

Prospectus

Biotron Limited

ABN 60 086 399 144

For a renounceable pro rata offer to Eligible Shareholders of approximately 78,459,963 New Shares at an issue price of \$0.02 per New Share on the basis of 1 New Share for every 4 Existing Shares held, together with one free attaching Option for every New Share issued, to raise up to approximately \$1,569,199 before issue costs.

The Offer is partially underwritten by CPS Capital Group Pty Ltd for \$1,000,000.

ASX Code: BIT

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 25 May 2017 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer period on the Company's website at www.biotron.com.au or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.8 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Please read the privacy information located in section 8.16 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries

If you have any questions please call the Company Secretary on +61 2 9300 3344 at any time between 8.00am and 5.00pm (AEST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

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Corporate Directory

Directors

Mr Michael Hoy	Dr Michelle Miller
Dr Denis Wade	Mr Robert Thomas
Dr Susan Pond	

Website

www.biotron.com.au

Underwriter

CPS Capital Group Pty Ltd
Level 45, 108 St George's Terrace
PERTH WA 6000

Company Secretary

Mr Peter Nightingale

Registered Office

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SYDNEY NSW 2000

Tel: +61 2 9300 3344

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E-mail: enquiries@biotron.com.au

Share Registry*

Computershare Investor Services Pty Limited
GPO BOX 505
MELBOURNE VIC 3001

Tel: 1300 855 080

+61 3 9415 4000

Principal Administration Office

Suite 1.9, 56 Delhi Road
NORTH RYDE NSW 2113

Phone: +61 2 9805 0488

Fax: +61 2 9805 0688

Auditor*

KPMG
Level 16, Riparian Plaza
71 Eagle Street
BRISBANE QLD 4000

Solicitor to the Offer

Julian Atkinson

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

1 TIMETABLE TO THE OFFER

Ex date - Shares trade ex Entitlement (Ex Date)	29 May 2017
Rights trading commences	
Record date to determine Entitlement (Record Date)	30 May 2017
Prospectus with Entitlement and Acceptance Form dispatched	2 June 2017
Offer opens for receipt of Applications	
Rights trading ends	13 June 2017
Deferred settlement trading starts	14 June 2017
Closing date for acceptances	20 June 2017
Notify ASX of under-subscriptions	23 June 2017
Issue of New Shares	27 June 2017
Deferred settlement trading ends	
Dispatch of shareholding statements	28 June 2017
Normal trading of New Shares expected to commence	28 June 2017
Last date to issue Shortfall Shares (see section 8.7)	20 September 2017

Note: The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

Shares currently on issue ¹	313,839,853
Options currently on issue ²	5,000,000
New Shares offered under this Prospectus ¹	78,459,963
New Options offered under this Prospectus	78,459,963
Amount raised under this Prospectus (before costs) ¹	\$1,569,199

Notes:

- 1 This assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date.
- 2 See section 5.5 for more details.

3 CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of Biotron, I am pleased to invite you to participate in the 1 for 4 renounceable pro-rata entitlement offer at an issue price of \$0.02 per New Share to raise approximately \$1,569,199 (before costs), with 1 attaching Option for every Share issued. The issue price represents a 37.5% discount to the 5 day VWAP prior to the announcement to ASX on 25 May 2017, and is partially underwritten for \$1,000,000 by CPS Capital Group.

As set out in this Prospectus, the Company has a promising portfolio of antiviral drugs. The clinical programs, which include HIV-1, HCV and HIV-1/HCV co-infected populations, have shown encouraging efficacy results in clinical studies completed to date. Investment highlights include:

- Mid-stage clinical development company with antiviral drugs that show great potential in the treatment or cure of infectious diseases like Hepatitis C (HCV), HIV and Dengue
- Over \$30 million spent and 8 clinical trials completed to develop this new class of drugs
- Past results from clinical trials include 100% of HCV patients cleared of HCV virus and significantly reduced viral production in HIV patients
- Huge and growing market - estimated at >\$20 billion (180 million infected worldwide = 3% of world population, 30 million in China alone)
- Currently in phase 2 HIV-1 clinical trial - results due early 4Q17
- Strong focus on commercialization
- Granted patents in all major jurisdictions
- Active news flow and near term, value-adding milestones anticipated in 2017
- The Directors have indicated they intent to participate in some or all of their entitlement under the Offer.

Funds raised by the Rights Issue will be partially used to expand testing of Biotron compounds against specific viral diseases of commercial interest to potential partners, complete complementary non-clinical assays on samples from the current Phase 2 HIV-1 clinical trial and also strengthen the Company's commercial activities. Additional funds will be used as working capital, while the Company focuses on achieving a commercial outcome for its programs.

