



QUARTERLY REPORT

FOR THE THREE
MONTHS ENDING
30 JUNE 2015



CORPORATE

CASH

AUD \$211,000 (30/06/2015)

ISSUED SHARES

209,630,399 Fully paid ordinary

OPTIONS

NIL

STOCK CODE

ASX: AZK

ENQUIRIES:

Mr Neil Rinaldi

Executive Director & CEO

Mr Peter Wall

Chairman

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Aziana Limited ("Aziana" or "the Company") is pleased to present its quarterly report for the period ending 30 June 2015

During the quarter the Company made significant progress on the acquisition of BrainChip Inc. and its exciting, patented Spiking Neuron Adaptive Processor "SNAP" neural based technology. As was previously advised, the required capital raising under the acquisition agreement was underwritten by the Company's two largest shareholders.

The shareholder meeting to approve the BrainChip acquisition is set to occur on Thursday 30 July 2015. Should shareholders approve the transaction the Company will undergo a name change to BrainChip Holdings Limited "BrainChip". Trading in the Company is expected to recommence when full compliance with ASX Listing Rules, including Chapters 1 and 2 is fulfilled to the satisfaction of ASX and ASIC. At this stage, the board is predicting this to be in the first week of September 2015.

BRAINCHIP

Whilst the processes to complete the acquisition of BrainChip are being completed, BrainChip continues to operate and rapidly advance its unique technology.

During the quarter BrainChip announced that they achieved Milestone 1 of the acquisition agreement. This was for a proof of technology software simulation of the BrainChip Neural model designed to demonstrate the learning capability of SNAP and the processing speed advantage SNAP has over competing neural technology.

At BrainChip's laboratory in Southern California the development team led by Anil Mankar continues to work towards achieving Milestone 2 of the acquisition agreement. This is a hardware solution that, once achieved, may provide the catalyst that leads to a number of licensing deals with potential technology partners that deliver early revenue to BrainChip. The Milestone 2 design was reached after collaboration between BrainChip and potential technology partners that want to see the scalability of the technology in hardware and the speed of SNAP.

In parallel with advancing Milestone 2 the BrainChip team is working on advancing Milestone 3 of the acquisition agreement. This milestone is to create, a client server application. This has also been designed with input from a number of US based technology companies who require a solution that addresses a number of bottlenecks that are currently evident in today's Artificial Neural Networks (ANN's).

A common bottleneck seen in current ANN's is processing speed. In one case it takes 1,514 seconds of processing time to process 1 second of biological brain time. BrainChip's SNAP technology is gaining significant attention from potential technology partners as it not only addresses this particular bottleneck by operating at the speed of a biological brain but is also the only patented technology that learns autonomously. BrainChip's artificial neurons are completely digital, hardware-based and biologically realistic which results in significantly faster computational speed and power whilst using significantly less energy. This combination makes SNAP highly desirable as a solution for a large number of applications across a broad number of industry sectors such as the mobile phone and Internet of Things (IoT) sectors.

OTHER ASSETS

As the Company transitions in a technology-based direction we continue to work towards a commercial outcomes for our valuable but remaining minerals assets in Madagascar.

The Manantenina Bauxite Project is currently under contract to an Indian Bauxite producer. The proposed transaction is subject to a number of conditions precedent and we have agreed an extension of time for the buyer to complete their due diligence over the project from 30 June 2015 to 31 July 2015. The due diligence process is progressing according to plan as outlined by the intending buyer.

At Anosivola we have granted access to an electronic data room to a party that has expressed an interest in acquiring the project.

We look forward to informing the market on any progress that is made in regard to the commercialisation of the Madagascan Minerals assets.

About BrainChip

BrainChip is a Delaware company with operations in California that is at the forefront of the neural computing field.

BrainChip's Spiking Neuron Adaptive Processor (SNAP) technology has been 10 years in development by its inventor, Peter van der Made. Peter has achieved significant commercial success with his technology and has been a leader of computer innovation for over 40 years.

He invented one of the earliest high-resolution colour graphics accelerator chips for the IBM personal computer, as well as a computer immune system that was ultimately acquired by IBM-ISS where he was appointed Chief Scientist in 2002.

