

QUARTERLY BUSINESS UPDATE

Perth, Australia, 31 January 2017: Australian life sciences company BARD1 Life Sciences Limited (ASX:BD1) (**BARD1 LSL** or the **Company**) provides the following update on its business activities for the second quarter to 31 December 2016.

Highlights

- **CEO appointed:** Dr Leeorne Hinch appointed to strengthen the management team.
- **Assay Feasibility Study:** Study to evaluate the BARD1 Lung Cancer Test on a commercial instrument platform was completed and is awaiting Final Report.
- **Confirmation Study:** Study to further develop and optimise the BARD1 Lung Cancer Test was completed and is awaiting Final Report.
- **Second Ovarian Cancer Study:** Successful results confirm outcome of previous Proof of Concept (POC) Study.

During the quarter, BARD1 LSL has continued to progress the commercialisation of the company's lead diagnostic product BARD1 Lung Cancer Test, whilst advancing its research activities for ovarian cancer.

Financial update

The closing cash balance at the end of the second quarter on 31/12/16 was \$1.926 million. Net cash burn for the quarter was \$741K, higher than the previous quarter due to increased staff costs and consulting fees, and some delayed and additional operational expenses. BARD1 LSL continues to manage its cash flow prudently, and annual expenditure remains close to budget.

Operational update

BARD1 strengthened its management team with the **appointment of Dr Leeorne Hinch as CEO**. Leeorne is a biotechnology executive and consultant with extensive experience in the life sciences industry across general management, strategy, fundraising, business development and commercialisation. She has previously held CEO and executive positions in ASX-listed biotechnology, multinational and private companies, where she has had strategic, operational and financial responsibility for leading and managing the development and commercialisation of drug, device and animal health products.

The Company held its **Annual General Meeting (AGM)** on 7th November 2016 and all resolutions were passed.

BARD1 LSL **relocated its headquarters** in December 2016 to the Harry Perkins Institute of Medical Research (the Perkins) at QEII Medical Centre in Nedlands, Western Australia. The Perkins houses world-class research teams, latest equipment and state-of-the-art facilities that will enable BARD1 LSL to collaborate with Perkins' researchers to expand and accelerate its research programs in cancer diagnostics and therapeutics.

Research and Development (R&D) update

BARD1 tumour associated antigens (TAA) have been detected in breast, ovarian, lung and colon cancer. BARD1's R&D activities during the quarter were primarily focused on development of non-invasive antibody-based diagnostic tests for the early detection of lung and ovarian cancers.

Lung Cancer program

During the quarter, BARD1 LSL commenced Analytical Validation to further develop, optimise and validate the BARD1 Lung Cancer Test for detection of lung cancer.

The **Assay Feasibility Study** to evaluate the research-grade assay on a commercial instrument platform was completed by Meso Scale Diagnostics (MSD) in December 2016. MSD tested 40 lung cancer and control samples across multiple BARD1 peptides on a commercial platform using various methods to determine the best assay for a clinical-grade test. MSD has provided the raw data to the Company for analysis, and a Final Report is expected in the March quarter. BARD1 LSL is currently finalising statistical

analysis and modelling of the data, and expects to announce the results of the assay feasibility study by mid-February 2017.

The **Confirmation Study** to further develop and optimise the research-grade BARD1 Lung Cancer Test for early detection of lung cancer was also completed in December 2016. MSD tested over 530 samples of lung cancer and healthy controls (including the samples from the Proof of Concept (POC) Study), on 40 BARD1 peptides. MSD has provided the raw data of this study to the Company for analysis and statistical modelling, and a Final Report is expected in the March quarter. BARD1 LSL expects to announce the results of the Confirmation Study by end of March 2017.

Additional studies may be required to further validate a clinical-grade test with defined specifications to enable the BARD1 Lung Cancer Test to enter clinical validation and provide evidence of safety and performance to support marketing and/or licensing.

Ovarian Cancer program

During the quarter, BARD1 LSL progressed its ovarian cancer program by testing an additional 88 samples of ovarian cancer and matched healthy controls from the same origin. Samples were tested on 10 BARD1 peptides as before to further evaluate the reproducibility of the BARD1 Ovarian Cancer Test. Statistical modelling was performed and yielded a ROC (receiver operating characteristic) curve with an AUC (area under the curve) = 0.86.¹ These results confirmed the outcome of the first proof of concept (POC) study (announced 22 September 2016), demonstrated the reproducibility of the research assay across new samples, and showed that sample origin had no influence on the ROC or AUC results.

