

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **August 9, 2017**

**Stellar Biotechnologies, Inc.**

(Exact name of registrant as specified in its charter)

**British Columbia, Canada**  
(State or other jurisdiction  
of incorporation)

**001-37619**  
(Commission  
File Number)

**N/A**  
(I.R.S. Employer  
Identification No.)

**332 E. Scott Street**  
**Port Hueneme, California 93041**  
(Address of principal executive offices) (Zip Code)

**(805) 488-2800**  
(Registrant's telephone number, including area code)

**Not applicable.**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

---

**Item 2.02 Results of Operations and Financial Condition.**

On August 9, 2017, Stellar Biotechnologies, Inc. issued a press release announcing its financial results for its fiscal quarter ended June 30, 2017 (the “Earnings Release”). The full text of the Earnings Release is attached hereto as Exhibit 99.1. The information furnished herein and therein shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that Section, or incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits**

| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| 99.1               | Press release issued by Stellar Biotechnologies, Inc. dated August 9, 2017. |

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Stellar Biotechnologies, Inc.

Date: August 9, 2017

By: /s/ Kathi Niffenegger  
Name: Kathi Niffenegger  
Title: Chief Financial Officer

---

EXHIBIT INDEX

| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| 99.1               | Press release issued by Stellar Biotechnologies, Inc. dated August 9, 2017. |

---



### Stellar Biotechnologies Reports Third Quarter 2017 Financial Results

- *Company prepares for collaborators' Phase 2 clinical results*

LOS ANGELES, Calif., August 9, 2017 – Stellar Biotechnologies, Inc. (Nasdaq: SBOT), a leading manufacturer of a key protein utilized in multiple immunotherapy development pipelines, today reported financial results for the three and nine months ended June 30, 2017 and provided an update on its business.

During the first nine months of the year, the company reported continuing progress across its initiatives to optimize and expand its manufacturing capacity at its primary production facility in California. Stellar's current manufacturing systems, which were originally developed to provide clinical-stage quantities of its KLH carrier molecule, currently support multiple KLH therapies in advanced clinical studies. These studies include Alzheimer's disease, lupus and metastatic breast cancer.

"We now have multiple customers with Phase 2 clinical studies that are fully enrolled and underway, and we are preparing for the impact that favorable clinical results could have on the KLH market and our supply capabilities," said Stellar President and CEO Frank Oakes. "We plan to incrementally increase our production capacity and manufacturing capabilities in line with the needs of our customers and to maintain our leadership position in the sustainable production of controlled, fully traceable KLH."

Stellar Chief Financial Officer Kathi Niffenegger noted that research and development activities increased under the company's optimization plan for the three and nine months ended June 30, 2017. "In the third quarter, we continued the trend of prudently managing our working capital. We reduced corporate expenses and redirected resources to continue the ramp up of our development activities. In addition to the operational benefits of increased throughput capacity, we believe these optimizations will favorably impact our financial metrics at the higher production volumes needed for commercial drug launches."

---

## Financial Results

### *Three months ended June 30, 2017*

Total revenues were \$0.02 million for the quarter ended June 30, 2017 compared to \$0.18 million for same period last year. The change was due to a decrease in product sales volume. While the company's customer base has not changed significantly, product sales volumes are subject to variability associated with the rate of development and progression of clinical studies of third-party products that utilize Stellar KLH. For the three months ended June 30, 2017, product sales consisted of lower volume orders for pre-clinical studies and immune system assays. For the three months ended June 30, 2016, product sales primarily consisted of higher volume orders for later stage clinical studies. The rate of progression towards later stage studies is expected to continue to affect the timing and volume of future product sales.

Total expenses decreased by \$0.06 million to \$1.31 million for the quarter ended June 30, 2017, compared to \$1.37 million for the same period last year.