This Prospectus and personalised Entitlement and Acceptance Form should be read carefully and in their entirety before deciding whether to participate in this Offer. In particular Eligible Shareholders should consider the key risk factors outlined in section 6 of this Prospectus, including that the Company's products are yet to complete clinical trials or commercialisation, and there are significant risks associated with early stage pharmaceutical investments.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your ongoing support for the Company.

Yours faithfully,



Michael J. Hoy
Chairman

4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information																					
What is the Offer?	<p>1 New Share and 1 attaching Listed Option for every 4 Existing Shares held on the Record Date at an issue price of \$0.02</p> <p>The Offer seeks to issue up to 78,459,963 New Shares and 78,459,963 New Options to raise up to approximately \$1,569,199 (before costs) if fully subscribed.</p> <p>The Offer is partially underwritten for \$1,000,000 by CPS Capital Group.</p>	Section 8																					
Am I an Eligible Shareholder?	<p>The Offer is made to Eligible Shareholders, being Shareholders who:</p> <p>(a) are the registered holder of Shares as at 5.00pm (AEST) on the Record Date; and</p> <p>(b) have a registered address in Australia or New Zealand.</p> <p>The Company has appointed CPS Capital Group to arrange for the sale of Ineligible Shareholders Entitlement. CPS Capital Group will account for any net proceeds of sale.</p>	Section 8.5																					
How will the proceeds of the Offer be used?	<table> <tr> <th>Use of funds</th><th>Underwritten Amount</th><th>Full Subscription</th></tr> <tr> <td>Testing of Biotron Compounds against specific viral diseases</td><td>150,000</td><td>300,000</td></tr> <tr> <td>Completing complementary non-clinical assays on samples from the current Phase 2 HIV -1 clinical trial</td><td>150,000</td><td>300,000</td></tr> <tr> <td>Commercial activities</td><td>100,000</td><td>200,000</td></tr> <tr> <td>General working capital</td><td>442,500</td><td>606,007</td></tr> <tr> <td>Costs of the Offer</td><td>157,500</td><td>163,192</td></tr> <tr> <td>Total*</td><td>1,000,000</td><td>1,569,199</td></tr> </table>	Use of funds	Underwritten Amount	Full Subscription	Testing of Biotron Compounds against specific viral diseases	150,000	300,000	Completing complementary non-clinical assays on samples from the current Phase 2 HIV -1 clinical trial	150,000	300,000	Commercial activities	100,000	200,000	General working capital	442,500	606,007	Costs of the Offer	157,500	163,192	Total*	1,000,000	1,569,199	Section 5.3
Use of funds	Underwritten Amount	Full Subscription																					
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Costs of the Offer	157,500	163,192																					
Total*	1,000,000	1,569,199																					

Question	Response	Where to find more information
What are the key risks of a subscription under the Offer?	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"> • The ability of the Company to continue as a going concern is dependent on the Company being able to raise additional funds as required to meet ongoing research commitments and for working capital. • Research and development risks - Whilst the Company is of the view that research by the Company on BIT225 has yielded results that justifies clinical trials, the Company's products are early stage and carry R&D and commercialisation risk. • As a junior pharmaceutical company with no production or income, the Company is exposed to general market and economic condition risks. <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p>	Section 6
Is the Offer underwritten?	Yes, by CPS Capital Group for \$1,000,000.	
Is the Offer subject to any conditions?	The Offer is not subject to any minimum subscription.	Section 8.2
What will be the effect of the Offer on control of the Company?	<p>The effect of the Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shortfall Shares placed in the Shortfall Offer.</p> <p>No Shareholder may increase their voting power above 20% as a result of the Offer.</p>	Section 5.6
How do I apply for New Shares and Shortfall Shares under the Offer?	Applications for New Shares and Shortfall Shares can be made by Eligible Shareholders completing the relevant sections of the personalised Entitlement and Acceptance Form and sending it to the Share Registry together with payment by cheque or BPAY in the amount of Entitlement and Shortfall Shares applied for.	Section 7.2

Question	Response	Where to find more information
Can I sell my Entitlements under the Offer?	Yes, the Offer is renounceable meaning Entitlement may be transferred.	Section 8.6
How will the Shortfall Shares be allocated?	The Shortfall Shares will be allocated at the Directors' discretion (in conjunction with CPS Capital Group).	Section 8.7
How can I obtain further advice?	Contact the Company Secretary on +61 2 9300 3344 at any time between 8.00am and 5.00pm (AEST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.	

5 PURPOSE AND EFFECT OF THE OFFER

Introduction

The Company is seeking to raise up to approximately \$1,569,199 before issue costs under the Offer at a price of \$0.02 per Share on the basis of 1 New Share and 1 attaching Option for every 4 Existing Shares held as at the Record Date.

