

BIOTRON LIMITED
ACN 086 399 144

ENTITLEMENT ISSUE PROSPECTUS

For the offers of:

- (a) a pro-rata renounceable entitlement issue of one (1) Share for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.03 per Share, together with one (1) free New Option for every two (2) Shares applied for and issued to raise up to \$4,211,596 (before costs) (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**); and
- (b) up to 8,423,192 Options, exercisable at \$0.06 each on or before the date that is two years from the date of issue (**Lead Manager Options**) to the Lead Manager (or its nominee/s) (**Lead Manager Options Offer**),

(together, the **Offers**).

This Entitlement Offer is partially underwritten by Mahe Capital Pty Ltd (AFSL 517246) (**Underwriter**). Refer to Section 7.4.1 for details regarding the terms of the underwriting.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.



IMPORTANT NOTICE

This Prospectus is dated 26 October 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. 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.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

Overseas shareholders

This Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 3.10.

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 Securities.

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 three months before 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.

Please refer to Section 7.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company and the Lead Manager/Broker will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.biotron.com.au). By making an application under the Entitlement Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.biotron.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30am – 5:00pm (AEDT), Monday to Friday.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would

contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to AEDT Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your

application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 between 8:30am to 5pm (AEDT), Monday to Friday.

CORPORATE DIRECTORY

Directors

Mr Michael Hoy
Independent Non-Executive Chairman

Dr Michelle Miller
Managing Director

Dr Susan Pond
Independent Non-Executive Director

Mr Robert Thomas
Independent Non-Executive Director

Prof Stephen Locarnini
Independent Non-Executive Director

Company Secretary

Mr Peter Nightingale

Registered Office

Level 2, 66 Hunter Street
SYDNEY NSW 2000

Telephone: + 61 2 9300 3344
Facsimile: +61 2 9221 6333

Email: enquiries@biotron.com.au

Website: www.biotron.com.au

ASX Code

BIT

Share Registry*

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
SYDNEY NSW 2000

Telephone: 1300 850 505

Auditor*

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

Legal advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Lead Manager and Underwriter

Mahe Capital Pty Ltd (AFSL 517246)
Level 8, 99 St Georges Terrace
PERTH WA 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

TABLE OF CONTENTS

1.	CHAIR'S LETTER	5
2.	KEY OFFER INFORMATION.....	7
3.	DETAILS OF THE OFFER.....	14
4.	PURPOSE AND EFFECT OF THE OFFER.....	22
5.	RIGHTS AND LIABILITIES ATTACHING TO SECURITIES	26
6.	RISK FACTORS	31
7.	ADDITIONAL INFORMATION	42
8.	GLOSSARY	54

1. CHAIR'S LETTER

Dear Shareholder,

On behalf of Biotron Limited (**Biotron** or **Company**), I am pleased to invite you to participate in the one (1) for five (5) renounceable pro-rata entitlement offer at an issue price of \$0.03 per Share to raise approximately \$4.2 million (before costs) with one (1) free-attaching Option for every two (2) New Shares issued. The issue price represents a 37% discount to the 30 day VWAP prior to the announcement to the ASX on 27 October 2022, and is partially underwritten for \$2,500,000 by Mahe Capital Pty Ltd.

As previously disclosed, the Company has a portfolio of antiviral drugs targeting serious viral diseases including HIV-1, COVID-19 and Hepatitis B virus. The HIV-1 program is the Company's lead program, with BIT225 showing positive results in all clinical trials completed to date. Investment highlights include:

- (a) Two Phase 2 HIV-1 clinical trials are currently in progress. Both are fully recruited, with results due mid-2023.
- (b) These trials build on nine previous clinical trials of BIT225 establishing its safety and potential effects in patients with HIV-1 and Hepatitis C virus.
- (c) Previous HIV-1 trials demonstrated that BIT225 uniquely combines antiviral and immune modulation effects, a combination expected to lead to improved health outcomes.
- (d) In 2021, over 38.4 million people globally were living with HIV, with 1.5 million newly infected with the virus and an estimated 650,000 people dying from AIDS-related illnesses.
- (e) The global HIV drug market in 2021 was estimated to be US\$30 billion. The increased prevalence of HIV-1 infections, percentage of patients on treatment due to improved disease awareness and the need for treatments to improve quality of life are expected to drive market growth to over US\$50 billion by 2030.
- (f) BIT225 has also shown both antiviral, immune modulatory and clinical benefit against SARS-CoV-2 in an industry-standard animal model of COVID-19. A human COVID-19 study is in progress as a sub-study in one of the current HIV-1 Phase 2 clinical trials.
- (g) Commercialisation of the Company's portfolio of antiviral drugs is the focus of the Board of Directors.
- (h) The Company holds a suite of international patents.
- (i) Completion of clinical HIV-1 Phase 2 clinical trials in mid-2023 will be significant near-term milestones.
- (j) Directors have indicated that they intend to participate in some or all of their entitlement under the Offer.

