CLARITY PHARMACEUTICALS

ACTIVITIES REPORT

and Appendix 4C for December 2021 quarter

ASX MEDIA RELEASE

Highlights of the quarter ending 31 December 2021

Actively recruiting in four clinical trials, with additional trials scheduled to commence early in 2022.

Two clinical trials for our optimised PSMA agent, SAR-bisPSMA, in prostate cancer, which commenced in July 2021, are progressing well including:

- Completed the dosimetry phase in the SECuRE trial for the treatment of prostate cancer in November 2021.
- Achieved 50% recruitment milestone in the PROPELLER trial for the imaging of prostate cancer in December 2021.

Execution of US radiopharmaceutical manufacturing agreement with Cardinal Health in December 2021, strengthening Clarity's supply chain and logistics.

Early completion of the C-BOBCAT diagnostic trial with ^{64}Cu SAR-Bombesin in October 2021 with plans to commence US-based clinical trials of this product in early 2022.

Cash position of $96.7 million at 31 December 2021.

Negotiations continue with China Grand Pharmaceutical and Healthcare Holdings Limited ("China Grand") on a licensing deal.

Reinforced our IP position around the optimised PSMA targeting agent, SAR-bisPSMA, with the patent application covering formulations of SAR-bisPSMA entering the national phase in a number of jurisdictions, including the USA, Europe and China.

Clarity Pharmaceuticals (ASX: CU6) ("Clarity" or the "Company"), an Australian-based clinical stage radiopharmaceutical company developing next-generation products to address the growing need for the use of radiopharmaceuticals in oncology, is pleased to release its Appendix 4C quarterly cash flow statement and accompanying Quarterly Activity Report for the quarter ended 31 December 2021.

Executive Chairman Alan Taylor said: "The December quarter concluded an extraordinary year where, despite continued unprecedented challenges of the pandemic, Clarity achieved several transformational milestones and advanced the clinical development of our Targeted Copper Theranostics (TCT) products."

In the December 2021 quarter, Clarity achieved significant progress on its prostate cancer trials with the completion of the dosimetry phase in the SECuRE trial for the treatment of metastatic castrate resistant prostate cancer and the achievement of 50% recruitment milestone in the PROPELLER trial for the imaging of untreated, confirmed prostate cancer.

Clarity also closed a diagnostic trial of SAR-Bombesin in October following the exciting preliminary results in breast and prostate cancer patients, including results from patients treated under the Therapeutic Goods Administration (TGA) Special Access Scheme (SAS).

To support the Company's clinical development and take full advantage of therapeutic, manufacturing and logistical benefits of TCT, Clarity actively extended its manufacturing and logistical footprint. It also progressed its preclinical and discovery programs and continued bolstering its IP portfolio to support the comprehensive platform of TCT.

Dr Taylor said: "Our team is excited to continue building on the important milestones achieved to date and deliver on our ultimate goal of developing better treatments for children and adults with cancer in 2022."

Clarity's pipeline includes the following indications of cancer, products and clinical trials to date:

Indication	Prostate Cancer		Breast Cancer	Neuroblastoma	Neuroendocrine Tumours
Product	SAR-bisPSMA	SAR-Bombesin	SAR-Bombesin	SARTATE™	SARTATE™
Application	Theranostic / Diagnostic	Diagnostic	Diagnostic	Theranostic	Diagnostic
Trial Name	SECuRE / PROPELLER	TGA Special Access Scheme	C-BOBCAT	CL04	DISCO

CLINICAL DEVELOPMENT

Clarity continues to generate strong results in the clinical development of the products in the TCT platform. With the earlier completion of the C-BOBCAT trial with ^{64}Cu SAR-Bombesin in October, the company is now actively **recruiting in four clinical trials**, with additional trials scheduled to commence in early 2022. The anticipated studies include but are not limited to two US-based diagnostic trials of ^{64}Cu SAR-Bombesin and ^{64}Cu SAR-bisPSMA in prostate cancer.