- Costs of sales and contract services decreased by \$0.04 million to \$0.08 million for the quarter ended June 30, 2017, compared to \$0.12 million for the same period last year primarily due to decreased product sales.
- Research and development expenses increased by \$0.07 million to \$0.54 million for the quarter ended June 30, 2017, compared to \$0.47 million for the same period last year. The increase was primarily due to research and development activities intended to increase the scalability and throughput capacity of existing manufacturing systems; improvements in analytical, manufacturing, and purification processes; stability studies; and formulation development.
- General and administrative expenses decreased by \$0.08 million to \$0.64 million for the three months ended June 30, 2017 compared to \$0.72 million for the same period last year primarily due to management's actions to reduce corporate expenses, including travel and professional fees, as well as lower legal fees and public company expenses.

For the third quarter of fiscal year 2017, Stellar reported a net loss of \$1.22 million, or \$0.12 per basic share, compared to a net loss of \$1.19 million, or \$0.14 per basic share, for the same period last year.

### *Nine months ended June 30, 2017*

Total revenues were \$0.23 million for the nine months ended June 30, 2017 compared to \$1.0 million for the same period last year. The change was primarily due to a decrease in product sales. While the company's customer base has not changed significantly, product sales volumes are subject to variability associated with the rate of development and progression of clinical studies of third-party products that utilize Stellar KLH. For the nine months ended June 30, 2017, product sales consisted of KLH for clinical and pre-clinical studies and immune system assays. For the nine months ended June 30, 2016, product orders primarily consisted of higher volume orders for later stage clinical studies. Total revenues were also impacted by a decrease in the number of significant customers who purchased the company's products and services, with two customers representing 85% of total revenue for the current period compared to five customers representing 91% of total revenue for the same period last year.

---

Total expenses decreased by \$0.51 million to \$4.08 million for the nine months ended June 30, 2017 compared to \$4.59 million for the same period last year.

- Costs of sales and contract services decreased by \$0.47 million to \$0.23 million for the nine months ended June 30, 2017 compared to \$0.70 million for the same period last year primarily due to decreased product sales.
- Research and development expenses increased by \$0.26 million to \$1.33 million for the nine months ended June 30, 2017 compared to \$1.07 million for the same period last year. The increase was primarily due to research and development activities intended to increase the scalability and throughput capacity of existing manufacturing systems; improvements in analytical, manufacturing, and purification processes; stability studies; and formulation development.
- General and administrative expenses decreased by \$0.28 million to \$2.31 million for the nine months ended June 30, 2017 compared to \$2.60 million for the same period last year primarily due to management's actions to reduce corporate expenses, including travel and professional fees, as well as lower legal fees and public company expenses.

For the first nine months of fiscal year 2017, Stellar reported a net loss of \$3.81 million, or \$0.38 per basic share, compared to a net loss of \$3.68 million, or \$0.44 per basic share, for the same period last year.

#### *Working Capital*

At June 30, 2017, the company had working capital of approximately \$7.69 million. Cash, cash equivalents and short-term investments totaled \$7.65 million.

#### **Additional Information**

Stellar will file its Form 10-Q for the quarter ended June 30, 2017 with the Securities and Exchange Commission on August 9, 2017. To view the company's filings, visit the website of the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). To view the company's filings with the Canadian Securities Administrators (CSA), including the Management Discussion and Analysis and related consolidated financial statements, visit the CSA's SEDAR website at [www.sedar.com](http://www.sedar.com).

#### **About Stellar Biotechnologies**

Based north of Los Angeles at the Port of Hueneme, Stellar Biotechnologies, Inc. (Nasdaq: SBOT) is the leader in sustainable manufacture of Keyhole Limpet Hemocyanin (KLH), an important immune-stimulating protein used in wide-ranging therapeutic and diagnostic markets. KLH is both an active pharmaceutical ingredient (API) in many new immunotherapies (targeting cancer, immune disorders, Alzheimer's and inflammatory diseases) as well as a finished product for measuring immune status. Stellar is unique in its proprietary methods, facilities, and KLH technology. The company is committed to meeting the growing demand for commercial-scale supplies of GMP grade KLH, ensuring environmentally sound KLH production, and developing KLH-based active immunotherapies. Stellar KLH is a trademark of Stellar Biotechnologies.

