

ANTARIA LIMITED

**ANNUAL GENERAL MEETING
SHAREHOLDER PRESENTATION
18 NOVEMBER 2013**

Company Overview

- **Directors**
 - Rade Dudurovic (Non-Executive Chairman)
 - Ron Higham (Chairman of Audit and Risk Committee)
 - Paul Pisasale (Chairman of Nomination and Remuneration Committee)
- **Company Secretary**
 - Geoff Fussell
- **Staffing – reduction from 31 three years ago to 14**
 - Sales + Administration – 3
 - Product Development – 4
 - Production – 7
- **Premises**
 - Alusion Facility – 112 Radium Street, Perth
 - ZinClear Facility – 108 Radium Street, Perth

Progress So Far

- People
 - Change in Board composition
 - Implementing cultural change – focus on financial outcomes
- Product
 - New Merck agreement
 - Finalised ZinClear-XP Powder specifications with first commercial orders received and sales to commence in December 2013
 - Implementing improved distribution model for Europe and Americas
- Process
 - Increased Alusion capacity utilising existing equipment
 - Approved Alusion expansion project (now being executed)
 - Identified outsource OEM manufacturer in Europe for ZinClear-XP and ZinClear-IM

Alusion Update

- Merck KGaA
 - Leading pharmaceutical and life sciences company
 - Exclusive right to market and distribute Alusion globally
 - Executed new two (2) year Licence and Development Agreement
 - ✓ fixed minimum price
 - ✓ “take or pay” up to 40 tonnes per annum
 - ✓ Annual extensions after the initial two (2) year term expires
- Opportunity to grow sales volume to 100 tonnes p.a. over 3 years
- Constraint is Alusion production capacity
 - Extended lease at 112 Radium Street facility for further three (3) years
 - Targeting additional production capacity
 - ✓ 25% volume increase by March 2014 – 5th kiln and new wash plant in service
 - ✓ Investigating further 33% volume increase by June 2014 – Accelerate heating and cooling cycles with no significant expenditure on additional equipment required
- Targeting “run rate” revenue of \$2.4M p.a. at March 2014 and \$3.0M p.a. by June 2014 (compared to FY 13 revenues of \$1.1M)

ZinClear Update

■ Industry Overview

- UV filters increasingly being introduced into daily wear cosmetics and hair care products – significantly larger opportunity than sunscreens
- Organic (i.e. chemical) filters predominate
- Zinc offers “natural” mineral broad spectrum protection (i.e. UVA + UVB). Zinc not yet a “certified” UV filter in all jurisdictions (e.g. Europe)
- Cosmetic applications require mineral UV filters to be transparent on the skin. Transparency achieved using a “nano” mineral UV filter

■ Product

- ZinClear-XP Powder – key market advantages
 - ✓ Superior transparency
 - ✓ Improved UV protection
 - ✓ Satisfies critical wavelength requirements
 - ✓ Pricing highly competitive with organic UV filters and alternate zinc-based filters
 - ✓ Sales to global brand owners limited in the past as preference is for powder UV filters rather than more expensive dispersion offering (i.e. ZinClear-IM) – expected to attract new customers
 - ✓ XP dispersions available for smaller brand owners and existing customer-base