Biotron received positive guidance from the USA Food and Drug Administration (FDA) in May 2022 for development of BIT225 as a potential treatment of SARS-CoV-2 infection. Funds raised by the Entitlement Offer will be partially used to fund a Phase 2 COVID-19 clinical trial. Planning for the trial is well advanced and,

subject to ethics and regulatory approvals and recruitment rates, data is expected in mid-2023.

Funds raised will also be partially used to undertake detailed post-Phase 2 trial HIV-1 assays, complete lead identification and selection of next generation drugs for the HIV-1 and COVID-19 programs, progress the preclinical Hepatitis B virus program and strengthen the Company's commercialisation activities.

The Company's aim is to ensure that it is in a strong position to enter negotiations with potential partners at the conclusion of the Phase 2 trials in mid-2023. All current and proposed activities that are subject to funding are undertaken to de-risk the programs and achieve a commercial outcome for all Shareholders.

This Prospectus and personalised Entitlement and Acceptance Form should be read carefully and in its entirety before making any investment decision 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 that there are significant risks associated with early stage pharmaceutical investments generally.

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

Yours sincerely



Michael Hoy
Non-Executive Chairman

2. KEY OFFER INFORMATION

2.1 Timetable

Lodgement of Prospectus with the ASIC	26 October 2022
Lodgement of Prospectus and Appendix 3B with ASX	26 October 2022
Ex date	31 October 2022
Rights start trading	31 October 2022
Record Date for determining Entitlements	1 November 2022
Offers opening date, Prospectus sent out to Shareholders and Company announces this has been completed	4 November 2022
Rights stop trading	11 November 2022
Securities quoted on a deferred settlement basis	14 November 2022
Last day to extend the Closing Date	15 November 2022
Closing Date as at 5:00pm*	18 November 2022
ASX and Underwriter/Sub-Underwriter notified of under subscriptions	23 November 2022
Underwriter subscribes for Shortfall under terms of Underwriting/ Sub-Underwriting Agreement	24 November 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	25 November 2022
Quotation of Securities issued under the Offers**	26 November 2022

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

2.2 Key statistics of the Offer

Shares

	Minimum Subscription (\$2,500,000) ¹	Maximum Subscription (\$4,211,596) ²
Offer Price per Share	\$0.03	\$0.03
Entitlement Ratio (based on existing Shares)	1 for 5	1 for 5
Shares currently on issue	701,932,713	701,932,713
Shares to be issued under the Offer ³	83,333,333	140,386,543
Gross proceeds of the issue of Shares	\$2,500,000	\$4,211,596
Shares on issue Post-Offer	785,266,046	842,319,256

Notes:

1. Assuming the Minimum Subscription of \$2,500,000 is achieved under the Entitlement Offer.
2. Assuming the Maximum Subscription of \$4,211,596 is achieved under the Entitlement Offer.

- Refer to Section 5.1 for the terms of the Shares.

Options

	Minimum Subscription (\$2,500,000) ¹	Maximum Subscription (\$4,211,596) ²
Offer Price per New Option	Nil	Nil
Option Entitlement Ratio (based on Shares subscribed for)	1 for 2	1 for 2
Options currently on issue	4,500,000	4,500,000
New Options to be issued under the Entitlement Offer	41,666,667	70,193,272
Lead Manager Options to be issued under the Lead Manager Options Offer	5,000,000	8,423,192
Gross proceeds of the issue of Options	Nil	Nil
Options on issue Post-Offers	51,166,667	83,116,464

Notes:

- Assuming the Minimum Subscription of \$2,500,000 is achieved under the Offer.
- Assuming the Maximum Subscription of \$4,211,596 is achieved under the Offer.
- Refer to Section 5.2 for the terms of the New Options.

2.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 6.