Background to the Company

Biotron is focused on development of new drugs for serious viral diseases with unmet medical need and large, worldwide markets. The Company is a world leader in the design and development of a specific class of drugs which have the potential to treat a broad range of diseases.

The Company has a promising portfolio of antiviral drugs. The clinical programs, which include HIV-1, HCV and HIV-1/HCV co-infected populations, have shown encouraging efficacy results in clinical studies completed to date.

BIT225 is in mid-stage clinical development. The compound has a different mechanism of action than other HIV-1 drugs. Unlike other treatments for HIV-1 infection, BIT225 specifically targets viral reservoirs. Despite the dramatic advances in HIV-1 treatments more than 1.1 million people still live with the disease in the USA alone and 30,000 are infected in Australia.

Current treatments suppress the virus but do not eliminate it; as a result HIV-1 patients must take combination Antiretroviral Therapy (cART) for the rest of their lives. This can lead to long-term health implications for these patients. Long-lived viral reservoirs act as 'burning embers', producing low levels of virus that cause chronic disease in people infected with HIV-1 through constant activation of the body's immune system.

Eradication of HIV-1 is a current focus of scientists, clinicians and the pharmaceutical industry, and an area where BIT225 has potential.

As recently reported by the Company to the market, an independent study published in Nature Medicine has demonstrated the key role of macrophages in persistence of HIV-1 infection, and highlighting the need for new drugs that target this source of virus.

Biotron has built up a detailed data package on its HIV-1 program, including results from a clinical trial in patients which showed that BIT225 targets and reduces levels of HIV-1 residing in long-lived monocyte/macrophage reservoirs.

Earlier this year, Biotron completed a study with BIT225 in specialised mice with a human immune system. The results clearly demonstrated that the addition of BIT225 to cART resulted in significantly faster clearance of HIV-1 as well as delayed viral rebound. This confirms our hypothesis that BIT225 attacks a different source of virus than current anti-HIV-1 drugs.

During 2016, Biotron finalised the design and protocol for a pivotal Phase 2 trial, designed in consultation with international medical and scientific HIV-1 experts. The purpose of this study is to demonstrate that adding BIT225 to current anti-HIV-1 drugs results in an additional, measurable clinical benefit to patients.

The trial is currently underway at sites in Thailand, where the necessary treatment naïve population exists. It is expected that the clinical stage of this human study will be completed by the end of the 3Q17, with preliminary headline data available shortly thereafter.

This study is key to a commercial outcome for Biotron's HIV-1 program.

Whilst BIT225 is an important asset in its own right and demonstrates the robustness of Biotron's approach to antiviral drug development, it is only one of the Company's compounds.

Biotron has observed renewed interest from the pharmaceutical industry in targeting a broad range of viral diseases, and continues to screen its compound library for activity against other key viruses. The aim is to build a portfolio of preclinical candidates that could be of interest to potential partners. Respiratory infections can have serious health implications in people with underlying diseases such as asthma and Chronic Obstructive Pulmonary Disorder (COPD). Diseases including Dengue Ebola, Zika and MERS-CoV, which continue to cause public health issues worldwide, are also a focus of attention for the drug developers.

Positive data from on-going antiviral screening are important as they demonstrate the additional depth beyond BIT225 of Biotron's library of compounds and approach to developing drugs that target serious viral diseases. This demonstration of Biotron's core expertise and validation of its assets is key to attracting a commercial partner for Biotron's entire platform.

In parallel with completing the current Phase 2 HIV-1 clinical trial of BIT225, the Company continues to progress discussions with potential partners. This includes seeking partnerships for commercial development of the Company's antiviral portfolio in emerging markets including China.

The following highlights are anticipated during the rest of 2017 into early 2018:

- Appointment of China advisor for corporate transaction in that jurisdiction (2Q17)
- Present data from Humanised mouse HIV-1 study at international conference (3Q17)
- Complete clinical stage of Phase 2 HIV-1 trial (Late 3Q17)
- Preliminary headline data from Phase 2 HIV-1 trial (Early 4Q17)
- Investment/partnership for China (4Q17)
- Collaboration for additional preclinical targets with pharmaceutical company (4Q17)
- Full data from Phase 2 HIV01 trial (1Q18)

Purpose of the Offer

The funds raised by the Rights Issue will be partially used to expand testing of Biotron compounds against specific viral diseases of commercial interest to potential partners, as well as completing complementary non-clinical assays on samples from the current Phase 2 HIV-1 clinical trial. Additional funds will be used as working capital, while the Company focuses on achieving a commercial outcome for its programs.