Follow Stellar: [LinkedIn](#) | [Twitter](#) | [Facebook](#) | [Google+](#)

---

## **Stellar Forward-Looking Statements**

*This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by the use of words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "may," "will," "would," "could," "should," "might," "potential," or "continue" and variations or similar expressions. Readers should not unduly rely on these forward-looking statements, which are not a guarantee of future performance. There can be no assurance that forward-looking statements will prove to be accurate, as all such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or future events to differ materially from the forward-looking statements. Such risks include, but may not be limited to: general economic and business conditions; technology changes; competition; changes in strategy or development plans; availability of funds and resources; anticipated requirements for operating capital; governmental regulations and the ability or failure to comply with governmental regulations; changes in trade policy and international law; the timing of Stellar's or its partners' anticipated results, including in connection with clinical trials; the ability to meet the goals of Stellar's joint ventures and strategic partnerships; and other factors referenced in Stellar's filings with securities regulators. For a discussion of further risks and uncertainties related to the Stellar's business, please refer to Stellar's public company reports filed with the U.S. Securities and Exchange Commission and the British Columbia Securities Commission. All forward-looking statements are made as of the date hereof and are subject to change. Except as required by law, Stellar assumes no obligation to update such statements. This press release does not constitute an offer or solicitation of an offer for sale of any securities in any jurisdiction, including the United States.*

### **Contact**

Gary Koppenjan  
Stellar Biotechnologies  
(805) 488-2800  
IR@stellarbiotech.com

---



**Condensed Interim Consolidated Statements of Operations**  
(Unaudited - Prepared by Management)  
(Expressed in US Dollars)

|  | <b>Three Months Ended</b> |                          | <b>Nine Months Ended</b> |                          |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
|  | <b>June 30,<br/>2017</b>  | <b>June 30,<br/>2016</b> | <b>June 30,<br/>2017</b> | <b>June 30,<br/>2016</b> |
| <b>Revenues:</b>   |                           |                          |                          |                          |
| Product sales  | \$ 20,532                 | \$ 181,092               | \$ 175,407               | \$ 963,587               |
| Contract services revenue                                    | -                         | -                        | 50,000                   | 32,000                   |
| <b>Total Revenues</b>  | <b>20,532</b>             | <b>181,092</b>           | <b>225,407</b>           | <b>995,587</b>           |
| <b>Expenses:</b>   |                           |                          |                          |                          |
| Costs of sales and contract services                         | 77,555                    | 119,989                  | 227,563                  | 700,953                  |
| Costs of aquaculture   | 64,708                    | 59,063                   | 212,945                  | 223,225                  |
| Research and development                                     | 536,169                   | 470,097                  | 1,326,405                | 1,068,008                |
| General and administrative                                   | 635,716                   | 720,421                  | 2,314,143                | 2,595,176                |
| <b>Total Expenses</b>  | <b>1,314,148</b>          | <b>1,369,570</b>         | <b>4,081,056</b>         | <b>4,587,362</b>         |
| <b>Loss from Operations</b>                                  | <b>(1,293,616)</b>        | <b>(1,188,478)</b>       | <b>(3,855,649)</b>       | <b>(3,591,775)</b>       |
| <b>Other Income (Loss):</b>                                  |                           |                          |                          |                          |
| Foreign exchange gain (loss)                                 | 64,135                    | (8,188)                  | 21,972                   | 109,448                  |
| Loss in fair value of warrant liability                      | -                         | -                        | -                        | (211,956)                |
| Other income   | 9,120                     | 2,589                    | 24,767                   | 16,593                   |
| <b>Income tax expense</b>                                    | <b>-</b>                  | <b>-</b>                 | <b>800</b>               | <b>7,200</b>             |
| <b>Net Loss</b>  | <b>\$ (1,220,361)</b>     | <b>\$ (1,194,077)</b>    | <b>\$ (3,809,710)</b>    | <b>\$ (3,684,890)</b>    |
| <b>Loss per common share:</b>                                |                           |                          |                          |                          |
| <b>Basic and diluted</b>                                     | <b>\$ (0.12)</b>          | <b>\$ (0.14)</b>         | <b>\$ (0.38)</b>         | <b>\$ (0.44)</b>         |
| <b>Weighted average number of common shares outstanding:</b> |                           |                          |                          |                          |
| <b>Basic and diluted</b>                                     | <b>10,153,130</b>         | <b>8,448,758</b>         | <b>10,141,882</b>        | <b>8,423,429</b>         |