The predominant risks relating to the Company and the Offer are summarised below:

Risk	Description	Further Information
Going Concern	<p>The Company's financial statements for the 2021-2022 financial year (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>The Company recorded a trading loss of \$2,781,083 for the year ended 30 June 2022 and has accumulated losses of \$51,837,373 at 30 June 2022. As at 30 June</p>	Section 6.2

	<p>2022, the Company had net assets of \$1,092,496. These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' emphasis of matter included in the Financial Report, the Directors believe that upon the successful completion of the Entitlement Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.</p> <p>In the event that the Entitlement Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>	
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. 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). Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.</p>	Section 6.2
Research and development	<p>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.</p> <p>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</p>	Section 6.2

	<p>regulatory authority approvals and there may be difficulties caused by rapid advancements in competing and other technologies.</p> <p>Projects can be delayed, suspended or unsuccessful at any stage, or the research may become unviable for a number of unexpected reasons.</p> <p>The Company may also face liability where a product, if approved, does not achieve the expected performance or safety standards.</p> <p>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.</p>	
Commercialisation Risk	<p>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.</p> <p>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.</p> <p>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.</p>	Section 6.2
Intellectual property risk	<p>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</p>	Section 6.2

	<p>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.</p> <p>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.</p>	
Board Spill	<p>At the Company's annual general meeting in 2021, more than 25% of the votes cast on the remuneration report resolution are voted against adoption of the remuneration report. Therefore, if, at the Company's upcoming annual general meeting on 16 November 2022 (Second Annual General Meeting), more than 25% of the votes cast on the remuneration report resolution are voted against adoption of the remuneration report, then a spill resolution must be put to vote.</p> <p>If more than 50% of votes cast are in favour of the spill resolution, the company must convene a shareholder meeting (Spill Meeting) within 90 days of the Second Annual General Meeting.</p> <p>All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.</p> <p>Following the Spill Meeting, those persons whose election or re-election as directors of the company is approved will be the directors of the company.</p>	Section 6.2

2.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Share Entitlement	New Option Entitlement	\$
Michael Hoy	9,347,793	Nil	1,869,559	934,779	56,086.77
Michelle Miller	3,156,250	2,000,000 ¹	631,250	315,625	18,937.50
Stephen Locarnini	800,000	Nil	160,000	80,000	4,800.00
Susan Pond	654,295	Nil	130,859	65,430	3,925.77
Robert Thomas	3,663,195	Nil	732,639	366,320	21,979.17

Notes:

1. Comprising of:
 - (a) 1,000,000 Options expiring on 29 November 2022 exercisable at \$0.20; and
 - (b) 1,000,000 Options expiring on 29 November 2023 exercisable at \$0.20.
 The vesting conditions of the Options are based on minimum service periods being achieved.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion. The Board advises that Mr Michael Hoy, Ms Michelle Miller, Mr Stephen Locarnini and Ms Susan Pond intend to take up their full Entitlements and Mr Robert Thomas intends to take up part Entitlement.

2.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, the Company does not have any substantial holders.

2.6 Lead Manager

Mahe Capital Pty Ltd (**Lead Manager**) has been appointed as the lead manager of the Entitlement Offer. The total fees payable to the Lead Manager are set out below in Section 7.4.1.

2.7 Partial Underwriting and sub-underwriting

The Entitlement Offer is also partially underwritten by Mahe Capital Pty Ltd (AFSL 517246) (**Underwriter**). Refer to Section 7.4.1 for details of the terms of the underwriting and total fees payable.

No sub-underwriter will increase their shareholding to above 19.9% as a direct result of the issue of Securities under the Offer or as a result of the exercise of New Options. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire

2.8 Effect on Control

The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Entitlement Offer or are ineligible to participate in the Entitlement Offer.

In accordance with the terms of the Underwriting Agreement, the Underwriter will allocate the Shortfall to its sub-underwriters who have otherwise agreed to assist with the completion of the Entitlement Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Company, in consultation with the Underwriter, will ensure that the Entitlement Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the *Corporations Act 2001* (Cth) and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

2.9 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 2.8, Shareholders should note that if they do not participate in the Entitlement Offer, assuming the maximum subscription, their holdings will be diluted by approximately 16.67% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options and Lead Manager Options under this Prospectus. However, subsequent exercise of any or all of the New Options and Lead Manager Options will result in dilution. Assuming all New Options and Lead Manager Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer, assuming the maximum subscription, will be diluted by an aggregate of approximately 23.8% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Offer not taken Up	% post Entitlement Offer
Shareholder 1	10,000,000	1.42%	2,000,000	10,000,000	1.19%
Shareholder 2	5,000,000	0.71%	1,000,000	5,000,000	0.59%
Shareholder 3	1,500,000	0.21%	300,000	1,500,000	0.18%
Shareholder 4	400,000	0.06%	80,000	400,000	0.05%
Shareholder 5	50,000	0.01%	10,000	50,000	0.01%
Total	701,932,713		140,386,543		842,319,256

