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6 November 2024

### **Response to Request for Information – Reference: 102248**

Purifloh Limited (“Purifloh”, “the Company”, “PO3”) hereby provides its responses to the formal questions received from ASX on 28 October 2024 and 4 November 2024.

1. *Noting the first announcement of PFAS test work was on 13 June 2023, when did PO3 begin investigation of the potential application of its FRG technology to the treatment of PFAS? Please provide detailed information about the process of identifying this opportunity and the test work required to advance it.*

Purifloh began investigating the potential application of the Free Radical Generator (FRG) technology for the treatment of PFAS in early 2023. It took several months to examine the existing IP and confirm the novelty and non-infringement of the proposed approach, which involved detailed technical, commercial and legal reviews and assessments.

In February 2023, during ongoing test work with Osmoflo, a global company specialising in water treatment in the context of reverse osmosis, a trial experiment conducted by Osmoflo revealed that PO3’s technology could achieve over 90% destruction of PFAS in water. The significance of this result led to further exploration of the Company’s technology to PFAS destruction.

PO3 has since designed systems and carried out hundreds of experiments with synthetically contaminated water as well as water from real-world contaminated sites to validate the opportunity.

Once the PFAS destruction efficacy was validated in the bench scale testing of synthetically created water, PO3 sourced contaminated real-world water from two sources: a contaminated well belonging in Adelaide related to Salisbury Water, and a classified high contamination source from the Department of Defence. The outstanding and independently validated results of these ‘real world’ tests is another significant validation point for the technology.

The next step involves optimisation efforts to focus on commercial scale-up systems – pilot trials, ensuring that the technology can meet industry standards. The initial pilot testing seeks to demonstrate that the technology can mineralise PFAS (and thus effectively destroy the PFAS) in contaminated water at a rate of 50,000 litres per day.

2. *Noting PO3’s submission to ASX that it has continued to comply with Listing Rule 12.1 since 15 February 2023, please provide further information detailing how PO3 has made progress on its FRG technology for the treatment of PFAS treatment described in the Announcement and earlier ones released on MAP on 23 April 2024 and 22 November 2023. In your response, please reconcile this with the fact that PO3 has expended \$177,784 on research and development of PFAS treatment and other applications, including the ACERT and Air purifier products, surface disinfection, water sanitation and medical sterilisation from 1 July 2023 to 30 June 2024.*

PO3's progress in the development of its FRG technology for PFAS treatment stems from several key factors that explain the relatively low expenditure of \$177,784 on research and development, as well as other applications between July 1, 2023, and June 30, 2024:

- i) **Prior R&D Investment (2018-2023):** PO3 had already made substantial progress between 2018 and 2023, spending over \$10 million on research and development to progress the FRG technology. This investment was used to investigate fundamental chemistry, identify free radical species, and develop hardware and engineering design. The technology was optimised to utilise ambient, high relative humidity air to produce a variety of free radicals. It is important to note this earlier phase of fundamental research and technical development laid the groundwork for the application and success now seen in the elimination of PFAS. In essence, the hardware R&D was already completed prior to discovery of the opportunity in PFAS.
- ii) **Prototype Development and Low-Cost Modifications:** Utilising previously developed functional prototypes combined with Dr Sava's experience in setting up low-cost microbiological and chemical testing facilities positioned the Company to conduct targeted R&D with minimal additional expenses. The Company focused on low-cost adaptations to existing prototypes, such as the Air Conditioning Environmental Remediation (ACERT) device, to meet COVID-19-driven demand for disinfection of air conditioning units. These modifications required only incremental improvements and did not demand significant new investment in the underlying FRG technology. Similarly, prototypes and methods developed for swimming pool or other water treatment applications could be tweaked with Dr Sava's expertise and added chemistry to be impactful in PFAS destruction.
- iii) **PFAS Focus and Optimisation:** After COVID-driven demand for disinfection subsided, the Company reviewed the results of biocidal efficacy and observed that the technology was capable of destroying sophisticated bacteria that were otherwise resistant to 'chemical attack' protective systems. This prompted the exploration of applying the technology to chemical contaminants that are similarly resistant to chemical attack. Consequently, in early 2023, the R&D focus shifted from disinfection to destroying PFAS. Dr. Alex Sava is a PFAS and oxidising chemistry expert, and the utilisation of his background knowledge, experience and network and through his targeted approach, the R&D process has been focused and efficient.
- iv) **Company also benefited from being one of the first clients of CoLabs,** an organisation that supports science-based companies. The Company was able to access lab equipment, consumables, reagents and even trained contractors on sub-market rates. It is estimated that working with CoLabs delivered savings of approximately \$20,000 per month compared to the cost of establishing and operating independent labs as well as the associated time-saving.
- v) **Support from Dilato:** Dilato is the Company's major shareholder and a related party that has continued to fund operational and R&D expenses, including the salaries of its operational and administrative personnel. These arrangements have been disclosed in the Company's financial reports and have allowed PO3 to maintain continuity in its development activities. Due to the accounting treatment, the cash costs borne by Dilato on a loan basis, have not been reflected in the Company's quarterly reports. Additionally, directors' fees were deferred by all directors which further reduced the cash expenditures.
- vi) **Continued Focus on Commercialisation:** With this solid foundation in place, PO3 has shifted its focus to scaling its technology and is presently in discussion with Osmoflo, Salisbury Water and the Department of Defence to explore and advance commercialisation opportunities. Based on the discussions, the Company expects significant funding contributions from external partners for the capital and operational expenditures related to its planned pilot plant.