THE BRAINCHIP EXECUTIVE TEAM

Robert Mitro: President & CEO

Robert has been a private investor and has served on the boards of directors of Vovida Networks which was acquired by Cisco Systems in 2000; co-founder and director of vCIS Technology which was acquired by Internet Security Systems in 2002; and co-founder and director Telverse Communications which was acquired by Level 3 Communications in 2003; and Chairman and CEO of STEP Labs which was acquired by Dolby Labs in 2009; and President and CEO of Rosum which was acquired by True Position in 2010.

Robert is nominated as a Director at the general meeting on 30 July 2015.

Peter AJ Van Der Made: Chief Technology Officer

Peter has been at the forefront of computer innovation for 40 years. He is the inventor of a computer immune system at vCIS Technology where he served as CTO, and then Chief Scientist when it was acquired by Internet Security Systems, and subsequently IBM. Previously, he designed a high resolution, high speed color graphics Anatomy chip for IBM PC graphics. Most recently he published a book, Higher Intelligence, which describes the architecture of the brain from a computer science perspective.

Peter is nominated as a Director at the general meeting on 30 July 2015.

Anil Mankar: Senior Vice President, Engineering

Anil has spent 30 years developing products in the semiconductor industry. At Western Digital, he developed PC core Logic chipsets. During his years at Conexant Systems Inc in the position of VP of Engineering he develop multiple products across industry segments and later became the company's Chief Development Officer overseeing all product development for V92 Modem, DSL, Set-top boxes, PC audio and video 'System on a Chip' products. He was SVP of VLSI Engineering at Mindspeed Technologies, responsible for Wireless and VOIP infrastructure product development.

Adam Osseiran

Adam has been involved with BrainChip since 2012, providing advice and assistance on several aspects of technology, applications and commercial opportunities. Adam is the co-founder and a director of Termite Monitoring and Protection Solutions Pty Ltd, founded in 2013, to exploit the unique Wireless Smart Probe acoustic termite detection technology, operating in the US\$15B global pest control market. He is also Senior Technical Advisor to Mulpin (MRL) Ltd which has developed a new patented concept of embedding electronic components within a multi-layered printed circuit board. Adam is the co-founder of Innovate Australia, established to promote and assist Australian innovators and encourage innovation and was the President of the Inventors Association of Australia from 2013-2014. Adam holds a Ph.D. in microelectronics from the National Polytechnic Institute of Grenoble, France and a M.Sc. and B.Sc. from the University of Joseph Fourier in Grenoble. Adam is currently Associate Professor of Electrical Engineering at Edith Cowan University in Perth, Western Australia.

Adam is nominated as a Director at the general meeting on 30 July 2015.

The Neural Computing Sector

BrainChip participates in the neural computing sector. The sector is made up of a significant number of well know companies including Cisco Systems, IBM, Intel, Google, Microsoft, nVidia, Qualcomm and Samsung. The companies operating in this sector are evolving their own versions of neural (cognitive) architecture designed across different platforms and utilising various techniques in order to achieve their desired results.

BrainChip is uniquely positioned within this sector as a developer of a digital, "hardware only" autonomous learning solution as opposed to the software solution many companies within the sector are pursuing today.

The BrainChip Technology

Spiking Neuron Adaptive Processor (SNAP)

BrainChip's inventor, Peter van der Made, has created an exciting new Spiking Neural Networking technology that has the ability to learn autonomously, evolve and associate information just like the human brain. The technology is developed as a digital design containing a configurable "sea of biomimic neurons".

The technology is fast, completely digital, and consumes very low power, making it feasible to integrate large networks into portable battery-operated products, something that has never been possible before.

BrainChip neurons autonomously learn through a process known as STDP (Synaptic Time Dependent Plasticity). BrainChip's fully digital neurons process input spikes directly in hardware. Sensory neurons convert physical stimuli into spikes. Learning occurs when the input is intense, or repeating through feedback and this is directly correlated to the way the brain learns.

A Hardware Solution

BrainChip's digital neural technology is the only custom hardware solution that is capable of STDP learning. The hardware requires no coding and has no software as it evolves learning through experience and user direction.

The BrainChip neuron is unique in that it is completely digital, behaves asynchronously like an analog neuron, and has a higher level of biological realism. It is more sophisticated than software neural models and is many orders of magnitude faster. The BrainChip neuron consists entirely of binary logic gates with no traditional CPU core. Hence, there are no 'programming' steps. Learning and training takes the place of programming and coding. Like of a child learning a task for the first time.

