



30 January 2014
Company Announcements Office
Australian Stock Exchange
Level 6, 20 Bridge Street
Sydney NSW 2000

Anteo Diagnostics Limited (ASX:ADO) attaches its Appendix 4C for the quarter ending 31 December 2013.

CEO ACTIVITIES REPORT – QUARTER ENDED 31 DECEMBER 2013

Dear Fellow Shareholder,

Activity levels, in all areas, continued to ramp up through the final quarter of 2013. We finished the year on a high and there has been no let up through early 2014.

Our key external interactions have all progressed well. New projects were initiated as a result of discussions that were held at a variety of conferences attended. Capital was raised, through the issue of new shares, to fund projects made possible by the filing of several patents in August 2013. New appointments have been made to allow work to be accelerated in these areas.

Our cash position at the end of the quarter, of \$7.5M, has us well placed to execute our plans for 2014 and beyond.

This quarter had the following activities:

- Reached agreement with BBI on the structure of a six month Project Plan
- Negotiated with BBI on a Materials Transfer Agreement
- The first two phases of the five phase project with BBI are nearing successful completion
- Successfully determined conditions for the PoC1 device that ensure their beads retain their colloidal stability (don't aggregate) and provide a linear response
- Continued discussions with PoC1 around mutually acceptable commercial terms
- Undertook further negotiations with a Chinese IVD company for the use of Mix&Go to activate their in-house manufactured beads
- Provided additional data to the US based Life Science Research and Clinical Diagnostic company to assist them with their assessment of the commercial value of Mix&Go to their operations.
- Made a \$5.5M share placement to existing investors, new investors and institutions
- Released two of our own manufactured products for -testing
- Delivered formal presentations to interested parties both as part of the capital raising and as part of industry conferences
- Attended a number of conferences both domestically and internationally

Anteo Diagnostics Limited ABN 75 070 028 625

Unit 4, 26 Brandl Street, Eight Mile Plains Qld 4113

Phone 07 3219 0085 **Fax** 07 3219 0553 **Email** contact@anteodx.com **Web**
www.anteodx.com



PAID POINT OF CARE PROJECT I

Through the previous quarter we undertook work to improve the robustness and reduce variability of results on the novel device. Work on these aspects is ongoing. The device is very complex and altering any parameter has ramifications in other components of the system. The challenge is compounded as our partner has restricted our activities to one part of the system for the present study. Despite this we continue to demonstrate the ease and simplicity of Mix&Go in the development program.

Work to date has focused on ensuring reproducible results. We have achieved this with a number of different parameters. Our partner has provided further equipment permitting increased output and the remaining time will be spent endeavouring to demonstrate to their satisfaction what we consider to be one of the key benefits to flow from the use of Mix&Go – sensitivity improvements. Success in this undertaking should ensure our inclusion in assays offered for commercial sale on the device once it is launched.

Two scientists from Brisbane worked for a period in our partner's laboratories overseas. The relationship that exists at a scientific level is strong despite the mutual need to retain some confidences until commercial agreement is reached.

Technical problems experienced by our partner have hampered progress by our scientists but we remain optimistic about the ultimate outcome.

Commercial groups from both parties have been discussing the possible form of an ongoing association.

BBI PROJECT

A five-phase project has been agreed with BBI. The first two phases are planned to be largely undertaken by Anteo scientists in Brisbane and the remainder in Cardiff in close consultation with Anteo scientists.

The initial two phases are now nearing completion, on time, and the results are very positive. Several shipments have been dispatched to Cardiff for verification of our findings in their hands. Progress is such that the frequency of teleconferences between the technical collaborators has increased significantly.

We are very pleased with the data we have been able to provide and, in general, with the spirit of the collaboration.



CHINESE IVD COMPANY

Work has been ongoing in China with a view to scale-up of bead manufacture. There have been some enduring problems with variability of the manufactured beads that have hampered our commercial progress. In addition, the Chinese company is undergoing an internal restructure prior to the New Year. The impact of this, if any, will not be known until early February.

ANTEO MANUFACTURED PRODUCTS

Two Anteo manufactured products were released for -testing in late 2013. We now have sufficient confidence in manufacture, performance and invoicing to proceed to formal launch in February.