- vii) The Company's strategic decision to prioritise and focus on the development of one simple and novel solution to a global problem, utilising its existing FRG technology, only involves low incremental but highly focused expenditure. The use of existing prototypes and strategic cost management has allowed PO3 to achieve significant progress on its PFAS treatment technology despite relatively low additional R&D expenses to date.

- 3. *Please confirm how the PFAS content of the water samples referred to in the Announcement was assayed and confirmed by ALS and Leeder Analytical.*

PuriflOH collects water samples before and after the specific PFAS destruction treatment and submits them to ALS Global and Leeder Analytical, both of which are NATA-accredited laboratories.

Both laboratories employ ASTM D8421-22 - standardised worldwide PFAS assay (*Standard Test Method for Determination of Per- and Polyfluoroalkyl Substances (PFAS) in Aqueous Matrices by Co-solvation followed by Liquid Chromatography Tandem Mass Spectrometry (LC/MS/MS)*).

Most Australian EPAs, DoD and other government agencies outsource their PFAS assays to ALS. ALS Global uses a method called EP231X, which targets the identification and quantification of 30 specific PFAS compounds.

Leeder Analytical employs a method known as LA-37 Perfluoroalkyl Compounds UHPLC/MSMS, capable of detecting 42 PFAS compounds.

The Company is not involved in this independent testing. It simply submits the samples and receives results that are certified by relevant national accreditation agencies.

- 4. *Please confirm whether PO3 will continue its R&D activities and commercialisation of its water treatment technologies at the recent level of expenditure outlined in the 2024 Annual Report, or whether it must be increased, and if so, how.*

While PO3 has been able to progress its R&D efforts with relatively low expenditure in recent years, benefiting from the significant investment into prior development work and the financial support of its partner, Dilato, the Company is now entering a new phase.

An increased level of expenditure will be required to move beyond prototype optimisation and towards full commercialisation. This investment will assist PO3 in meeting the growing interest in its PFAS destruction technology and scaling up to handle larger projects and more customers.

To achieve its objectives, PO3 plans to increase its R&D activities and commercialisation efforts in the upcoming period, beyond the historical expenditure levels reported in the 2024 Annual Report. This is in line with the Company's plans to transition its focus from optimising its PFAS removal process, which is now verified, to scaling it for broader commercial application and government applications with the Department of Defence.

An indicative forecast expenditure breakdown of key items to continue its R&D activities and commercialisation of its water treatment technologies for the 2025 calendar year is as follows:

- i) **Hiring Additional Staff (\$400,000):** PO3 intends to expand its core team by employing 2-3 additional staff. This will include specialised personnel to accelerate both the research and the commercialisation processes. The additional staff are required to assist in scaling operations, pilot plant execution, and managing increased customer demand for the technology. Expanding the team is intended to advance the Company's market readiness and commercial positioning.

