

COMMENTARY

Post balance capital raising of \$550,000

Following the balance date of 30 June 2009 the Company has completed a private placement of 25,010,028 shares and 5,002,006 options and raised \$550,221. The shares were issued at 2.2 cents each with an attaching option for every five shares subscribed for at no additional consideration. The exercise price of the options is 5 cents and the expiry date is 1 July 2014.

Cash outflows

The Company's operating cash outflow for the quarter was \$251,000, which is consistent with the base operating costs of the Company.

Detailed information on the Company's prospects will be included in the Company's annual financial statements to be released at the end of August 2009.

+ See chapter 19 for defined terms.

Rule 4.7B

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

MEDICAL THERAPIES LIMITED

ABN

69 111 304 119

("Quarter ending")

30 JUNE 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current Qtr \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) staff costs	(148)	(605)
	(b) advertising and marketing	-	-
	(c) research and development	(3)	(11)
	(d) leased assets	-	-
	(e) other working capital	(94)	(637)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	31
1.5	Interest and other costs of finance paid	(7)	(8)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)- royalty income & R & D grant received	-	160
	Net operating cash flows	(251)	(1,070)

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Appendix 4C
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		Current Qtr \$A'000	Year to date (12 months) \$A'000
1.8	Net operating cash flows (carried forward)	(251)	(1,070)
Cash flows related to investing activities			
1.9	Payment for acquisition of:	-	-
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(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	-	(7)
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
Net investing cash flows		-	(7)
1.14	Total operating and investing cash flows	(251)	(1,077)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	300	771
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	31	31
1.18	Repayment of borrowings	(14)	(44)
1.19	Dividends paid	-	-
1.20	Other - payment for Converting Notes & capital raising costs	5	(486)
Net financing cash flows		322	272
Net increase (decrease) in cash held		71	(805)
1.21	Cash at beginning of the quarter	86	962
1.22	Exchange rate adjustments to item 1.2	-	-
1.23	Cash at end of three months	157	157

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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

		Three Months \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	98
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Salary to directors. The \$98k is included in 1.2 (a)

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

N/A

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

N/A

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	26	26
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

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.		Three Months \$A'000	YTD \$A'000
4.1	Cash on hand and at bank	124	124
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	33	33
Total: cash at end of three months (item 1.23)		157	157

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	N/A
5.2	Place of incorporation or registration	N/A
5.3	Consideration for acquisition or disposal	N/A
5.4	Total net assets	N/A
5.5	Nature of business	N/A

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: 

Company Secretary

Date: 30 July 2009

Print name: Andrew Bursill

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Notes

1. The monthly report provides a basis for informing the market how the entity's activities have been financed for the past month 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.

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