Software 'neurons', to compromise for limited processing power, are simplified to a point where they do not resemble any of the features of a biological neuron. This is due to the sequential nature of computers, whereby all data has to pass through a central processor in chunks of 16, 32 or 64 bits. In contrast, the brain's network is parallel and processes the equivalent of millions of data bits simultaneously.

A Significantly Faster Technology

Performing emulation in digital hardware has distinct advantages over software. As software is processed sequentially, one instruction at a time, Software Neural Networks perform slower with increasing size. Parallel hardware does not have this problem and maintains the same speed no matter how large the network is. Another advantage of hardware is that it is more power efficient by several orders of magnitude.

The speed of the BrainChip device is unparalleled in the industry.

For large neural networks a GPU (Graphics Processing Unit) is ~70 times faster than the Intel i7 executing a similar size neural network. The BrainChip neural network is faster still and takes far fewer CPU (Central Processing Unit) cycles, with just a little communication overhead, which means that the CPU is available for other tasks. The BrainChip network also responds much faster than a software network accelerating the performance of the entire system.

The BrainChip network is completely parallel, with no sequential dependencies. This means that the network does not slow down with increasing size.

Endorsed by the Neuroscience Community

A number of the world's pre-eminent neuroscientists have endorsed the technology and are agreeing to joint develop projects.

BrainChip has the potential to become the de facto standard for all autonomous learning technology and computer products.

Patented

BrainChip's autonomous learning technology patent was granted in 2012 with an early record date of 21 September 2008 (Patent number US 8,250,011 "Autonomous learning dynamic artificial neural computing device and brain inspired system"). BrainChip is the only company in the world to have achieved autonomous learning in a network of Digital Neurons without any software.

Madagascar Minerals Projects

The company has explored a significant number of exploration assets over a four-year period that has included Bauxite, copper, gold and graphite. Exploration conducted by Aziana has encountered mixed results. Over time the company has managed its title position and has now consolidated its position to include two core holdings, the Manantenina Bauxite project and the Anosivola Copper Gold project.

The Manantenina Bauxite Project holds the potential as a project of national significance for Madagascar. The project is currently under a conditional contract for sale.

The Anosivola Copper Gold Project may host a standalone Copper Gold resource. Exploration to date has encountered encouraging results that have previously been announced to the market. The Company has recently granted access to an electronic data room to a party interested in acquiring the project.

Aziana's intention is to dispose of its minerals assets in order to apply funding to BrainChip's SNAP technology.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Aziana Limited

ABN

64 151 159 812

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

	Current quarter \$A '000	Year to date (6 months) \$A '000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(112)	(390)
(b) development	-	-
(c) production	-	-
(d) administration	(354)	(526)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	4
1.5 Interest and other costs of finance paid	(9)	(9)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(474)	(921)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(3)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	99	223
1.10 Loans to other entities	(250)	(250)
1.11 Loans repaid by other entities	-	-
1.12 Other (BrainChip option fee)	-	(400)
Net investing cash flows	(152)	(430)
1.13 Total operating and investing cash flows (carried forward)	(626)	(1,351)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(626)	(1,351)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	353	383
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	195	445
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(11)	(11)
	Net financing cash flows	537	817
	Net increase (decrease) in cash held	(89)	(534)
1.20	Cash at beginning of quarter/year to date	307	766
1.21	Exchange rate adjustments to item 1.20	(7)	(21)
1.22	Cash at end of quarter	211	211

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
1.23	Aggregate amount of payments to the parties included in item 1.2	108
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	450
Total	550

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
5.1 Cash on hand and at bank	157	28
5.2 Deposits at call	54	279
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	211	307

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	209,630,399	209,630,399		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,975,700	4,975,700		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter	300,000		Exercise price 26 cents	Expiry date 15/05/2015
	4,675,700		Exercise price 5.9 cents	Expiry date 30/06/2015
7.10 Expired during quarter	250,000	-	Exercise price 26 cents	Expiry date 15/05/2015
	65,000		Exercise price 5.9 cents	Expiry date 30/06/2015
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not*~~ (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Neil Rinaldi Date: 30 JULY 2015
(Director/~~Company secretary~~)

Print name: NEIL RINALDI

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 "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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