The Directors intend to apply the proceeds from the Offer as follows:

Use of funds (\$) (approx.) ¹	Underwritten Amount	Full Subscription
Testing of Biotron compounds against specific viral diseases	150,000	300,000
Completing complementary non-clinical assays on samples from the current Phase 2 HIV-1 clinical trial	150,000	300,000
Commercial activities	100,000	200,000
General working capital ^{2, 3}	442,500	606,007
Costs of the Offer ⁴	157,500	163,192
Total use of funds	1,000,000	1,569,199

Notes:

- 1 This table is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.
- 2 Funds raised will, in the event less than Fully Subscription is received, be allocated firstly towards the costs of the Offer and then equally between the above items.
- 3 General working capital includes but is not limited to corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
- 4 See section 10.5 for further details relating to the estimated expenses of the Offer.

Statement of financial position

Set out in section 13 is the reviewed Statement of Financial Position of the Company and the Pro-Forma Statement of Financial Position, as at 31 December 2016 and on the basis of the following assumptions:

- (a) the Offer was effective on 31 December 2016;
- (b) no further Shares are issued (including by way of exercise of Options) other than all Shares offered under this Prospectus;
- (c) take up of the Offer assuming underwritten and Full Subscription; and
- (d) costs of the Offer are \$163,192.

The pro-forma Statement of Financial Position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company set out in section 13. The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Effect of the Offer on the Company's securities

Assuming that no further Shares are issued prior to the Record Date (including by way of exercise of Options), at the close of the Offer, the capital structure of the Company will be:

Shares	Underwritten Amount		Full Subscription	
	Number	%	Number	%
Existing Shares	313,839,853	86.26	313,839,853	80
New Shares offered under this Prospectus	50,000,000	13.74	78,459,963	20
Total Shares	363,839,853	100%	392,299,816	100%

Options ¹	Full Subscription
¹ Unquoted options with an exercise price of \$0.15 expiring on 30 November 2018.	2,000,000
Unquoted options with an exercise price of \$0.18 expiring on 30 November 2018.	3,000,000
Options (exercise price of \$0.06 and expiring 30 November 2018) to be issued under this Prospectus	78,459,963
Total Options	83,459,963

- ¹ The terms of the Options on issue do not allow for the exercise price to change following a rights issue.

Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlement.

No person's voting power in the Company may increase to 20% or more as a result of the issue of the New Securities.

Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	1,000,000	0.32%	250,000	1,000,000	0.25%
2	10,000,000	3.19%	2,500,000	10,000,000	2.55%
3	20,000,000	6.37%	5,000,000	20,000,000	5.10%
4	50,000,000	15.93%	12,500,000	50,000,000	12.75%

6 RISK FACTORS

The New Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and together with information contained elsewhere in this Prospectus and to consult with your professional advisers before deciding whether to apply for the New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Risks specific to the Offer

(a) Future funding and ability to continue as a going concern

The funds raised from the Offer will be used for the purposes mentioned under section 5.2 of the prospectus. In the event there is a significant Shortfall, funds raised will not be sufficient to any future research and development activities, and that additional funding will be required.

Furthermore, raising additional capital may be dilutive to existing Shareholders.

(b) Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted. Details of dilution are set out in section 5.6 above.

Company and industry risks

The risks outlined below are specific to the Company's operations and to the biotechnology industry in which the Company operates.

(c) Research and development

Biotechnology, scientific research, medical product development and the commercialisation of the results of that work is, by its nature, a high risk undertaking.

There is no guarantee that the Company's research and development projects will be successful or receive regulatory approvals or prove to be commercially successful. Not all drug candidates will reach market. Drug candidates may fail the clinical development process through lack of efficacy or safety. Other risks inherent in the development of a product to a marketable stage include the uncertainty of patent protection, including whether patent applications and issued patents will offer adequate protection. There is also risk associated with obtaining the necessary drug regulatory authority approvals and there may be difficulties caused by rapid advancements in competing and other technologies. The Company

is reliant on the success of its research and development projects. Investment in research and development companies cannot be assessed on the same fundamentals as trading and manufacturing companies.

Projects can be delayed, suspended or unsuccessful at any stage, or the research may become unviable for a number of unexpected reasons. The Company is developing therapeutic drugs (drugs for human consumption) which must undergo vigorous testing to satisfy regulatory authorities which endeavour to ensure that they have no long term detrimental effects on humans. A product may be delayed, or prove to be unsuitable, at any time in these trials. A product may fail to gain authority approval or the cost of overcoming a problem may preclude resumption of product development. The Company may also face liability where a product, if approved, does not achieve the expected performance or safety standards. There may be different requirements from authorities in different countries and these may delay or even preclude the marketing of a product in certain countries.

The testing, marketing and sale of new technology based products entails an inherent risk of product liability, and there can be no assurance that product liability claims will not be asserted against the Company.

(d) Commercialisation

The Company's ultimate objective is a commercialisation transaction with a pharmaceutical company. There can be no assurance that the Company will be able to successfully negotiate and execute a commercialisation transaction with a pharmaceutical company.