ZinClear Update

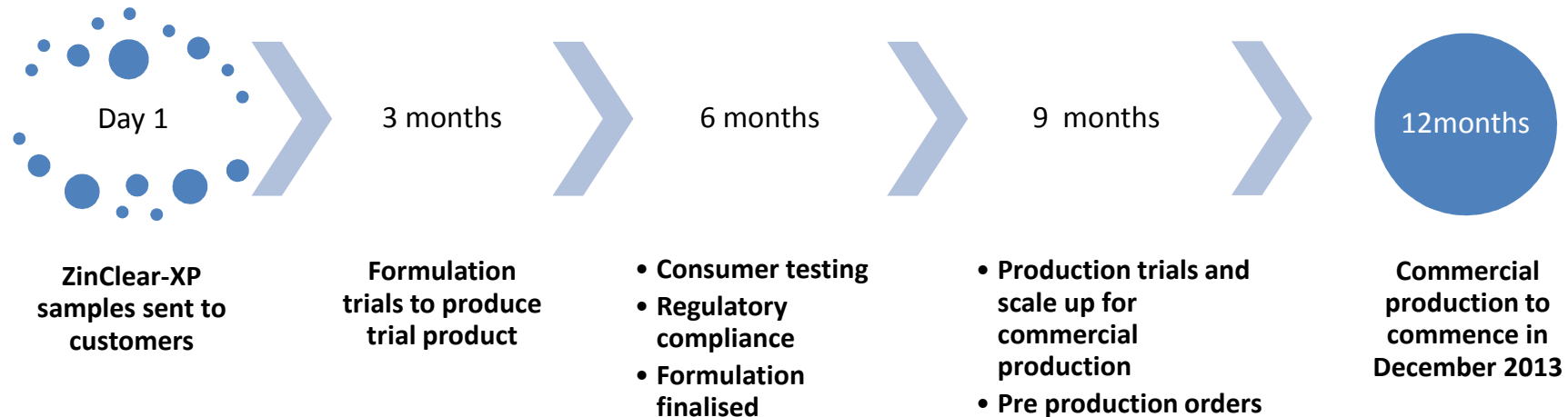
■ Global Distribution

- Network of international distributors for ZinClear-IM and ZinClear-XP
- Implementing new distribution model to leverage potential of ZinClear-XP
 - ✓ Transition European distributors onto a National Accounts model – will facilitate pan-European sales for distributors currently constrained by territories
 - ✓ Appointing additional distributors in North and South America in response to poor sales performance and destocking decision by existing American distributor
 - ✓ Discussions ongoing with potential distributors for Korea, Japan and China
- Implementing maximum resale price policy

■ Production

- Currently manufacturing ZinClear-IM and ZinClear-XP in Perth facility
- Identified suitable outsource OEM manufacturer in Europe – offers increased capacity and reduced manufacturing and distribution costs
- Outsourcing arrangements currently under review – defer decision until USA distribution arrangements are resolved and USA sales volumes confirmed

Typical ZinClear-XP Product Timetable



Targeting Brand Owners who:

- Introducing new or revised daily wear and/or skin protection range
- Want a SPF claim
- Want a “Naturals” (i.e. non-chemical) claim
- Prefer a powder product
- Operate in markets where Zinc is an approved UV filter (i.e. Americas, Asia, Australia/NZ)
- Willing to combine Zinc with an approved UV filter in markets where Zinc is not yet a certified UV filter (i.e. Europe)

Company Strategy

- Developed via a number of Board strategy meetings and direct customer interaction
- Grow Alusion revenues in FY 14, FY 15 and FY16
- Ensure Alusion and ZinClear-IM revenues are sufficient to fund operating costs and overhead until ZinClear-XP revenue “kicks in” in FY15
- Finalise revised global distributor arrangements during FY14
- Expand ZinClear-XP global distribution network into Asia and South America during FY15
- Outsource manufacture of ZinClear-XP and ZinClear-IM to European OEM manufacturer in FY15
- Retain Alusion manufacturing facility in Perth – grow volumes to 100 tonnes p.a. by FY15
- Use future profits to fund “roll-out” of other products in portfolio
- Implement dividend policy

Priorities – FY14

- Increase Alusion production volumes
- Commence commercial production of ZinClear-XP
- Appoint additional distributors in Americas and implement national accounts model in Europe
- Strengthen product development team without increasing employee head count
- Target improved financial result to break-even
 - Increased Alusion revenues
 - Initial ZinClear-XP sales
 - Proactive management of costs
- Growth to be internally funded from cash resources and cash flow – no plans for capital raising

Financial Snapshot

- Significant growth in Alusion revenues
- Operating costs are declining

Monthly "Run Rate" (\$000)	as at June 2012 Actual	as at June 2013 Actual	as at June 2014 Forecast
Alusion Margin	40	90	230
Operating Costs	500	400	300

- Reliance on revenue from ZinClear (IM and/or XP) in order to break-even is reducing year-on-year
- Commercial production of ZinClear-XP – December 2013
- No significant increases in overhead costs expected as ZinClear-XP revenue "ramps-up"
- Demand for ZinClear-IM expected to rebound once USA distributor completes destocking and begins reordering

Formal Business

- **Financial Report**
- **Remuneration Report**
- **Election of Directors**
 - **Paul Pisasale**
 - **Ron Higham**
- **Other Business**

Formal Business

Financial Report

“To receive and consider the financial report of the Company and the reports of the Directors and Auditors for the year ended 30 June 2013”

Formal Business

Remuneration Report

Resolution 1

To consider and, if thought fit, pass the following as a non-binding ordinary resolution.

“That the Company’s Remuneration Report for the financial year ended 30 June 2013 is approved”

Proxies Received	Voted	%
For	54,362,310	99.57
Against	46,000	0.08
Open	190,000	0.35
Abstain	20,000	N/A
Excluded	195,262,797	N/A

Formal Business

Election of Directors

Resolution 2

To consider and, if thought fit, pass the following ordinary resolution.

“That Mr Paul Pisasale, having been appointed a Director since the last annual general meeting of the Company, in accordance with the Constitution, ceases to hold office and, being eligible, is elected a Director.”

Proxies Received	Voted	%
For	249,645,107	99.90
Against	46,000	0.02
Open	190,000	0.08
Abstain	0	N/A
Excluded	0	N/A

Formal Business

Election of Directors

Resolution 3

To consider and, if thought fit, pass the following ordinary resolution.

“That Mr Ron Higham, having been appointed a Director since the last annual general meeting of the Company, in accordance with the Constitution, ceases to hold office and, being eligible, is elected a Director.”

Proxies Received	Voted	%
For	249,665,107	99.91
Against	26,000	0.01
Open	190,000	0.08
Abstain	0	N/A
Excluded	0	N/A

Formal Business

Other Business

Q & A