In addition to the clinical development, Clarity is also actively progressing its **preclinical and discovery programs**, to further strengthen the pipeline of novel radiopharmaceuticals across the TCT platform.

SAR-bisPSMA

SAR-bisPSMA is a next generation, highly targeted theranostic radiopharmaceutical, being developed for diagnosing, staging and subsequently treating cancers that express Prostate Specific Membrane Antigen (PSMA).

SAR-bisPSMA derives its name from the word “bis”, which reflects the novel approach of connecting two PSMA binding motifs to Clarity’s SAR chelator technology to increase tumour uptake and retention in cancerous tissues. Preclinical data confirms that both uptake and retention are higher for ^{64}Cu SAR-bisPSMA than that of the single PSMA binding motif utilised by other marketed PSMA binding radiopharmaceutical products.

Theranostic $^{64}Cu/^{67}Cu$ SAR-bisPSMA SECuRE trial

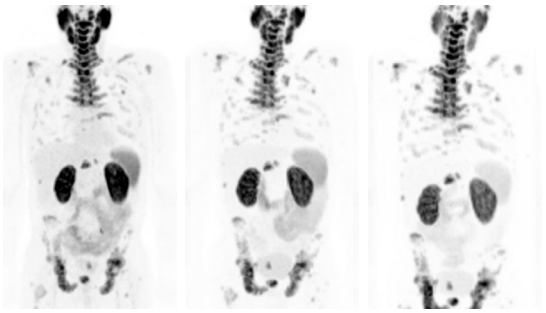
In November, Clarity announced the completion of recruitment for the dosimetry phase of the $^{64}Cu/^{67}Cu$ SAR-bisPSMA SECURE trial (NCT04868604)[1] and shared preliminary results. Clarity is collating data for the Safety Review Committee and looks forward to progressing the therapy dose-escalation early in 2022 at all seven sites selected for the trial in the US.

The SECuRE trial is a Phase I/IIa theranostic trial for identification and treatment of PSMA-expressing metastatic castrate-resistant prostate cancer (mCRPC) using TCT. ^{64}Cu SAR-bisPSMA is used to visualise PSMA expressing lesions and select candidates for subsequent ^{67}Cu SAR-bisPSMA therapy. The initial dosimetry phase utilised ^{64}Cu SAR-bisPSMA to determine biodistribution and dosimetry of the products in humans. The SECuRE trial is a multi-centre, single arm, dose escalation study with a cohort expansion planned for up to 44 patients in the US. The aim of this trial is to determine the safety and efficacy of ^{67}Cu SAR-bisPSMA as a therapy.

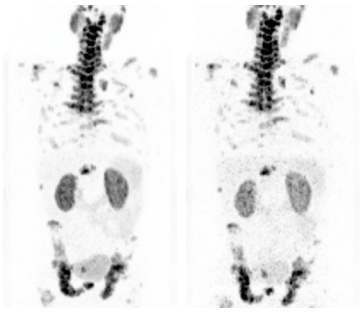
The PET imaging data acquired in the SECuRE trial to date looks very promising and the images confirm the preclinical results of high tumour targeting and retention. The comparison to the standard of care bone scan (the recommended modality for bone imaging in clinical trials according to the Prostate Cancer Clinical Trials Working Group 3), indicates that ^{64}Cu SAR-bisPSMA is an exciting target for the diagnosis of prostate cancer. This further supports the emerging evidence of increased sensitivity and specificity of PSMA PET tracers for detecting micrometastatic disease compared to conventional imaging. With the recently updated US National Comprehensive Cancer Network Guidelines® now allowing FDA-approved PSMA PET agents to be used as an alternative to conventional imaging, Clarity is looking forward to progressing this product quickly through clinical trials.