PLACEMENT RAISING \$5.5M

As has been heralded for some time, in order to extract maximum commercial value from our recently filed patents, there is a need to make an investment that would have drawn heavily on our existing financial reserves. As a result, your Board decided in late 2013 to issue new shares by way of a placement, which would provide the expected capital necessary to exemplify the patents over the first 12 months post filing and to take the products to early stage commercialisation.

The placement at 12.5 cents per share was undertaken, under the auspices of Bell Potter, was oversubscribed and provided us with approximately \$5.1M after costs. It is pleasing to note that our share price has remained above the issue price.

We welcome a number of new investors to our register and are pleased to note that there was some institutional involvement in the raising – perhaps an early indication of the growing maturity of our company.

STAFFING

The money raised has allowed us to employ additional staff to accelerate our efforts in areas associated with our new patent filings:

- A production scientist to assist with the manufacture and preparation for sale of newly designed products. It is envisaged that this person will also be able to support the preliminary efforts toward quality certification
- An inorganic chemist to provide the necessary skills to de-risk the business by reducing our reliance on suppliers for the basic ingredients of Mix&Go; developing formulations that utilize only components that are Generally Regarded As Safe (GRAS reagents) and manufacturing novel formulations to meet the specific needs of some customers and formulations that will add to our in-house range of manufactured products.

Anteo Diagnostics Limited ABN 75 070 028 625

Unit 4, 26 Brandl Street, Eight Mile Plains Qld 4113

Phone 07 3219 0085 Fax 07 3219 0553 Email contact@anteodx.com Web www.anteodx.com



ADDITIONAL OPPORTUNITIES

Several European companies with whom we have been in dialogue for some time have finally identified what they believe to be opportunities that would benefit greatly from the use of Mix&Go, both in the short and long term. Dr Joe Maeji and I will meet relevant people to assess their needs and the likelihood that we can be of commercial benefit. The audience includes scientific, clinical and commercial staff from research, pharma and diagnostic areas of their respective businesses. We are excited by the prospects and look forward to investigating the variety of applications requested.

The year has begun well for us. We look forward to keeping you abreast of our progress.

Dr Geoff Cumming
CEO Anteo Diagnostics Limited

Anteo Diagnostics Limited ABN 75 070 028 625
Unit 4, 26 Brandl Street, Eight Mile Plains Qld 4113
Phone 07 3219 0085 **Fax** 07 3219 0553 **Email** contact@anteodx.com **Web**
www.anteodx.com

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Anteo Diagnostics Limited

ACN or ARBN

75-070-028-625

Quarter ended
("current quarter")

31-Dec-13

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from customers and government grants	304	2,121
1.2	Payments for		
	(a) staff costs	(526)	(953)
	(b) advertising and marketing	(167)	(355)
	(c) research and development (excluding staff costs relating to R&D)	(132)	(281)
	(d) leased assets	-	-
	(e) other working capital	(415)	(758)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	21	46
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
Net operating cash flows		(915)	(180)

NOTES:

		Current quarter \$A'000	Year to date (6 months) \$A'000
1.8	Net operating cash flows (carried forward)	(915)	(180)
1.9	Cash flows related to investing activities		
	Payment for acquisition of:		
	(a) Businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(31)	(121)
	(e) other non-current assets	-	-
	Proceeds from disposal of:		
1.10	(a) Businesses	-	-
	(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	Adjustment for cash remaining in subsidiary entity at disposal	-	-
	Net investing cash flows	(31)	(121)
1.14	Total operating and investing cash flows	(946)	(301)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	5,500	5,500
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other:		
	Conversion of converting notes	-	-
	Interest paid on converting notes	-	-
	Capital raising costs	(343)	(343)
	Net financing cash flows	5,157	5,157
	Net increase (decrease) in cash held	4,211	4,856
1.21	Cash at beginning of quarter/year to date	3,265	2,620
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	7,476	7,476

NOTES:

1.20

--	--

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	326
1.25	Aggregate amount of loans to the parties included in item 1.11	NIL

1.26 Explanation necessary for an understanding of the transactions

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

NIL

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

NIL

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

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

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	88	1,273
4.2	Deposits at call	7,388	1,992
4.3	Bank overdraft		-
4.4	Other - Funds held in trust re. Open Prospectus Offer		-
Total: cash at end of quarter (item 1.23)		7,476	3,265

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Acquisition/disposal of subsidiary		
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets at date of acquisition/disposal		
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 2001 (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 January 2014

(Director)

Print name: **Richard Martin**