There are competing drug discovery and development programs in the disease areas being researched by the Company. There can be no assurance that other parties will not develop, or achieve commercialisation of products or intellectual property that compete with or supersede the Company's potential products or intellectual property.

The Company's competitors in Australia and abroad are numerous and include, among others, major multinational companies. There can be no assurance that the Company's competitors will not succeed in developing technologies and products that are more effective than any which are being developed by the Company.

(e) Patents

The Company's success will depend, in part, on its ability to obtain adequate and valid patent protection, maintain trade secret protection and operate without infringing on the proprietary rights of third parties or having third parties circumvent the Company's rights. No guarantee can be given that such protection will be successfully and validly obtained by the Company and, if such patents are not granted, it may be possible for a third party to imitate or otherwise obtain and use the Company's products without authorisation or to develop and use similar technology independently.

While we believe appropriate steps have been taken to protect the Company's proprietary technology, the law may not adequately protect it in all places or enable the Company's rights to be enforced with any adequacy. There can be no

assurance that the measures that have been taken have been, or will be, adequate to protect the Company's proprietary technology.

The Company will pursue vigorously both its existing and all future patent applications. No guarantee can be given that patent applications will be successful and nor does the grant of a patent guarantee that the patent concerned is valid or that the patented technology does not infringe the rights of others.

The enforceability of a patent is dependent on a number of factors which may vary between jurisdictions. These factors include the validity of the patent and the scope of protection it provides. The validity of a patent depends upon factors such as the novelty of the invention, the requirement in many jurisdictions that the invention not be obvious in light of the prior art (including any prior use or documentary disclosure of the invention), the utility of the invention and the extent to which the patent specification clearly discloses the best method of working or carrying out the invention. The legal interpretation of these requirements often varies between jurisdictions. The scope of rights provided by a patent can also differ between jurisdictions. There can be no assurance even if the Company succeeds in obtaining the grant of patents, that others will not seek to imitate the Company's products and, in doing so, attempt to design their products in such a way as to circumvent the Company's patent rights. Additionally, the ability of the legal process to provide efficient and effective procedures for dealing with actual or suspected infringements can vary considerably between jurisdictions.

(f) Future capital needs and additional funding

The Company recorded a net loss of \$2,010,803 and a net outflow from operating activities of \$2,001,376 for the half year ending 31 December 2016. As at 31 March 2017, it had approximately \$1,815,000 cash on hand.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity and commercialisation of products (existing and future).

If the Company is required, or chooses, to advance the Company's projects beyond the completion of those stated objectives, the Company will require additional funding to progress its projects beyond the work programs identified in this Prospectus. There is no assurance that the Company will be able to access this funding on favourable terms or at all.

If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

(g) Reliance on key personnel and consultants

The Company's success largely depends on the core competencies of its Directors, management and third party consultants and their familiarisation with, and ability to operate in, the biotechnology industry. The financial performance of the Company and the value of an investment in the Company partly depend on the ability of the Company to retain these key personnel and consultants to perform research, development commercialisation work.

(h) Sovereign risk

The Company is currently completing a Phase 2 trial (BIT225-009 - HIV-1 3 month dosing study of BIT225 in combination with cART) in Thailand. The political conditions in Thailand are generally stable, however, changes in political unrest, labour unrest, control of fiscal regulations and regulatory regimes and other sovereign risks could adversely affect the completion of this trial, the step-wise progression of the clinical development of the Company's lead antiviral drug, BIT225 and the successful completion of the Company's objectives stated in this Prospectus, thereby having a negative effect on the financial performance of the Company and the value of an investment in the Company.

(i) Insurance

The Company, where economically feasible, insures its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance, if obtained, may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a negative effect on the financial performance of the Company and the value of an investment in the Company.

General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(j) Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for biotechnology companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(k) Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(l) Economic risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings. The Company's possible revenues and price of its securities can be affected by these factors which are beyond the control of the Company and its Directors.

7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 7.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Securities (see section 7.3);
- (c) sell all of your Entitlement on ASX (see section 7.4);
- (d) take up part of your Entitlement and sell the balance on ASX (see section 7.5);
- (e) deal with part or all of your Entitlement other than on ASX (see section 7.6); or
- (f) allow all or part of your Entitlement to lapse (see section 7.7).

Subscribe for all or part of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares and attaching Options offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares and attaching options you are entitled to subscribe for.

Subscribe for all of your Entitlement and apply for Shortfall Shares

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 8.7 for details of the manner in which Shortfall Shares will be allocated.

Surplus application moneys will be returned to Applicants as soon as practicable following the close of the Offer.

If you wish to sell all of your Entitlement

Complete the section marked "Instructions to Stockbroker" on the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions contained on the form and lodge it with your stockbroker as soon as possible.