SECuRE

PET scans in a patient with metastatic castrate-resistant prostate cancer imaged over multiple timepoints between 1 and 72 hours post administration of ^{64}Cu SAR-bisPSMA (Normalized Voxel Intensity)

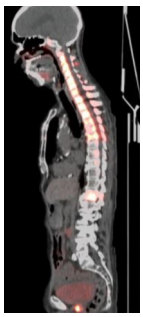


1 Hour Post Injection | 12 Hour Post Injection | 24 Hour Post Injection



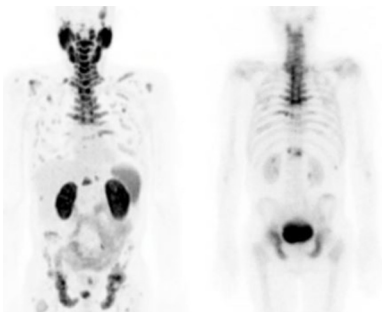
48 Hour Post Injection | 72 Hour Post Injection

^{64}Cu SAR-bisPSMA PET/CT



12hr ^{64}Cu SAR-bisPSMA PET/CT Fused Sagittal

Comparison of 1h ^{64}Cu SAR-bisPSMA PET with ^{99m}Tc-MDP Bone Scan



1h ^{64}Cu SAR-bisPSMA PET | ^{99m}Tc-MDP WB Bone Scan

Diagnostic ^{64}Cu SAR-bisPSMA PROPELLER trial

In December, Clarity announced a 50% recruitment milestone in its PROPELLER trial, with 15 of 30 participants recruited.

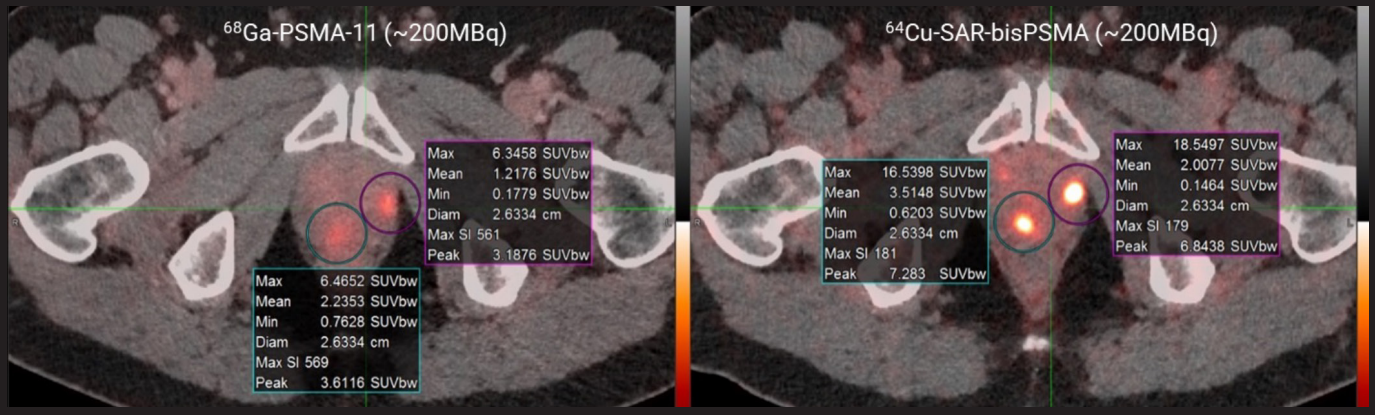
The PROPELLER trial is a Phase I Positron Emission Tomography (PET) imaging trial of participants with confirmed prostate cancer using ^{64}Cu SAR-bisPSMA. It is a multi-centre, blinded review, dose ranging, non-randomised study of ^{64}Cu-SAR-bisPSMA administered to patients with confirmed prostate cancer prior to radical prostatectomy (NCT04839367)[2] which commenced recruitment in August 2021. The main goals of the PROPELLER trial are to:

1. Determine the safety and tolerability of ^{64}Cu SAR-bisPSMA in participants with untreated, confirmed prostate cancer and planned for radical prostatectomy;
2. Examine ^{64}Cu SAR-bisPSMA at different dose levels;
3. Determine the ability of ^{64}Cu SAR-bisPSMA to detect primary prostate cancer; and
4. Compare diagnostic properties of ^{64}Cu SAR-bisPSMA against ^{68}Ga PSMA-11, the standard of care for prostate cancer imaging in Australia.