- ii) Pilot Plants and Prototype Development (\$350,000): A substantial portion of the increased expenditure will be directed toward the development of pilot plants and the production of prototypes. These pilot plants are critical to demonstrating the technology's efficacy in real-world settings. They will facilitate large-scale testing, system optimisation, and validation for various customers, including government agencies and environmental remediation firms. The ability to deploy pilot systems is essential for building customer confidence and securing commercial contracts on optimal terms.
- iii) Lab Facilities Expansion and In-House PFAS Testing (\$160,000): The Company intends to expand its laboratory facilities, including establishing in-house PFAS testing capabilities. Currently, external testing is performed by NATA-accredited labs such as ALS and Leeder Analytical. By investing in its own PFAS testing infrastructure, PO3 will gain more control over testing timelines and expenditures. It will also speed up the validation process and improve flexibility in developing and refining its treatment solutions. This investment is intended to assist PO3 in meeting the growing demand from customers and partners more efficiently.
- iv) Intellectual Property (IP) Expenditure (\$150,000): As PO3's technology is further validated in real-world settings and becomes more prominent, there is an increased need to secure intellectual property rights to ring-fence the unique aspects of its PFAS destruction solution and accompanying consumables.

In summary, PO3 will no longer continue at the low levels of R&D expenditure observed in the past year, and it is planning a more substantial increase in resources to meet its commercialisation goals. These investments will support scaling the technology, protecting its intellectual property, and expanding internal capabilities to accelerate market deployment.

5. *Please provide details of PO3's proposed activities for the next 12 months, commenting specifically on how it will be able to "accelerate the commercialisation of its solutions" and include expenditure required for its objectives to be met.*

As noted in the response to question 4, over the next 12 months, PO3 has clear plans to take several key steps to accelerate and successfully execute the commercialisation of its FRG technology, initially focusing on PFAS destruction. These steps will involve both operational scaling and targeted R&D activities, along with strategic investments to ensure the technology is market-ready by the end of the pilot program.

Planned activities for 2025:

- i) Pilot Plant Deployment and Field Trials: PO3 will invest in the development and deployment of pilot plants to test its FRG technology in real-world environments. These pilot plants will be critical for demonstrating the efficacy of the technology at scale and over extended runs with wide variety of challenge waters (backwash, RO brines, groundwater etc) gathering/confirming commercially important data on long-term efficacy, levels of consumables, Expenditure: ~\$350,000 will be allocated to installation of these pilot plants and additional monitoring equipment, which will be shared with partners - environmental remediation firms, government agencies, and commercial customers.
- ii) Commercial Prototypes and Product Refinement: In addition to the pilot plants, PO3 will continue refining and developing commercial prototypes for broader water decontamination from other persistent chemicals (pesticides, dioxin, bis-phenols) for remediation of industrial sites, Expenditure: Part of the \$350,000 allocated to pilot plant development will also go towards prototype refinement, ensuring these systems are adaptable for various commercial applications.
- iii) Scaling Manufacturing Capabilities: As commercialisation accelerates, PO3 will begin setting up a supply chain and manufacturing partnerships to enable production of its devices. This will involve

securing agreements with manufacturing partners and optimising production processes for cost-efficiency. Expenditure: PO3 will make initial investments in scaling manufacturing, which will be phased in as demand increases.

- iv) **Expansion of Lab Facilities and In-House PFAS Testing:** PO3 will expand its lab facilities to include in-house PFAS testing capabilities. Currently, the company relies on external laboratories for PFAS analysis, which can be costly and time-consuming. With the increased number of tests, an investment in own test equipment and lab personnel becomes financially viable, PO3 will be able to expedite validation of the technology and conduct rapid testing for prospective customers. Expenditure: ~\$160,000 will be invested in expanding lab facilities and setting up PFAS testing capabilities.
- v) **Hiring Key Personnel:** To meet the demands of commercialisation, PO3 will expand its team by hiring 2-3 FTE additional key staff members. This will include roles focused on project management, R&D, and business development to help manage the scaling of the company's operations and maintain relationships with key customers and partners. Expenditure: ~\$400,000 will be allocated for hiring additional staff over the next year.
- vi) **Partnerships and Customer Engagement:** PO3 will continue to strengthen its relationships with government agencies, environmental remediation firms, and other commercial partners who are potential customers for the FRG technology. These partnerships will be critical for gaining access to large-scale projects and pilot opportunities. PO3 will also work on finalising commercial contracts that will enable further testing and deployment of the technology, particularly in industries focused on PFAS remediation.
- vii) **Intellectual Property (IP) Protection:** With commercialisation on the horizon, PO3 will increase its investment in intellectual property protection to secure its technology in key markets. This includes filing new patents, defending existing ones, and ensuring the technology is adequately protected to prevent competitors from infringing on the company's innovations. Expenditure: ~\$150,000 will be spent on intellectual property filings and legal fees to ring-fence the FRG technology.
- viii) **Targeted R&D for Continuous Improvement:** Although much of the R&D work has already been completed, PO3 will continue investing in targeted R&D activities to further optimise the FRG technology for specific applications, including adapting it to different water chemistries or exploring new applications in air and surface decontamination. This will also involve working closely with experts to refine the chemical processes involved in PFAS destruction.