Rights trading will commence (on a deferred settlement basis) on ASX on 29 May 2017. Sale of your Rights must be completed by 13 June 2017 when Rights trading is expected to cease.

If you wish to take up part of your Entitlement and sell the balance

Please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept (being less

than as specified on the Application Form) and complete the section marked "Instructions to Stockbroker" on the back of the form in respect of that part of your Entitlement you wish to sell.

Forward the form to your stockbroker together with your cheque for the total amount payable in respect of the New Shares accepted. Your stockbroker will need to ensure that the completed Application Form reaches the Company's share registry, by 5:00pm AEST on 20 June 2017. Cash will not be accepted and no receipts will be issued.

Rights trading will commence on a deferred settlement basis on ASX on 29 May 2017. Sale of your Rights must be completed by 13 June 2017 when Rights trading is expected to cease.

If you wish to transfer your Entitlement other than on ASX

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed renunciation form (obtainable through your stockbroker or the Company's share registry) together with your Entitlement and Acceptance Form completed by the transferee together with a cheque for the appropriate Application monies to reach the Company's share registry, by 5:00pm AEST on 20 June 2017.

If you are a Shareholder and hold Existing Shares registered on CHESS, you should contact your sponsoring broker.

Cash will not be accepted and no receipts will be issued.

Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

If you wish to participate in the Offer, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying personalised Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

Payment methods

BPAY

If you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5.00pm AEST on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 5.00pm AEST on the Closing Date.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

Cheque, bank draft or money order

Alternatively, if you are paying by cheque, bank draft or money order, the completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to 'Biotron Limited' and crossed 'Not Negotiable' for the appropriate application money in Australian dollars calculated at \$0.02 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on the day of receipt of the Entitlement and Acceptance Form. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared application money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received by the Company at the following addresses by no later than 5.00pm (AEST) on the Closing Date:

By Post To:

Biotron Limited
c/ Computershare Investor Services Pty Limited
GPO BOX 505
MELBOURNE VIC 3001

Entitlement and Acceptance Form is binding

Receipt of a completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order for the application monies, or by making a payment in respect of an Application by BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on

whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

8 DETAILS OF THE OFFER

Shares offered for subscription

By this Prospectus the Company makes a renounceable pro rata offer to Eligible Shareholders on the basis of 1 New Share and 1 attaching Option for every 4 Existing Shares held as at the Record Date at a price of \$0.02 per New Share to raise up to approximately \$1,569,199 before issue costs. Fractional entitlements will be rounded down to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 7.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 9.

No minimum subscription

There is no minimum subscription for the Offer.

Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

Underwriting

The Offer is partially underwritten by CPS Capital Group Pty Ltd for \$1,000,000.

The material terms of the underwriting agreement are as follows:

- (a) The Company will pay the Underwriter the following:
 - (i) lead manager fee of \$60,000;
 - (ii) management fee of 1% of total amount raised;
 - (iii) underwriting fee of 5% of the Underwritten Amount (\$50,000); and
 - (iv) placement fee of 5% of any Shortfall placed.
- (b) The Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its directors, officers, employees, and agents against losses suffered or incurred in connection with the Offer;
- (c) The Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (d) The Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including

(but not limited to) where any of the following events has a material adverse effect or could give rise to a liability of the Underwriter under the Corporations Act or otherwise:

- (i) the S&P ASX 200 Index is at any time after the date of this Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement;
- (ii) the Issue Price is greater than the volume weighted average market price for Shares calculated over 5 days on which sales in Shares which were recorded prior to allotment of New Shares;
- (iii) an event occurs which gives rise to a material adverse effect or any adverse change or any development including a likely material adverse effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any relevant company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (iv) any of the material contracts or contracts described in this Prospectus (other than the Underwriting Agreement) or disclosed to ASX are terminated or substantially modified;
- (v) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or
- (vi) a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 5.00pm (AEST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

Rights trading

The Offer is renounceable. This means that the rights of Eligible Shareholders to subscribe for New Shares under this Prospectus are transferable and there will be trading of rights on ASX. Eligible Shareholders who choose not to take up all or part of their rights should consider whether to sell their Rights.

Shortfall

Any New Shares not applied for under the Offer will become Shortfall Shares. The Directors reserve the right to, in conjunction with the Underwriter, issue any Shortfall Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Shares by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer for Shortfall Shares or this Prospectus to be registered.

It is possible that there may be no Shortfall Shares available for issue.