The preliminary data from the patients imaged in the PROPELLER trial to date looks very promising as it supports the evidence of high uptake of ^{64}Cu SAR-bisPSMA in the tumours that has been shown in the pre-clinical studies and validates its further development of this product as a diagnostic agent.

Given the encouraging preliminary results from the PROPELLER trial, Clarity is looking to continue the development of ^{64}Cu SAR-bisPSMA as a diagnostic for patients with prostate cancer with a further imaging trial anticipated to commence in 2022 in the US. Clarity has completed a successful Pre-IND meeting with the US FDA in November 2021 and received positive feedback for the company's PSMA-targeting prostate cancer diagnostic program.

^{68}Ga PSMA-11 (~200MBq, left) vs. ^{64}Cu SAR-bisPSMA (~200MBq, right) in the same patient; time between serial imaging was 8 days. Standardised Uptake Value (SUVmax)* of the lesions were 6.5 and 6.3 for Ga PSMA-11 and 16.5 and 18.5 for ^{64}Cu SAR-bisPSMA



SARTATE™ – Neuroblastoma and NETs

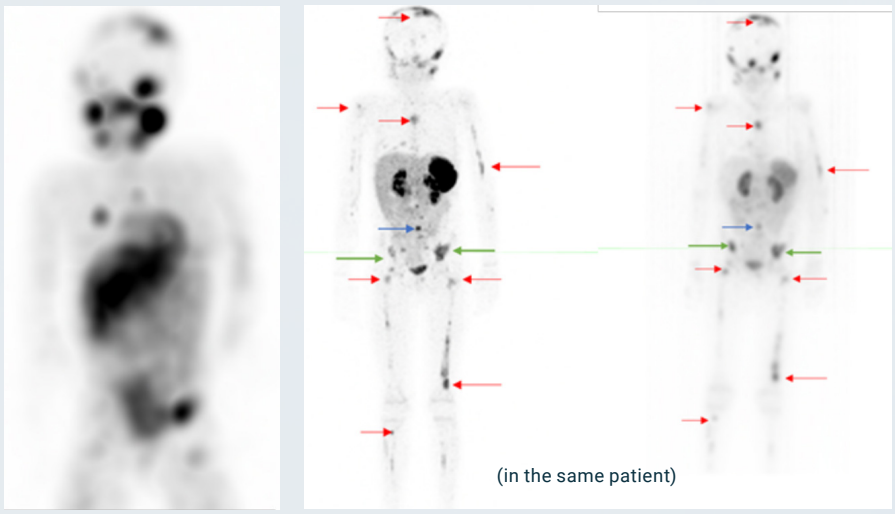
SARTATE™ is a next generation, highly targeted theranostic radiopharmaceutical which is being developed for diagnosing, staging and subsequently treating cancers that express somatostatin receptor 2 (SSTR2), including neuroblastoma and neuroendocrine tumours (NETs)

Theranostic ^{64}Cu/^{67}Cu SARTATE™ Neuroblastoma CL04 trial

Clarity's theranostic ^{64}Cu/^{67}Cu SARTATE™ neuroblastoma trial (NCT04023331)[3] is recruiting at 5 clinical sites in the US, including Memorial Sloan Kettering Cancer Center in New York. It is a multi-centre, dose-escalation, open label, non-randomised, theranostic clinical trial in paediatric patients with high-risk neuroblastoma (CL04).

The trial is a Phase I/IIa with up to 34 patients where not only the safety of both ^{64}Cu SARTATE™ and ^{67}Cu SARTATE™ are assessed, but also the effectiveness of ^{67}Cu SARTATE™ as a treatment for neuroblastoma. Patients who show uptake of ^{64}Cu SARTATE™ in tumours will continue in the trial and will receive treatment with ^{67}Cu SARTATE™.