## **Commercialisation Strategy**

PO3's approach to accelerating commercialisation involves the following key strategies:

- A) **Demonstration and Validation:** By deploying pilot plants and running real-world tests, PO3 aims to demonstrate the robustness of its technology and attract interest from large customers in need of PFAS remediation solutions.
- B) **Building a Customer Base:** Engaging with environmental firms and government agencies is intended to secure early contracts and validate the technology in diverse scenarios, which will assist in scaling up commercial operations.
- C) **Expanding Capabilities:** By investing in its in-house PFAS testing and expanding its lab facilities, PO3 will be able to offer customers more rapid and flexible solutions, thus strengthening its competitive advantage.
- D) **Securing IP:** Protecting its intellectual property will ensure that PO3 maintains control over its unique technology, preventing competition from eroding its market share.

## Total Expected Expenditure

The total additional expenditure for these activities over the next 12 months has been broadly costed and is estimated as follows:

Hiring additional staff:	\$400,000
Pilot plant expenses:	\$250,000
Lab expansion and operations:	\$60,000
IP protection and legal fees:	\$150,000
Ongoing R&D:	\$200,000

Aside from and further to the itemised planned increased expenditures above, general overheads are expected to be in line with the previous two years of circa \$1m per annum.

## Total Expected Capital Inflow and Balance Sheet:

- i) Grants: \$1.35 million  
Through government and other grants, the company expects to gain equity free funding that is specifically targeted towards supporting PFAS remediation activities, aligning activities and finding.
- ii) Capital raise: \$1.5 million: The Company is in the advanced stages of preparing a full prospectus to raise a minimum of \$1.5 million after costs. Based on unsolicited investor interest received to date, the board is confident in the raise being successful.
- iii) Balance Sheet – debt conversion: Dilato has agreed to convert the existing amounts owed to it by the Company to shares subject to shareholder approval that will be sought at a general meeting to be called as soon as the Company is able.
- iv) R&D rebate: The majority of the Company's expenses are expected to be eligible for the ~43% R&D rebate.
- v) Licence and consulting fees: As part of its commercialisation objectives, the Company intends to structure licencing and associated consulting agreements that will entail upfront and continuing income.

The result of these initiatives is that the Company expects to be adequately funded to pursue its objectives for at least the next two years without the need to raise capital through the issue of new shares in addition to that contemplated above in ii).

6. *PO3's Quarterly Report for the period ended 30 September 2024 noted that \$78,000 was incurred on R&D expenses. Please itemise and provide the R&D expenditure breakdown.*

<i>Staff and contractors</i>	<i>38,426</i>
<i>R&amp;D Lab rent</i>	<i>12,474</i>
<i>PFAS assays</i>	<i>17,757</i>
<i>Consumables and Supplies</i>	<i>756</i>
<i>Support (R&amp;D)</i>	<i>1,166</i>
<i>IP protection</i>	<i>7,260</i>
<i>Other Miscellaneous</i>	<i>524</i>
<b>Total</b>	<b>78,363</b>

7. *In relation to PO3's announcement titled "Outstanding PFAS Destruction Results" released on MAP on 14 October 2024, please provide further details including when and where the relevant testing of*



*Puriflo's PFAS destruction technology was carried out and the date in which the PFAS contents were assayed by ALS and Leeder Analytical.*

The trial was carried out at Osmoflo's R&D facility - The Edge, located at 382 Diment Rd, Burton SA 5110 on 4-9 August.