Subject to the above, the Directors reserve the right at their absolute discretion to reject any application for Shortfall Shares or to issue a lesser number of Shortfall Shares than that applied for, and it is an express term of the Shortfall Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

New Zealand Shareholders

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Treatment of Ineligible Shareholders and sale for Ineligible Shareholders' Entitlement

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations outside Australia and New Zealand, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

In accordance with Listing Rule 7.7, the Company has appointed CPS Capital Group Pty Limited as nominee to arrange for the sale of Ineligible Shareholder Entitlement that would have been given to them. CPS Capital Group Pty Limited will account to those Shareholders for the net proceeds of any sale.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to

permit an offering of the New Shares in any jurisdiction other than as set out in this section.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

Beneficial holders, nominees, trustees and custodians

The foreign selling restrictions under the Offer summarised in section 8.9 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

Allotment and application money

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 27 June 2017 and normal trading of the New Shares on ASX is expected to commence on 28 June 2017.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 month high	3 month low	Last market sale price
Price (\$)	\$0.039	\$0.03	\$0.033
Date	1 March 2017	22 May 2017	23 May 2017

CHESS

The Company participates in the Clearing House Electronic Subregister System (CHESS). CHESS is operated by ASX Settlement Pty Ltd (ASPL), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

Enquiries

Any queries regarding the Offer should be directed to the Company Secretary on +61 2 9300 3344.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

Rights and liability attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Except as otherwise required by the Corporations Act and to the terms on which shares are on issue and the rights and restrictions attaching to shares, the Directors may from time to time:

- declare dividends (whether final or interim) to be paid to members on such terms, including the amount and the time for and the method of payment, as the Directors think fit; or
- determine that a dividend is payable, fix the amount and time for payment.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

- (f) Liquidation rights
- The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.
- (g) Variation of rights
- Subject to the Corporations Act and Listing Rules, the rights attached to the Shares may be varied in accordance with the Corporations Act
- (h) Election of directors
- At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.
- (i) Indemnities
- To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.
- (j) Winding up
- Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.
- (k) Shareholder liability
- As the Shares offered under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.
- (l) Alteration to the Constitution
- The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.
- (m) Listing Rules
- If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules,

the Constitution is deemed not to contain that provision to the extent of the inconsistency.

Rights and liability attaching to Listed Options

Options offered under this Prospectus are subject to the following terms:

- (a) The Options will be issued for no consideration.
- (b) Each Option entitles the holder to be issued one Share.
- (c) The exercise price of the Options is \$0.06 each.
- (d) The expiry date of an Option is 30 November 2018.
- (e) The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.
- (f) The Company currently intends to apply for quotation of the Options on the official list of the ASX. Quotation of the Options is not guaranteed or automatic but will depend on ASX exercising its discretion under the Listing Rules.
- (g) The Options are freely transferable subject to any restriction or escrow arrangements imposed by the Corporations Act and the ASX Listing Rules.
- (h) The holder of an Option may not exercise less than 8,333 Options at any one time unless the holder has less than 8,333 Options in which event the Holder must exercise all of the Options together.
- (i) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed subscribers. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (j) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
- (k) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in:
 - (i) the exercise price of the Option; or
 - (ii) period of exercise of the Option; or
 - (iii) except in the event of a Bonus Issue (defined below), a change to the number of underlying securities over which the Option can be exercised.

- (l) The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (m) In the event the Company proceeds with a pro rata issue (other than a Bonus Issue) of Shares, the exercise price will be reduced in the manner permitted by the Listing Rules at the time of the pro rata issue.
- (n) If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (Bonus Issue), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.
- (o) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial statements of the Company for the financial year ended 30 June 2016 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

The Company confirms that, to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Prospectus, there is no information

- (a) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to New Shares.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial statements of the Company for the financial year ended 30 June 2016 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the financial statements referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours or from asx.com.au.

The Company has lodged the following announcements with ASX since its 2016 annual report was lodged with ASX on 5 August 2016:

Date	Description of Announcement
22 August 2016	Zika Virus Program Update
2 September 2016	Option Expiry Notice
5 September 2016	Clarification Statement
5 October 2016	Appendix 3B
5 October 2016	Change of Director's Interest Notice
17 October 2016	Appendix 4C- Quarterly
17 October 2016	Annual Report and Notice of Annual General Meeting
22 November 2016	AGM Presentation
22 November 2016	Results of Meeting

13 January 2017	Biotron Presents at Biotech Showcase 2017
13 January 2017	Corrected Presentation to Biotech Showcase 2017
16 January 2017	Appendix 4C- Quarterly
6 February 2017	BIT225 Accelerates HIV-1 Virus Reduction
13 February 2017	\$1.6 Million R&D Tax Rebate Received
24 February 2017	Half Yearly Report and Accounts
27 February 2017	Letter to Shareholders
11 April 2017	Update on Progress of BIT225 Phase 2 HIV-1 Clinical Trial
20 April 2017	Appendix 4C - Quarterly
1 May 2017	The Need for Drugs Targeting HIV-1 in Macophages

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or from www.asx.com.au.

Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

Director	Michael Hoy	Michelle Miller	Denis Wade	Robert Thomas	Susan Pond
Shares	4,985,491	250,000	1,637,079	5,395,207	348,958
Options	-	5,000,000	-	-	-

Remuneration paid to Directors in the two years prior to the date of this Prospectus ¹		
Director	2015/2016	2016/2017
Michael Hoy	75,344	75,344
Michelle Miller	353,768	328,499
Denis Wade	40,183	40,183
Robert Thomas	40,183	40,183
Susan Pond	40,183	40,183

Notes:

- 1 The Chairman and non-executive Directors are entitled to annual directors' fees of \$75,344 and \$40,183 (inclusive of superannuation) respectively.

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

CPS Capital Group Pty Limited has acted as lead manager and underwriter to the Offer. In respect of this work, the Company will pay up to \$125,692 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. CPS Capital Group Pty Limited has not received any fees for services to the Company in the 2 years prior to the date of this Prospectus.

Julian Atkinson has acted as solicitor to the Offer. In respect of this work, the Company will pay approximately \$8,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Julian Atkinson has not received any fees for services to the Company in the 2 years prior to the date of this Prospectus.

Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Julian Atkinson	Lawyer
CPS Capital Group Pty Ltd	Underwriter

Expenses of the Offer

The total expenses of the Offer are estimated to be up to \$163,192, consisting of the following:

Cost	\$
Legal fees	8,000
ASX and ASIC fees	10,000
Capital raising fees	125,692
Printing, postage and other expenses	19,500
Total	163,192

These expenses have or will be paid by the Company.

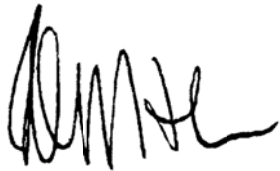
Litigation

As at the date of this Prospectus, the Company is not involved in any other legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 25 May 2017



.....
Signed for and on behalf of Biotron Limited
By Peter J. Nightingale
Company Secretary

12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$, A\$ or Dollars	Australian dollars unless otherwise stated.
Applicant	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
Application	a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	the board of Directors.
Business Day	Monday to Friday inclusive, except any day that ASX declares is not a business day.
Closing Date	the date set out in section 1.
Company or Biotron	Biotron Limited (ABN 60 086 399 144).
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Eligible Shareholders	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
Entitlement or Right	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form attached to this Prospectus.
Ex Date	the date set out in section 1.
Existing Share	a Share issued as at 5.00pm (AEST) on the Record Date.
Full Subscription	approximately \$1,569,199 before costs.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.

Listed Option	means an Option on the terms set out in section 9.2 and offered under this Prospectus.
Listing Rules	the listing rules of the ASX.
New Shares	Shares issued pursuant to this Prospectus.
Offer	an offer made under this Prospectus to subscribe for New Shares.
Official List	the official list of the ASX.
Opening Date	the date set out in section 1.
Option	an option to be issued a Share.
Prospectus	this Prospectus and includes the electronic prospectus.
Record Date	the date set out in section 1.
Share	a fully paid ordinary share in the Company.
Share Registry	Computershare Investor Services Pty Ltd.
Shareholder	the registered holder of Shares in the Company.
Shortfall Offer	has the meaning given in section 8.7.
Shortfall Shares	New Shares for which valid Applications have not been received by the Closing Date.
Underwritten Amount	means \$1,000,000.
US person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended.
AEST	Australian Eastern Standard Time

13 PRO FORMA STATEMENT OF FINANCIAL POSITION

	31 December 2016 (reviewed)	Pro forma Adjustments	31 December 2016 Pro forma (Underwritten amount)	31 December 2016 Pro forma (Full subscription)
	\$	\$		\$
Current Assets				
Cash and cash equivalents	1,426,134	1,406,007	2,268,634	2,832,141
Other assets	40,144	-	40,144	40,144
Total Current Assets	1,466,278	1,406,007	2,308,778	2,872,285
Non-Current Assets				
Property, plant and equipment	30,393	-	30,393	30,393
Total Non-Current Assets	30,393	-	30,393	30,393
Total Assets	1,496,671	1,406,007	2,339,171	2,902,678
Current Liabilities				
Trade and Other Payables	94,922	-	94,922	94,922
Employee entitlements	247,111	-	247,111	247,111
Total Liabilities	342,033	-	342,033	342,033
Net Assets	1,154,638	1,406,007	1,997,138	2,560,645
Equity				
Issued Capital	39,173,266	1,406,007	40,015,766	40,579,273
Reserves	62,433	-	62,433	62,433
Accumulated Losses	(38,081,061)	-	(38,081,061)	(38,081,061)
Total Equity	1,154,638	1,406,007	1,997,138	2,560,645