Clarity continued to recruit into the CL04 trial during the quarter with Safety Review Committee meeting planned for January 2022. Clarity looks forward to progressing through the dose escalation phase of the trial.



^{123}I MIBG
Current Standard of Care

^{64}Cu SARTATE™
PET screening 4 hours

^{67}Cu SARTATE™
SPECT scan 24 hours

Early imaging data from Clarity's CL-04 study showing ^{64}Cu SARTATE™ (diagnostic agent) and ^{67}Cu SARTATE™ (therapeutic agent) relative to diagnostic imaging with ^{123}I MIBG in the same patient at baseline

Diagnostic ^{64}Cu SARTATE™ NETs DISCO trial

Clarity's Diagnostic Imaging Study of Copper-64 SARTATE™ (DISCO) using PET on patients with known or suspected NETs in Australia (NCT04438304)[4] commenced in April 2021 and continues to recruit patients at three clinical sites in Australia.

The DISCO trial is assessing the performance of ^{64}Cu SARTATE™ imaging agent in participants with known or suspected gastroenteropancreatic NETs as a potential new way to help diagnose and manage NETs. It is a Phase II study in up to 63 patients across three sites in Australia that compares the diagnostic performance of ^{64}Cu SARTATE™ at four and 20 hours post-administration to the current standard of care, ^{68}Ga DOTATATE, at one hour.

SAR-Bombesin – Breast and Prostate cancers

SAR-Bombesin is a highly targeted pan-cancer theranostic radiopharmaceutical being developed for identifying and selecting patients for subsequent treatment of their cancers that express gastrin releasing peptide receptor (GRPr).

Diagnostic ^{64}Cu SAR-Bombesin breast cancer C-BOBCAT trial

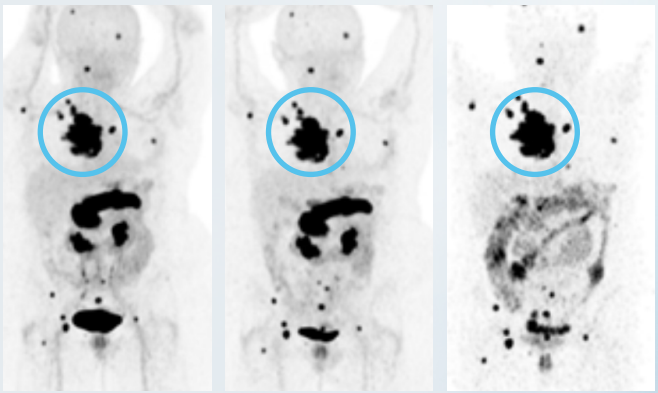
The diagnostic imaging trial of ^{64}Cu SAR-Bombesin (C-BOBCAT), led by Prof Louise Emmett at St Vincent's Hospital Sydney, closed early in October 2021, having been used in seven patients with ER/PR positive metastatic breast cancer. The study has shown promising preliminary results in breast cancer patients.

The C-BOBCAT trial was a pilot assessment of the diagnostic value of ^{64}Cu SAR-Bombesin PET/CT imaging for staging of hormone positive breast cancer patients with metastatic disease in comparison with standard of care imaging (CT, bone scan and ^{18}F FDG PET/CT).

The diagnostic program generated evidence of the utility and potential superiority in some patient subgroups compared to conventional imaging (e.g. ^{99m}Tc bone scan, ^{18}F FDG). The high uptake and strong product retention visualised by PET imaging of patients at 1, 4 and 24 hours after product administration suggest significant potential for therapy applications with ^{67}Cu SAR-Bombesin.

The clinical data from the C-BOBCAT trial will be published in 2022 and Clarity will use the human clinical data from the trial for Investigational New Drug (IND) Application filings with the US Food and Drug Administration (FDA).