Based on the results of these studies, BARD1 LSL concluded that a BARD1 Ovarian Cancer Test may be optimised by testing a larger set of 40 peptides with subsequent modelling and peptide ranking across higher sample numbers to improve the sensitivity and specificity of the test for detection of ovarian cancer. Consequently, in January 2017, BARD1 LSL commenced **Biomarker Optimisation Studies** at MSD on 300 ovarian cancer and control samples, including those used in the POC studies, to further develop and optimise the assay for early detection of ovarian cancer using a 40 peptide set across multiple cohorts. BARD1 LSL expects to announce the results of this study by end of March 2017.

Therapeutic Vaccine program

Discussions were held with a research institution to enter a potential collaboration to evaluate the effectiveness of several candidate BARD1 therapeutic vaccine formulations for use in the prevention and/or treatment of cancer in industry-accepted animal models. BARD1 LSL expects to update the market on this collaboration opportunity in the March quarter.

Outlook

BARD1 LSL is currently focused on achieving further validation of the BARD1 Lung Cancer Test by entering a prospective study of early lung cancer detection in high-risk group individuals. BARD1 LSL will apply the BARD1 Lung Cancer Test to samples from people who have undergone computed tomography (CT) scans. Comparison of the BARD1 Lung Cancer Test with CT scan data will provide evidence of accuracy, sensitivity and specificity to support marketing and licensing. The Company also plans to accelerate development of its BARD1 Ovarian Cancer Test for early detection of ovarian cancer, and to progress its research-stage Therapeutic Vaccine program for prevention or treatment of cancer.

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FOR MORE INFORMATION PLEASE CONTACT:

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¹ BARD1 LSL. Data on file. Dec 2016.

ABOUT BARD1 LIFE SCIENCES LTD (BARD1 LSL)

BARD1 Life Sciences Ltd (ASX:BD1) is an Australian life sciences company developing novel diagnostics and therapeutics for unmet needs in cancer. The BARD1 technology platform includes proprietary, proven and specific cancer biomarkers, diagnostic algorithms and assays. Its lead product the BARD1 Lung Cancer Test is a non-invasive blood test in development for early detection of lung cancer. It is also researching a high-value pipeline of potential diagnostic and therapeutic products for multiple cancers. BARD1 is committed to transforming the early detection and prevention of cancer to help improve patients' lives.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

BARD1 LIFE SCIENCES LIMITED (formerly Eurogold Limited)

ABN

58 009 070 384

Quarter ended ("current quarter")

31 DECEMBER 2016

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	0	0
1.2 Payments for		
(a) Research, development, Patents	(281)	(519)
(b) product manufacturing and operating costs; Patent Fees	(23)	(42)
(c) advertising and marketing	0	0
(d) leased assets	0	0
(e) staff costs	(167)	(226)
(f) administration and corporate costs	(271)	(378)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (provide details if material)	0	0
1.9 Net cash from / (used in) operating activities	(741)	(1162)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	0	0
(b) businesses (see item 10)	0	0
(c) investments	0	0

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	0	0
(e) other non-current assets	0	0
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	0	0
(b) businesses (see item 10)	0	0
(c) investments	0	0
(d) intellectual property	0	0
(e) other non-current assets	0	0
2.3 Cash flows from loans to other entities	0	0
2.4 Dividends received (see note 3)	0	0
2.5 Other (provide details if material)	0	0
2.6 Net cash from / (used in) investing activities	0	0

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	0	0
3.2 Proceeds from issue of convertible notes	0	0
3.3 Proceeds from exercise of share options	0	0
3.4 Transaction costs related to issues of shares, convertible notes or options	0	0
3.5 Proceeds from borrowings	0	0
3.6 Repayment of borrowings	0	0
3.7 Transaction costs related to loans and borrowings	0	0
3.8 Dividends paid	0	0
3.9 Other (provide details if material)	0	0
3.10 Net cash from / (used in) financing activities	0	0

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,666	3,092
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(741)	(1,162)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5	Effect of movement in exchange rates on cash held	1	(4)
4.6	Cash and cash equivalents at end of quarter	1,926	1,926

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	1,926	2,666
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,926	2,666

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

111

0

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	0
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	0	0
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	0	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	280
9.2 Product manufacturing and operating costs	0
9.3 Advertising and marketing	0
9.4 Leased assets	0
9.5 Staff costs	180
9.6 Administration and corporate costs	100
9.7 Other (provide details if material)	0
9.8 Total estimated cash outflows	560

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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.

Sign here: Company Secretary

Date: 31 January 2017

Print name: P Collinson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.