



INNOVATIVE SCIENCE • REAL VALUE

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Companies Announcements Office
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Corporate update – SciDev 2Q FY20 sales to customers currently exceed AUD \$1.67m

Highlights

- SciDev sales for Q2 FY20 quarter to date are currently AUD \$1.67m, taking total FY20 YTD sales to customers to AUD \$3.95m with cash receipts of AUD \$2.36m.
- Increasing revenue has been generated from several orders and commercial trials across a range of industries, including orders from new partners in the gold processing, copper processing and the commercial construction/infrastructure sectors.
- Activity in the multi-year contract with Iluka commenced in October with chemical ‘first fill’ and the ongoing delivery of MaxiFlox® chemistry.
- SciDev has strengthened its management team through hiring of a new Chief Operating Officer and Engineering Product Manager (ref ASX announcement 17 October).
- Settlement of the ProSol Australia acquisition (ref ASX announcement 22 October) is proceeding smoothly and opening new sales channels into the NSW Hunter region, as anticipated.
- OptiFlox® patent granted in South Africa for the Measurement and Treatment of Fluid Streams 2017/01794. Rollout of patent over other jurisdictions expected in due course.

SciDev Limited (ASX:SDV; SciDev, or the Company) is pleased to advise that it has achieved total sales of AUD \$3.95m so far in FY2020. The YTD FY2020 sales are already 35% above the total FY2019 sales figure of AUD \$2.92m, reflecting the growing level of acceptance of SciDev technology amongst our customer base.

SciDev Managing Director and CEO Lewis Utting said, “The activity levels for the company continue to accelerate this financial year. Recent large contract wins with Iluka and Phoenix reflect the commercial viability and utilisation of our technology. The SciDev team continues to work on a variety of new business opportunities, commercial trials and orders, which will continue to drive strong growth for the company over the remainder of the financial year.”

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Operational update

FY2020 has been an active period for the Company, with our team engaged in a range of activities across several sectors in multiple countries. This corporate update addresses developments that have occurred post the September quarterly update (refer ASX announcement 9 October).

Mineral sands

During the September quarter the Company signed a major supply contract with Iluka (ref ASX 30 August) for SDV's MaxiFlox® chemistry for an initial three-year period, with the contract expected to deliver AUD \$8–12m over the duration. Activity commenced on site in October, with chemical first fill and the ongoing delivery of the MaxiFlox® chemistry underway. The first 39 tonne delivery has been booked in SciDev's accounts, with regular contributions anticipated moving forward.

Nickel

The company is in negotiation of commercial terms with a nickel laterite producer based in New Caledonia. The discussions in New Caledonia follow from the company's first exposure to the nickel laterite industry at Ramu (ref ASX 9 September 2019). The nickel laterite sector provides a large chemical opportunity for the company.

Precious metals

During the current quarter, first trial orders totalling AUD \$147,000 were received from a major gold operation located in the Enga Province of Papua New Guinea. The order represents the first utilisation of SciDev's MaxiFlox® chemistry in the gold industry and has the potential to be a large growth area for the company. Again, successful delivery into this operation will showcase SciDev's skill in the style of mineralisation and operation concerned, in addition to its capability to deliver bespoke solutions into remote sites.

Base metals

During the current quarter an order has been received for SDV MaxiFlox® chemistry for use at an established copper mine in central-western NSW, focused on improving water recovery and density in the processing circuit. Significant water recovery improvement (~20%) has been achieved.

Metallurgical & thermal coal

SDV has been active in the Bowen Basin supporting the re-start of a large-scale coal handling preparation plant. SciDev is the preferred supplier for both chemicals and equipment to the operation, while providing paid professional services to support the restart. In addition, SciDev has recently secured supply of its MaxiFlox® chemistry to another coal producer in the southern area of the basin.

SciDev's acquisition of ProSol Australia is proceeding smoothly, with ProSol's Ben Gill and Terry McHugh now working within the SciDev team. The acquisition is opening new sales channels into the NSW Hunter region as anticipated and new customer wins are expected to occur over the remainder of the financial year. No revenue from ProSol has been brought to account in the revenue figures reported earlier in this announcement.

Construction

During the September quarter, the company was invited by several new potential clients to support clay and water management processes associated with tunnel boring machines (TBM). The treatment of the TBM slurry requires SDV MaxiFlox® technology to enable effective dewatering and separation of the solids in addition to returning clean water. The first industrial trials have commenced, with orders for SciDev chemistry of approximately AUD \$50,000 received in October.

Oil & gas – friction reduction

Friction reduction: During the September quarter the Company received its first major order for MaxiFlox® technology into the US oil & gas market (ref ASX 22 July 2019).

Field evaluations are now complete, and the Company is pleased to announce that the technical hurdles have been exceeded. SciDev is in active discussions with its key end customer about strategies to advance our commercial relationship and maximise the synergies between the two companies in this USD \$2.5b market.

Phoenix Process Equipment Company: During the previous quarter, the company signed a Heads of Agreement with Phoenix Process Equipment Company (ref ASX 22 August 2019) following successful validation of the Nuocer-produced chemistry. SciDev is pleased to advise that a subsequent order for chemistry has been received of \$85,000.

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Lewis Utting
CEO & Managing Director

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About SciDev

SciDev is a leader in the development and application of both chemistry and process control for solids-liquid separation. SciDev brings together world-class technology, chemistry, management and manufacturing capabilities to solve pressing operational and environmental issues for the water, oil and gas, mining and construction markets.

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About OptiFlox®

OptiFlox® is a patent-pending technology that continuously analyses and measures key parameters in industrial process streams. The OptiFlox® system improves the clarification of water and the addition of chemistry, enabling optimal utilisation of industrial processes including mineral processing and water treatment.

About MaxiFlox®

Our MaxiFlox® flocculants and coagulants are made to SciDev specification in house and by Nuor Group and cover a broad range of conventional and advanced flocculant and coagulant products. MaxiFlox® proprietary technology is specifically optimised for application with our OptiFlox® control technology across most applications. It provides highly effective solutions at treatment costs of up to 30% less than our competitors.