^{64}Cu SAR-Bombesin in hormone positive metastatic breast cancer at 1h, 4h and 24h after administration demonstrating high uptake and retention within the tumour and clearance from the non-target organs.



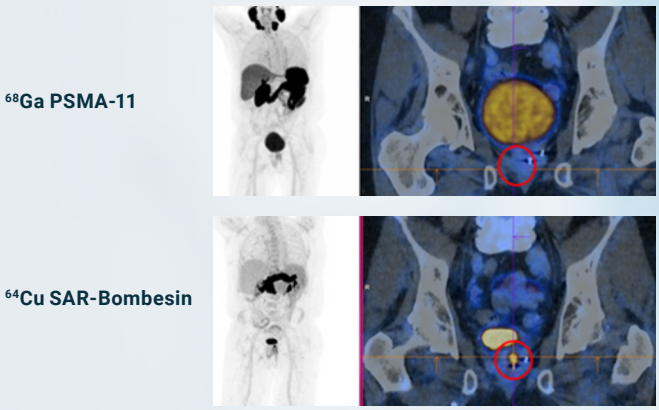
T = 1 Hour T = 4 Hour T = 24 Hour

^{64}Cu SAR-Bombesin in prostate cancer patients

Clarity received overwhelming interest from clinicians in using SAR-Bombesin for better management of PSMA-negative prostate cancer, with early clinical evidence being very promising as the company looks to explore the clinical development of SAR-Bombesin in the US and Australia.

During the December 2021 quarter, Clarity responded to these requests for access to this product under the TGA's SAS for PSMA-negative prostate cancer and breast cancer patients. Given Clarity's experience and networks in prostate cancer, the Company is excited to move this product forward in clinical development in 2022.

^{68}Ga PSMA-11 (top) images of a PSMA-negative patient with clinical signs of PC (a rising PSA score of 0.16 ng/mL) and ^{64}Cu SAR-Bombesin PET/CT images of the same patient (bottom)



OPERATIONS & SUPPLY OF RADIOPHARMACEUTICALS

Manufacturing and logistics

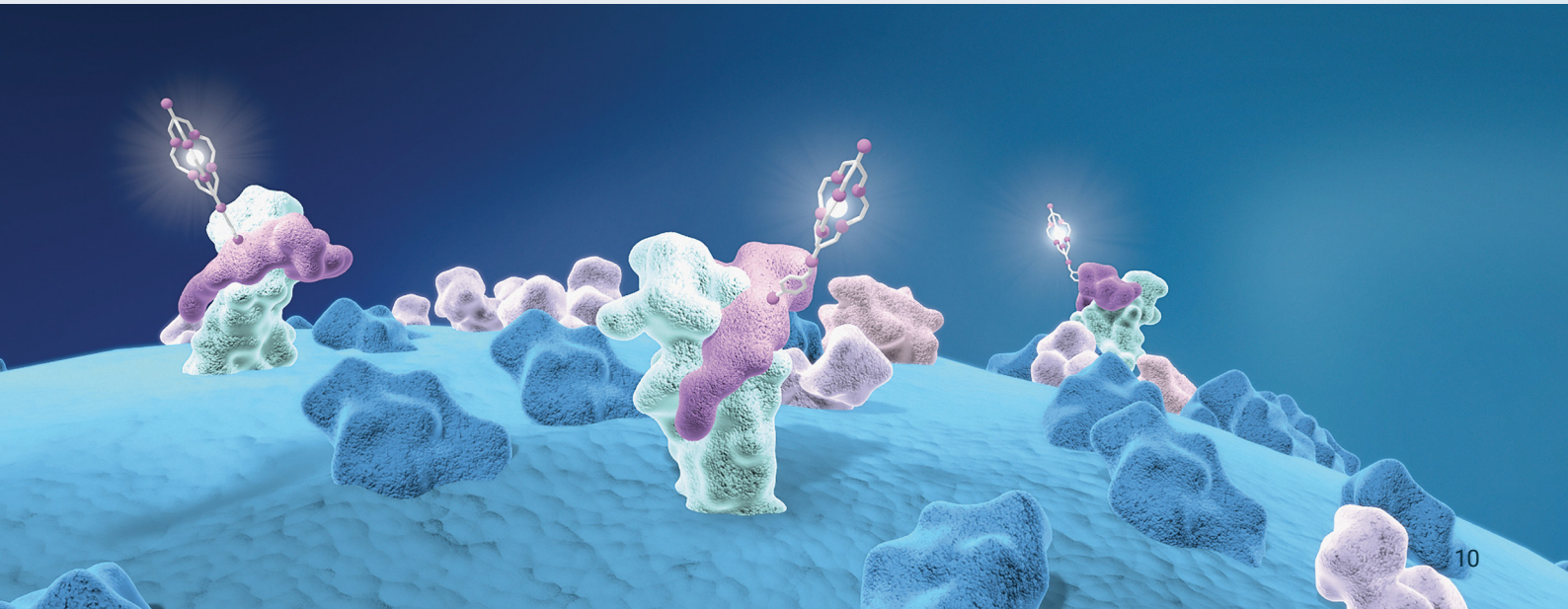
Manufacturing and logistics are critical for the supply of radiopharmaceuticals. To support clinical growth and future commercialisation, Clarity is actively extending its manufacturing and logistical footprint in the US, signing a number of key agreements and securing key memberships, including most recently an **Agreement with Cardinal Health covering cGMP manufacture and distribution of Clarity's TCT** on 2 December 2021.