Each sample collected during the trial was split in two as per US EPA procedure <https://www.epa.gov/east-palestine-oh-train-derailment/what-split-sampling>

One batch of samples was sent to ALS Analytical on 12/08/24 for assaying PFAS content. ALS commenced assays on 16/8/24, providing a report dated 22/8/24. The second batch of samples was sent to Leeder Analytical on 12/08/24. The report was provided on 29/8/24.

8. *Please provide any other information that PO3 considers may be relevant to ASX forming an opinion on whether PO3 is in compliance with Listing Rule 12.1.*

The Company notes that its expenditures and activities have been dictated by the Company's resources and requirements, which continue to evolve. As set out in the responses above, the next phase in the Company's development warrants a material increase in the level of activities and expenditures. Should the Company achieve its development and commercialisation objectives for the 2025 calendar year, the scale of its operations is expected to continue to expand in subsequent years as the Company seeks broad deployment of its technology to address the global PFAS contamination issues.

9. *Please confirm that PO3 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

10. *Please confirm that PO3's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PO3 with delegated authority from the board to respond to ASX on disclosure matters.*

The Company confirms that the responses to the questions above have been approved and authorised for return by the board.

On behalf of the board of Puriflo Limited

Adam Gallagher  
Company Secretary



25 October 2024

Reference: 102248

Mr Adam Gallagher  
Company Secretary  
Purifloh Limited  
Level 3, 2-4 Ross Place  
South Melbourne VIC 3205, Australia

By email: adam.gallagher@purifloh.com

Dear Mr Gallagher

### **Purifloh Limited ('PO3'): Listing Rules Compliance**

ASX refers to the following.

- The suspension of PO3's securities from quotation on 15 February 2023 under ASX Listing Rule 17.3 due to its failure to take action required by ASX to remedy its non-compliance with Listing Rules 4.7.3 and 4.10.3 for the periods ended 30 June 2022 and 30 June 2021 ('Corporate Governance Statements').
- Noting that while PO3 has now lodged the Corporate Governance Statements, that in order for PO3's securities to be reinstated, ASX must be satisfied of PO3's listing rule compliance, including ASX Listing Rules 12.1 and 12.2 which state as follows.

#### Level of Operations

12.1 The level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing.

#### Financial Condition

12.2 An entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

- Various correspondence between ASX and PO3 over the period from 9 July 2024 to 23 October 2024 including PO3's submissions in respect of Listing Rules 12.1 and 12.2 and its request for ASX to confirm the path to reinstatement of PO3's securities.

### Background

PO3 was admitted to the Official List of ASX in December 2010 when it was focussed on advancing water treatment technology through the Advanced Sea Water Reverse Osmosis (ASWRO) Desalination system offering 'a zero chemical consuming pre-treatment, low carbon, low cost solution for the industrial production and supply of potable water from seawater'<sup>1</sup>. PO3 later shifted attention to the advancement of a new desalination technique for treating water based on its Free Radical Generator Plasma Technology ('FRG').

According to the Directors' Report contained in PO3's annual report for the year ended 30 June 2024 ('2024 Annual Report') released on the ASX Market Announcements Platform ('MAP') on 30 September 2024, PO3's principal activities comprised of the following.

*'[Conduct of] research and commercialisation activities based on its Free Radical Generator ("FRG") technology for a range of applications across these primary opportunities:*

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<sup>1</sup> Chairman's letter in the replacement prospectus dated 16 November 2010



- 
- Indoor air purification;
  - Surface Disinfection;
  - Water sanitation; and
  - Medical sterilisation.

The FRG technology produces a range of Reactive Oxygen Species (“ROS”) that include the hydroxyl radical (**OH**), superoxide radical (**O<sub>2</sub><sup>-</sup>**), oxygen radical (**O**) and the ozone molecule – all of which are amongst the most highly oxidative species known.

...

The Company has continued product development of the ACERT (Air Conditioner Treatment) and Air purifier products. In the water treatment sector, the Company has setup a water pre-treatment module in conjunction with its partner Osmoflo for continued testing of Reverse Osmosis pre-treatment and other contaminant removal. In addition, the Company has also been conducting R&D into surface disinfection and sterilisation in non-medical settings as an infection mitigation tool.’

