

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

NeuroDiscovery Ltd

ABN

89 113 824 141

Quarter ended ("current quarter")

31 March 2006

Consolidated statement of cash flows

* NeuroSolutions Ltd consolidated from the 10 August 2005.

Cash flows related to operating activities	Current quarter (3 months)* \$A'000	Year to date (9 months) * \$A'000
1.1 Receipts from customers	259	902
1.2 Payments for:		
(a) cost of sales	(127)	(319)
(b) advertising and marketing	-	(4)
(c) research and development	(53)	(146)
(d) leased assets	-	-
(e) other working capital	(239)	(455)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	27	77
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST)	3	19
Net operating cash flows	(130)	74

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	Current quarter (3 months)* \$A'000	Year to date (9 months) * \$A'000
1.8 Net operating cash flows (carried forward)	(130)	74
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses net of cash acquired (item 5)	-	139
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(4)	(9)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(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 Other (provide details if material)	-	-
Net investing cash flows	(4)	130
1.14 Total operating and investing cash flows	(134)	216
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	1,500
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: Share issue costs	-	(224)
Net financing cash flows	-	1,276
Net increase (decrease) in cash held	(134)	1,480
1.21 Cash at beginning of quarter/year to date	2,502	887
1.22 Exchange rate adjustments	(5)	(6)
1.23 Cash at end of quarter	2,373	2,373

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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	80
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
\$50,945 Salaries and on-costs paid to Executive directors \$29,222 Fees paid to Non-executive directors		

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

Acquisition of NeuroSolutions Limited – Consideration comprising issue of 13,875,000 ordinary shares and 4,625,000 performance shares in NeuroDiscovery Ltd with a fair value of \$3,700,000.

- 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

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		
3.2	Credit standby arrangements		

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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	221,583	482,276
4.2 Deposits at call	2,151,672	2,019,469
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,373,255	2,501,745

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	NeuroSolutions Limited	-
5.2 Place of incorporation or registration	England and Wales	-
5.3 Consideration for Acquisition or disposal	\$3.835 million	-
5.4 Total net assets	\$412,653	-
5.5 Nature of business	Neurological research and development	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (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: ..21 April 2006.....
 (Company secretary)

Print name: Narelle Lloyd.....

Notes

+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.