Under this agreement, Cardinal Health will manufacture and distribute ready-to-use TCT utilising ^{64}Cu and ^{67}Cu for Clarity's US-based clinical trials from its state-of-the-art Center for Theranostics Advancement in Indianapolis, Indiana. TCT are ideally suited for central manufacture and fit easily within Cardinal Health's broad distribution network.

This agreement is another key step to reinforce the rollout of the TCT platform and getting "ready-to-use" TCT products to patients at any location in the US, further building on several agreements and memberships Clarity secured in 2021:

- Agreement with **Evergreen Theragnostics, Inc.** covering cGMP manufacture and distribution of Clarity's TCT (September 2021)
- Copper-67 supply agreement with **NorthStar Medical Isotopes, LLC.** for the exclusive supply of copper-67 to Clarity (May 2021)
- Membership and a Board position on the **Council on Radionuclides and Radiopharmaceuticals, Inc** (CORAR) (September 2021).

Clarity's ongoing clinical trials further validate the Company's on-demand distribution model where products have been shipped to the trial sites across Australia and the US from central manufacturing facilities with minimal delays or interruptions.



INTELLECTUAL PROPERTY (IP)

Clarity has an extensive patent portfolio generated from a patent strategy designed to cover its SAR Technology platform, its existing radiopharmaceutical products utilising the technology, as well as a 'Discovery Program' focused on developing new products and new intellectual property for a range of indications of cancer in all major international jurisdictions.

Most recently, Clarity focused on significantly strengthening patent protection of its optimised Prostate Specific Antigen (PSMA) targeting agent, SAR-bisPSMA, as the Company entered two clinical trials in prostate cancer with this product in 2021. In November, the patent application covering formulations of SAR-bisPSMA entered the national phase in multiple jurisdictions, including the USA, Europe and China.

The evolving patent protection on the SAR-bisPSMA agent is testament to Clarity's aggressive patent strategy which allows the Company to achieve strong protection with any targeting agent and to expand the product pipeline, gaining a sustainable competitive advantage in the radiopharmaceutical field.

FINANCIALS

Cash balance was $96.7 million as at 31 December 2021. Net operating cash outflows for the quarter was $4.5 million, mostly relating to payments for research and development, staff costs, administration, and general operating costs.