**Condensed Interim Consolidated Balance Sheets**  
(Unaudited - Prepared by Management)  
(Expressed in US Dollars)

|   | <b>June 30,</b>     | September 30,        |
|---|---------------------|----------------------|
|   | <b>2017</b>         | 2016                 |
| <b>Assets:</b>                                    |                     |                      |
| Cash, cash equivalents and short-term investments | \$ 7,645,010        | \$ 11,405,698        |
| Other current assets                              | 474,339             | 693,957              |
| Noncurrent assets                                 | 902,923             | 838,149              |
| <b>Total Assets</b>                               | <b>\$ 9,022,272</b> | <b>\$ 12,937,804</b> |
| <b>Liabilities and Shareholders' Equity:</b>      |                     |                      |
| Accounts payable and accrued liabilities          | \$ 425,342          | \$ 623,644           |
| Shareholders' equity                              | 8,596,930           | 12,314,160           |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>\$ 9,022,272</b> | <b>\$ 12,937,804</b> |

**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited - Prepared by Management)  
(Expressed in US Dollars)

|  | <b>Nine Months Ended</b> |                          |
|--|--------------------------|--------------------------|
|  | <b>June 30,<br/>2017</b> | <b>June 30,<br/>2016</b> |
| <b>Cash Flows Used In Operating Activities:</b>              |                          |                          |
| Net loss   | \$ (3,809,710)           | \$ (3,684,890)           |
| Items not affecting cash:                                    |                          |                          |
| Depreciation and amortization                                | 135,515                  | 106,712                  |
| Share-based compensation                                     | 92,480                   | 209,781                  |
| Foreign exchange loss  | (21,972)                 | (109,448)                |
| Loss in fair value of warrant liability                      | -                        | 211,956                  |
| Changes in working capital items                             | 21,153                   | (48,073)                 |
| <b>Net cash used in operating activities</b>                 | <b>(3,582,534)</b>       | <b>(3,313,962)</b>       |
| <b>Cash Flows From Investing Activities:</b>                 |                          |                          |
| Acquisition of property, plant and equipment                 | (200,365)                | (294,858)                |
| Purchase of short-term investments                           | (3,008,853)              | (6,005,737)              |
| Proceeds on sales and maturities of short-term investments   | 3,000,000                | 9,021,827                |
| Contribution to joint venture                                | -                        | (66,695)                 |
| <b>Net cash provided by (used in) investing activities</b>   | <b>(209,218)</b>         | <b>2,654,537</b>         |
| <b>Cash Flows From Financing Activities:</b>                 |                          |                          |
| Proceeds from exercise of warrants and options               | -                        | 1,368,260                |
| <b>Net cash provided by financing activities</b>             | <b>-</b>                 | <b>1,368,260</b>         |
| Effect of exchange rate changes on cash and cash equivalents | 22,211                   | 122,865                  |
| <b>Net change in cash and cash equivalents</b>               | <b>(3,769,541)</b>       | <b>831,700</b>           |
| <b>Cash and cash equivalents - beginning of period</b>       | <b>7,416,904</b>         | <b>3,955,503</b>         |
| <b>Cash and cash equivalents - end of period</b>             | <b>\$ 3,647,363</b>      | <b>\$ 4,787,203</b>      |