



ASX RELEASE
29 April 2014

QUARTERLY OPERATING UPDATE
31 MARCH 2014

Sydney, Australia and Bedminster, New Jersey - QRxPharma Limited (ASX: QRX and OTCQX: QRXPY) announced the Company retains A\$14.3 million in cash reserves at 31 March 2014, as detailed in the Appendix 4C released today.

The operating cash flow for the quarter is in accordance with the expectations of the Board of Directors as the Company continued its objective to secure a New Drug Approval (NDA) for immediate release Moxduo[®] in the US.

With respect to these endeavours the Company announced on 23 April that the United States Food and Drug Administration (FDA) Anesthetic and Analgesic Drug Products Advisory Committee has voted to recommend against approval of Moxduo, an immediate release Dual Opioid[®] for the treatment of moderate to severe acute pain. The Advisory Committee found the Company did not provide sufficient evidence to warrant approval of Moxduo at this time.

In the light of the Advisory Committee's disappointing decision the Company is reviewing its approach and strategy to obtain regulatory approval in the US and other jurisdictions. The Company will provide feedback to the market on these strategic issues and material events as they transpire.

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About QRxPharma

QRxPharma Limited is an Australian based, commercial-stage specialty pharmaceutical company focused on the development and commercialisation of new pain management and abuse prevention products. Based on a development strategy that focuses on enhancing the clinical utility of currently approved compounds as well as bringing new products to market, the Company's product portfolio includes both late and early stage clinical drug candidates with the potential for reduced risks and improved patient outcomes. QRxPharma has entered into strategic agreements with Actavis Inc., Paladin Labs Inc., Aspen Group and Teva for the commercialisation of immediate release Moxduo in the US, Canada, Australia (including New Zealand and Oceania), South Africa and Israel. The Company's clinical pipeline includes an intravenous (IV) and controlled release (CR) formulation of Moxduo. QRxPharma is also collaborating with Aesica Formulation Development Limited, for the worldwide promotion of QRxPharma's proprietary Stealth Beadlets[™] abuse deterrence technology. For more information, visit www.qrxpharma.com.



Forward Looking Statements

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations. Any statement in this release that states our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates and projections as they are currently available to the management of QRxPharma. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include risks relating to the stage of products under development; uncertainties relating to clinical trials; dependence on third parties; future capital needs; and risks relating to the commercialisation of the Company's proposed products.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

QRxPharma Limited

ABN

16 102 254 151

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(868)	(2,477)
(b) advertising and marketing	-	-
(c) research and development	(1,303)	(4,916)
(d) leased assets	-	-
(e) other working capital	(748)	(2,108)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	29	66
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refund / (paid)	-	-
1.7 Other – Cost recoveries received	162	711
Other – License fee received	55	55
Other – Research and development tax incentive received	-	34
Net operating cash flows	(2,673)	(8,635)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(2,673)	(8,635)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	(60)
(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 (Bank Accepted Commercial bills and Term Deposit with maturity greater than 3 months)	-	-
Net investing cash flows	-	(60)
1.14 Total operating and investing cash flows	(2,673)	(8,695)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. ⁽ⁱ⁾	27	10,911
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	-	-
Net financing cash flows	27	10,911
Net increase (decrease) in cash held	(2,646)	2,216
1.21 Cash at beginning of quarter/year to date	17,159	11,960
1.22 Exchange rate adjustments to item 1.20	(254)	83
1.23 Cash at end of quarter	14,259	14,259

- (i) In November / December 2013 the Company completed a Share Placement and Share Purchase Plan raising \$11.6 million before expenses of \$0.8 million.

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	153
1.25	Aggregate amount of loans to the parties included in item 1.11	\$-

1.26 Explanation necessary for an understanding of the transactions

Payments include salary and wages and consultancy fees on normal commercial terms.
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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

Nil

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

Nil

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	-	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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	3,406	1,773
4.2	Deposits at call	7	7
4.3	Bank overdraft	-	-
4.4	Bank Accepted Commercial Bills and Term Deposits with maturity of less than 3 months	10,846	15,379
Total: cash at end of quarter (item 1.23)		14,259	17,159

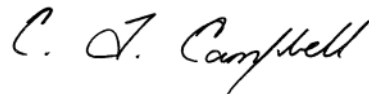
Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Nil	Nil
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

+ See chapter 19 for defined terms.

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: 29 April 2014
(Company Secretary)

Print name: Chris J Campbell

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 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.

+ See chapter 19 for defined terms.