Although not mentioned in the Directors’ Report, ASX notes the Chairman’s letter contained in the 2024 Annual Report refers to the apparent extension of PO3’s activities in applying its FRG technology to the decontamination of both water and soil from Per- and Polyfluoroalkyl Substances (PFAS) as follows:

*‘[The] Company has continued to progress the development of its specific technology that has proven to eliminate per- and polyfluoroalkyl substances (PFAS). This discovery and its development is very exciting as the scale of the global problem of PFAS is significant. PuriflOH has been working in conjunction with its current and emerging partners to validate the technology and to explore commercial outcomes.*

*Our developmental and commercial efforts on articulating the deployment of a commercially viable PFAS elimination solution has been spearheaded by the Company’s Scientific Director, Dr Alex Sava and Senior Technical Manager, Mr. Vigneswaran Appia, with support from the Board of Directors.*

*The path to commercialisation entails a series of critical steps, including internal and external laboratory scale tests, pilot plant initiation and these are being conducted in collaborative efforts with Australian and American councils and potential partners for the development of tailored PFAS removal solutions for worldwide deployment.’*

ASX further notes PO3’s announcement regarding its PFAS treatment technology titled “Outstanding PFAS Destruction Results” (the ‘Announcement’) released on MAP on 14 October 2024 and extracts from pages 2 and 3 which state:

*‘The validation was performed independently by Osmoflo Pty Ltd at its facilities in Burton, South Australia. To ensure reliable analytical results, the PFAS content of water samples was assayed separately by two NATA-accredited laboratories: ALS and Leeder Analytical.*

#### **PFAS Remediation Testwork**

*PO3’s proprietary PFAS destruction technology (FRG) was challenged with contaminated water samples representing typical runoff water, with PFAS concentrations of 200 – 500 ppt, and typical highly concentrated reverse osmosis brines with PFAS concentrations of 10,000 - 500,000 ppt, usually stored onsite as hazardous waste.*

....

*This outcome demonstrates the robustness and effectiveness of the Company’s Free Radical Generation (FRG) technology in intended use scenarios and positions PuriflOH as a unique provider of PFAS remediation solutions based on in-situ, single-step water decontamination.*

...

*PuriflOH’s proprietary PFAS destruction technology is designed to destroy PFAS and other organic contaminants in a single-step enhanced free radical generating (FRG) process.’*

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The Announcement concludes on pages 4 and 5:

*“This work has not been capital intensive for the Company, and so PO3 has been able to leverage years of investment to arrive at an elegant solution for the destruction of PFAS.*

**Moving Forward**

*PuriflOH is focused on scaling its technology and pursuing strategic market opportunities.*

*Additionally, PO3 is exploring further collaborations and partnerships to accelerate the commercialisation of its solutions for government agencies and environmental remediation firms seeking effective and sustainable remediation solutions for PFAS contamination.’*

PO3’s Quarterly Activities report and Appendix 4C for the quarter ended 30 June 2024 released on MAP on 31 July 2024 and extracts from page 2 which state:

*‘[The Company] has continued to operate on funds drawn down from its Dilato facility. It continues to run the business on the basis of essential expenditure as required and is pleased that it is able to continue to move its R&D activities and commercial outcomes forward with relatively low expenditure.*

....

*The low cash expenditures recorded for the quarter are not reflective of the scale of the Company’s activities. The expenditures in the Appendix 4C do not take into account the accrual of officeholder fees, rent, and other administration costs covered by Dilato’.*

Financial expenditure, level of operations and financial condition

ASX refers to PO3’s financial expenditure as contained in the following reports:

*2024 Annual Report*

- PO3’s 2024 Annual Report disclosed nil revenue for the year ended 30 June 2024. The report shows a net loss for the year of \$518,583 and a net operating cash outflow of \$177,784.

*Quarterly Reports for FY 2024*

- PO3’s Quarterly Report for the quarter ended 30 June 2024 released on MAP on 31 July 2024 disclosed that PO3 had incurred R&D expenses of \$16,000, staff costs of \$31,000 and administrative costs of \$3,000
- PO3’s Quarterly Report for the quarter ended 31 March 2024 released on MAP on 30 April 2024 disclosed that PO3 had incurred R&D expenses of \$0, staff costs of \$9,000 and administrative costs of \$43,000
- PO3’s Quarterly Report for the quarter ended 31 December 2023 released on MAP on 1 February 2024 disclosed that PO3 had incurred R&D expenses of \$0, staff costs of \$0 and administrative costs of \$24,000
- PO3’s Quarterly Report for the quarter ended 30 September 2023 released on MAP on 8 November 2023 disclosed that PO3 had incurred R&D expenses of \$0, staff costs of \$0 and administrative costs of \$50,000.