Use of Funds (Listing Rule 4.7C.2)

	Prospectus dated 16 July 2021 $ million	% of Total Funds	Period* to 31 December 2021 $ million	% of Total Funds
Pre-Clinical	$2.7	2.5%	$0.2	1.6%
Clinical	$84.0	76.6%	$3.7	28.7%
Regulatory	$5.7	5.2%	$0.2	1.6%
Patents	$1.4	1.3%	$0.3	2.3%
Corporate	$10.4	9.5%	$1.9	14.7%
Costs associated with the Offer	$5.4	4.9%	$6.6	51.2%
Total uses	**$109.6**	**100.0%**	**$12.9**	**100.0%**

* From date of admission 25 August 2021.

Costs associated with the offer exceed the amount set out in use of funds in the Prospectus by $1.2 million. This is explained mainly by an additional fee to the Joint Lead Managers and costs relating to preparation of and additional due diligence relating to a Supplementary Prospectus dated 10 August 2021. The Company paid $750,000 to the Joint Lead Managers as part of a potential $920,000 Incentive Fee, payable entirely at the discretion of the company. The Incentive Fee is described in 10.11.1 of the Prospectus.

Aside from the above the expenditure for the period from admission until 31 December 2021 as set out in the table above is in accordance with the Use of Funds outlined in the Company's prospectus dated 16 July 2021 and there are no other material variances against the estimated use of funds.

Related Party Transactions (Listing Rule 4.7C.3)

Payments to related parties of the entity and their associates (6.1 of the Appendix 4C) totaled $333,000 for the quarter. This amount included director fees and salaries, and consulting fees to a non-executive director for clinical development services.

References

1. **ClinicalTrials.gov Identifier: NCT04868604** clinicaltrials.gov/ct2/show/NCT04868604
2. **ClinicalTrials.gov Identifier: NCT04839367** clinicaltrials.gov/ct2/show/NCT04839367
3. **ClinicalTrials.gov Identifier: NCT04023331** clinicaltrials.gov/ct2/show/NCT04023331
4. **ClinicalTrials.gov Identifier: NCT04438304** clinicaltrials.gov/ct2/show/NCT04438304

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About Clarity Pharmaceuticals

Clarity is a clinical stage radiopharmaceutical company focused on the treatment of serious disease. The Company is a leader in innovative radiopharmaceuticals, developing targeted copper theranostics based on its SAR Technology Platform for the treatment of cancer in children and adults.

claritypharmaceuticals.com/

Appendix 4C

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

Name of entity	
Clarity Pharmaceuticals Ltd	
ABN	**Quarter ended ("current quarter")**
36 143 005 341	December 2021

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		
1.2	Payments for		
	(a) research and development	(3,624)	(5,642)
	(b) product manufacturing and operating costs	-	
	(c) advertising and marketing	(31)	(37)
	(d) leased assets	-	
	(e) staff costs	(291)	(744)
	(f) administration and corporate costs	(516)	(1,662)
1.3	Dividends received (see note 3)	-	
1.4	Interest received	6	16
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(5)	(5)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(4,461)**	**(8,074)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
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**	**(3)**	**(3)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	92,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	44	69
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(597)	(6,324)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(553)**	**85,745**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	101,700	18,939
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,461)	(8,074)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(553)	85,745
4.5	Effect of movement in exchange rates on cash held	(19)	57
4.6	**Cash and cash equivalents at end of period**	**96,664**	**96,664**

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	48,164	73,700
5.2	Call deposits *	48,500	28,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**96,664**	**101,700**

** Call deposits represents term deposit accounts with expiry dates more than 3 months after balance date, presented as "financial assets" in audited financial statements.*

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	333
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: Payments in 6.1 include director fees and salaries and consulting fees to a non-executive director for clinical development services.

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	-	-
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.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,461)
8.2	Cash and cash equivalents at quarter end (item 4.6)	96,664
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	96,664
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	22

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

8.6.1 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:

8.6.2 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:

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

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: *31 January 2022*

Authorised by: *Dr Alan Taylor - Executive Chair*
(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.