



ASX Announcement

For immediate release

Monday 28 October 2013

BLUECHIIP LIMITED SEPTEMBER 2013 QUARTERLY CASH FLOW REPORT

Bluechiip Limited (ASX: BCT) today released its quarterly cash flow report for the period ended 30 September 2013.

Highlights for the quarter

- Cash reserves at 30 September 2013 were \$2,272,782;
- Receipt of R&D Tax Incentive refund for 2012/2013 totalling \$1,138,839; and
- Net proceeds from Tranche 1 of a private placement totalling \$1,501,647.

Commentary

Net operating cash inflow for the September 2013 quarter was \$82,640.

After adjusting for the R&D Tax Incentive refund for 2012/2013 of \$1,138,839 the net operating cash outflow for the quarter totalled \$1,056,198. This represents an average monthly operating net cash outflow of \$352,066 which was slightly higher than the average net operating cash outflow for the previous four (4) quarters to June 2013 of \$321,695 per month after excluding the R&D Tax Incentive for 2011/12 of \$919,842 (received in the first quarter of the previous financial year).

Net cash outflow from investing activities was \$3,134 representing capital expenditure outlays for the quarter.

The net cash inflow from financing activities was \$1,326,192 as a result of:

- a) net proceeds from Tranche 1 of a private placement completed in August 2013 of \$1,501,647;
- b) the repayment of a shareholder's loan balance of \$114,275; and
- c) finance cost payment in relation to the Macquarie loan for the period of \$61,180.

In reviewing the company's liquidity and cash flow, the directors note that the company:

- (a) expects to see an increase in receipts from customers over the coming months from the increase of sales orders;
- (b) expects to receive an amount of approximately \$890,724 being the balance receivable from tranche 2 of the private placement completed in August 2013, which was approved by the shareholders at the company's AGM held on 15 October 2013;
- (c) repaid the loan facility to Macquarie Bank Limited of \$888,118 on 1 October 2013 after the receipt of the 2012-2013 income tax refund;

For immediate release

Page 2

Monday 28 October 2013

- (d) has a further 11M options issued to shareholders, the majority of which expires on 31 December 2014 and have an exercise price of \$0.20, which could bring in up to \$2.2M by 31 December 2014;
- (e) has a loan facility with Macquarie Bank of up to \$720,000 to draw down quarterly installments against the R&D tax incentive for 2013-2014; and
- (f) will actively pursue state, federal and international government grant programs.

For more information:

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About Bluechiip Limited:

Bluechiip has developed a wireless tracking solution for the healthcare and life science, security, defence and manufacturing industries which represents a generational change from current methods such as labels (hand-written and pre-printed), barcodes (linear and 2D) and microelectronic integrated circuit (IC)-based RFID (Radio Frequency Identification).

The unique tag is based on MEMS technology and contains no electronics. The tag can either be embedded or manufactured into a storage product, such as vials or bags. Easy identification, along with any associated information from the tag such as temperature can be detected by a reader, which can also sense the temperature of the tagged items. The traditional identification technologies have significant limitations. Whereas a barcode requires a visible tag or line-of-sight optical scan, bluechiip[®] technology does not. Unlike labels, barcodes and RFID, the bluechiip[®] technology can sense the temperature of each item a tag is attached to, or embedded in.

The bluechiip[®] technology has initial applications in the healthcare industry particularly those businesses which require cryogenic storage facilities (biobanks and biorepositories). bluechiip[®] offers the only technology that enables accurate and reliable tracking of products including stem cells, cord blood, and other biospecimens. In addition to functioning in extreme temperatures, the bluechiip[®] tracking solution can survive autoclaving, gamma irradiation sterilization, humidification, centrifuging, cryogenic storage and frosting.

The bluechiip[®] technology has other healthcare applications in pathology, clinical trials and forensics. Several other key markets outside of healthcare include cold-chain logistics/supply chain, security/defence, industrial/manufacturing and aerospace/aviation.

Further information is available at www.bluechiip.com

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

BLUECHIIP LTD

ABN

79 104 795 922

Quarter ended ("current quarter")

30 SEPTEMBER 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Cumulative to
	\$A'000	30 September 2013 \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) staff costs	(327)	(327)
(b) advertising and marketing	(31)	(31)
(c) research and development	(347)	(347)
(d) leased assets	(16)	(16)
(e) other working capital	(390)	(390)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other:		
- GST refunds	49	49
- Income tax refund	1,139	1,139
- Government grants	-	-
Net operating cash flows	82	82

+ See chapter 19 for defined terms.

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

		Current quarter	Cumulative to 30 September 2013
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	82	82
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	(3)	(3)
	(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	(3)	(3)
1.14	Total operating and investing cash flows	79	79
Cash flows related to financing activities			
1.15	Net proceeds from issuance of shares, options, etc via private placement net of costs	1,502	1,502
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	(114)	(114)
1.19	Dividends paid	-	-
1.20	Others – Other material expenditure	(61)	(61)
	Net financing cash flows	1,327	1,327
	Net increase (decrease) in cash held	1,406	1,406
1.21	Cash at beginning of quarter/year to date	867	867
1.22	Exchange rate adjustments to item 1.20	0	0
1.23	Cash at end of quarter	2,273	2,273

+ See chapter 19 for defined terms.

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	(52)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Item 1.18: This was in relation to settlement of a loan balance owing to Dr. Stephen Woodford, the major shareholder of the company.

Item 1.20: This was in relation to payment for finance cost of \$38,170 paid to a consultant for the funding facility with Macquarie Bank and interest on Macquarie loan paid for the period of \$23,009.

Item 1.24: Directors fees.

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

Securities of 201,958 shares were issued on 26 August 2013 with another 12,376 to be issued which were conditional upon shareholders' approval at the company's AGM held on 15 October 2013 at an implied issue price of \$0.15 per share, in lieu of fees for the provision of services to a consultant in relation to the raising of capital via private placement in August 2013.

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

None.

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	1,136	909
3.2	Credit standby arrangements	None	Not applicable
3.3	Credit card facility	None	Not applicable

+ See chapter 19 for defined terms.

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	2,273	867
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	2,273	867

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	None	None
5.2 Place of incorporation or registration	Not applicable	Not applicable
5.3 Consideration for acquisition or disposal	Not applicable	Not applicable
5.4 Total net assets	Not applicable	Not applicable
5.5 Nature of business	Not applicable	Not applicable

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.



Managing Director
 Brett Schwarz

Date: 28 October 2013

+ See chapter 19 for defined terms.