*2023 Annual Report*

- PO3’s annual report for the year ended 30 June 2023 (‘2023 Annual Report’) released on MAP on 28 June 2024 reported a net loss of \$388,853 and a net operating cash outflow of \$207,039.

*Quarterly Reports for FY 2023*

- PO3’s Quarterly Report for the quarter ended 30 June 2023 released on MAP on 31 July 2023 disclosed that PO3 had incurred R&D expenses of \$0, staff costs of \$0 and administrative costs of \$14,000.

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- PO3's Quarterly Report for the quarter ended 31 March 2023 released on MAP on 28 April 2023 disclosed that PO3 had incurred R&D expenses of \$0, staff costs of \$0 and administrative costs of \$58,000.
  - PO3's Quarterly Report for the quarter ended 31 December 2022 released on MAP on 31 January 2023 disclosed that PO3 had incurred R&D expenses of \$0, staff costs of \$0 and administrative costs of \$75,000.
  - PO3's Quarterly Report for the quarter ended 30 September 2022 released on MAP on 31 October 2022 disclosed that PO3 had incurred R&D expenses of \$0, staff costs of \$0 and administrative costs of \$54,000.

ASX observes that the above indicates minimal expenditure by PO3 on its business activities over the past 2 full financial years.

ASX refers to PO3's statement of financial position in the financial statements contained in the 2024 Annual Report which shows that as at 30 June 2024, PO3 had:

- Cash and cash equivalents of \$4,962
- Total Assets of \$79,276
- Total liabilities of \$3,504,834
- Working capital position of (\$2,302,151)

ASX observes that the above indicates PO3's financial condition does not comply with Listing Rule 12.2<sup>2</sup>.

### **Request for information**

Having regard to the above, and before ASX is in a position to confirm the path to reinstatement of PO3's securities, ASX asks PO3 to respond separately to each of the following questions and requests for further information:

1. Noting the first announcement of PFAS test work was on 13 June 2023, when did PO3 begin investigation of the potential application of its FRG technology to the treatment of PFAS? Please provide detailed information about the process of identifying this opportunity and the test work required to advance it.
2. Noting PO3's submission to ASX that it has continued to comply with Listing Rule 12.1 since 15 February 2023, please provide further information detailing how PO3 has made the progress on its FRG technology for the treatment of PFAS treatment described in the Announcement, and earlier ones released on MAP on 23 April 2024 and 22 November 2023. In your response, please reconcile this with the fact that PO3 has expended \$177,784 on research and development of PFAS treatment and other applications including the ACERT and Air purifier products, surface disinfection, water sanitation and medical sterilisation from 1 July 2023 to 30 June 2024.
3. Please confirm how the PFAS content of water samples referred to in the Announcement was assayed and confirmed by ALS and Leeder Analytical.
4. Please confirm whether PO3 will continue its R&D activities and commercialisation of its water treatment technologies at the recent level of expenditure outlined in the 2024 Annual Report, or whether it must be increased, and if so, how.
5. Please provide details of PO3's proposed activities for the next 12 months, commenting specifically on how it will be able to *"accelerate the commercialisation of its solutions"* and include expenditure required for its objectives to be met.

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<sup>2</sup> ASX understands this is acknowledged by PO3 and it intends to raise capital and convert debts to equity to improve its financial position

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6. Please provide any other information that PO3 considers may be relevant to ASX forming an opinion on whether PO3 is in compliance with Listing Rule 12.1.
  7. Please confirm that PO3 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
  8. Please confirm that PO3's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PO3 with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9 AM AEST Wednesday, 30 October 2024.**

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PO3's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require PO3 to request a trading halt immediately if trading in PO3's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceMelbourne@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to PO3's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that PO3's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

#### **Release of correspondence between ASX and entity**

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Kind regards

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ASX Compliance