improved and non-viral drug-delivery.

Exopharm (ASX:EX1) is pursuing a product pipeline-driven platform strategy. Exosomes can be loaded with a variety of active pharmaceutical ingredients (APIs) and can be targeted to selected cell-types and tissue types, improving the safety-profile of the APIs and providing better treatments. Exosomes can be used to deliver small molecule drugs, mRNA, DNA and other types of APIs.

Exosomes are an alternative means of drug-delivery inside the body, alongside technologies such as lipid nanoparticles (LNP), cell-penetrating peptides, viral vectors and liposomes.

Exopharm's exosome technologies solve important needs for the success of exosome medicines – **LEAP** manufacturing technology, **LOAD** API loading technologies and **EVPS** tropism technologies.

Exosome-based medicines could improve the treatment of many chronic or inherited medical conditions.

Exopharm is making its proprietary technologies available to pharmaceutical and biotechnology companies that want to harness exosome-delivery for their own products.

In addition, Exopharm is using its technology platform to enable its own product development programs - each aimed at delivering a transformative medicine for an unmet medical need.

FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets', 'aims', 'plans' or 'expects'. These statements are based on an evaluation of current corporate estimates, economic and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this announcement, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside of Exopharm's control or subject to the success of the Development Program. Furthermore, the Company is subject to several risks as disclosed in the Prospectus dated 6 November 2018.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
EXOPHARM LIMITED	
ABN	**Quarter ended ("current quarter")**
78 163 765 991	31 December 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	101	363
1.2	Payments for		
	(a) research and development	(455)	(1,103)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(44)	(98)
	(d) leased assets	-	-
	(e) staff costs	(1,494)	(3,364)
	(f) administration and corporate costs	(425)	(965)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	12
1.5	Interest and other costs of finance paid	(175)	(186)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	4,100	4,126
1.8	Other (provide details if material)	110	232
1.9	**Net cash from / (used in) operating activities**	**1,728**	**(983)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(97)	(153)
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(97)**	**(153)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	961	1,443
3.6	Repayment of borrowings	(3,212)	(3,212)
3.7	Transaction costs related to loans and borrowings	(1)	(2)
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liability)	(64)	(255)
	Other (bank guarantee and security deposit)		-
3.10	**Net cash from / (used in) financing activities**	**(2,316)**	**(2,026)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,370	4,847
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,728	(983)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(97)	(153)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,316)	(2,026)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,685**	**1,685**

5.	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	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,685	2,370
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,685**	**2,370**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	121
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The payments to directors or their associates in 6.1 include gross salaries, superannuation and fees and benefits to executive and non-executive directors.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	961	961
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Financing facilities – additional notes 7.1

The loan facility in 7.1 is with Radium Capital and is an advance on 80% of the Company's estimated R&D Tax Incentive (RDTI) for the period 1 July 2022 – 31 October 2022.

The interest rate for the loan facility is 14% per annum. The facility is secured. The facility has been in place since 25 November 2022 and a facility amounting to $961,000 has been received.

As announced on 27 October 2022, Exopharm has received its R&D Tax Incentive rebate for the 2021/2022 financial year amounting to $4,063,408. The Company has paid the prior outstanding Radium R&D loan balance of $3,211,907 (plus associated fees and interest).

Additional financing facilities potentially available after quarter end

Exopharm anticipates further cash advances from potential new Radium R&D loan facilities, including one for the period November to December 2022 inclusive and potentially receivable in February 2023, subject to final calculation of the estimate to December 2022, various arrangements and confirmations. The amount received will be calculated at the time. The Company will announce the outcomes of the above according to progress.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,728)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,685
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,685
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	**-1.0**

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No, the Company expects to have improving net operating cashflows going forward.

There are three components to this expectation:

- On the cash-in side, as referred to in the additional notes to Item 7.1 the Company plans to implement potential R&DTI Loan arrangements that could advance funds. These arrangements would be in line with those implemented in FY22 and based upon the R&DTI program.
- On the cost-side, the Company has implemented further cost reductions (as announced on 20 December 2022). These reductions in expenditure will have a beneficial effect on net operating going forward. Expenditure on R&D has included some costs which will not be incurred going forward.
- On the income-side, the Company continued to record income from the Astellas agreement and that contract is expected to generate further income in Q3 FY23, which will have a beneficial effect on net operating cash flow going forward. As the company builds operating income from additional collaborative research agreements, paid feasibility studies and other nondilutive cash sources, operating revenue is expected to lift in H1 FY23, and improve net operating cash going forward. Some collaborative research agreements may include upfront payments. The amounts received will be disclosed at the time.

2. Has the entity 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?

Answer: Yes, further cash is anticipated and this may come from sources which can also include capital raising.

There are a number of sources of additional cash potentially available to the Company. These include:

- RDTI loans
  The Company previously has brought cashflow forward by securing loans on estimated future RDTI cash rebates, to fund its operations. More details on page 4 of this Report.

- Operating income from existing collaboration agreement
  As reported on 31 January 2022, the Company has a Master Collaborative Services Agreement (MSA) with Astellas under which the Company received AU$101k in Q2 FY23 (total received under the MSA is AU$441k). The total potential fees are up to US$481,000, so these further potential payments, if received, would improve net operating cash going forward.

- Operating income from new potential collaboration agreements and paid feasibility studies
  If the company builds operating income from additional collaborative research agreements and paid feasibility studies, operating revenue could lift in H1 FY23, and provide additional cash to improve net operating cash going forward. Agreements for collaborative research and paid feasibility studies may include upfront payments in US$. These payments, if received, could improve net operating cash going forward.

- Operating income from potential licensing deals
  The Company has a number of proprietary technologies and is engaged in discussions with organisations seeking to use exosome technologies for their own operations. In biotechnology it is not unusual to license technologies for a mixture of upfront fees, milestone fees and then backended income sharing. These payments, if received, could improve net operating cash going forward.

- Other non-dilutive funding sources that may support product development
  Exopharm invested in a detailed review of potential product opportunities and has identified some particular exosome medicines that show promise and fit with Exopharm's focus on genetic medicines. Exopharm is uniquely positioned to apply its 'toolchest' of exosome technologies to transformative genetic medicines to address areas of particular unmet medical needs. Non-dilutive funding is being sought to support the development of some key products that are attractive to industry partners and Patient Advocacy Organisations (PAOs). These payments, if received, could have the benefit of improving net operating cash going forward.

- Capital raising
  The Company may be able to raise cash by the issue of shares. The Company may be able to add to its working capital by the issuance of shares under its existing Capacity. The Company could also seek to issue shares subject to shareholder approval.

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

Answer: Yes. The Company continues to manage its business activities to support its business objectives.

As described above, the commercial activities of the Company have started to generate operating income, and the plan is that this operating income and net cashflow could improve and grow into the future if more agreements are entered into.

Since listing in December 2018 the Company has invested into its technologies and capabilities to meet its business objectives – namely enabling exosome medicines to become a reality and generating operating revenue from partnering agreements. The present plan is that this prior investment may convert into further potentially revenue-generating research collaboration agreements and other cashflow in FY23. There is a range of options to address funding needs, to support operations and to meet its business objectives. See answers to item 8.6 question 2.

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.

31 January 2023

Date: .....

By order of the Board

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.