Notes:

1. This is based on a share capital of 701,932,713 Shares as at the date of the Prospectus and assumes no Options currently on issue are exercised, no other Shares are issued and no New Options are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

3. DETAILS OF THE OFFER

3.1 The Entitlement Offer

The Entitlement Offer is being made as a pro-rata renounceable entitlement issue of one (1) Share for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.03 per Share, together with one (1) free New Option for every two (2) Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 140,386,543 Shares and 70,193,271 New Options may be issued under the Entitlement Offer to raise up to \$4,211,596. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 4,500,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Entitlement Offer. Please refer to Section 5.2 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.06 on or before the date that is two years from the date of issue and otherwise on the terms set out in Section 5.2.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 4.

3.2 The Lead Manager Options Offer

By the Lead Manager Options Offer under this Prospectus, the Company offers up to 8,423,192 Lead Manager Options, exercisable at \$0.06 each, on or before the date that two years from the date of issue to the Lead Manager (or its nominee/s).

No funds will be raised from the issue of Lead Manager Options pursuant to the Lead Manager Options Offer as the Lead Manager Options are being issued for nil cash consideration in part consideration for services provided by the Lead Manager to the Company.

The Lead Manager Options will be issued on the terms and conditions set out in Section 5.2. All of the Shares issued upon exercise of the Lead Manager Options will rank equally with the Shares on issue at the date of this Prospectus.

The Lead Manager Options Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Lead Manager Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Lead Manager Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

3.3 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully. Payment can be made by the methods set out in Section 3.4. As set out in Section 3.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 3.4 and Section 3.5.
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully. Payment can be made by the methods set out in Section 3.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 3.7. Accordingly, your application for additional Shortfall Securities may be scaled-back. The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	Sections 3.4, 3.5 and 3.7.
Sell all of your Entitlement on ASX	<ul style="list-style-type: none"> The Entitlements under the Entitlement Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Securities under the Entitlement Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 31 October 2022 and will cease on 11 November 2022. There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the 	N/A

Option	Key Considerations	For more information
	Entitlements sold on ASX.	
Take up a proportion of your Entitlement and sell the balance on ASX	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus for the number of Securities you wish to take up and making payment using the methods set out in Section 3.4 below. As set out in Section 3.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX. 	Section 3.4 and Section 3.5
Take up a proportion of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus for the number of Securities you wish to take up and making payment using the methods set out in Section 3.4 below. As set out in Section 3.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 3.4 and Section 3.5
Sell all or a proportion of your Entitlement other than on ASX	<ul style="list-style-type: none"> You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased. If you are a Shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "Biotron Limited" and crossed "Not Negotiable" to the Share Registry by post at any time after the issue of this Prospectus and on or before the Closing Date at the following address: By Post Biotron Limited C/- Computershare Investor Services Pty Limited GPO Box 505 Melbourne VIC 3001 Australia If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHES subregister you must engage your CHES controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as 	N/A

Option	Key Considerations	For more information
	to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry.	
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX or otherwise. If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Entitlement Offer to you will lapse. 	N/A

3.4 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

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 (AEDT) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares 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 CRN specific to that Shareholding as set out in the applicable

Entitlement and Acceptance Form. **Do not use the same CRN 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 valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Electronic Funds Transfer Details letter that accompanies the Prospectus and Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) **By Cheque**

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Biotron Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00pm (AEDT) on the Closing Date.

3.5 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

3.6 Minimum subscription

The minimum subscription in respect of the Entitlement Offer is \$2,500,000 being the partially underwritten amount of the Entitlement Offer.

No Securities will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

3.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.03 being the price at which Shares have been offered under the Entitlement Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 3.4.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 7.4.1. If the Entitlement Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Securities by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

The Underwriter notes that no Securities will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

Eligible Shareholders resident in jurisdictions outside Australia should note that their participation in the Shortfall Offer may be restricted by Australia's foreign investment laws. The Company reserves the right to not issue Shortfall Shares to an Eligible Shareholder where it reasonably believes that doing so may infringe on Australia's foreign investment laws.

3.8 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue

any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the New Options and Lead Manager Options offered pursuant to this Prospectus will also be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the New Options and Lead Manager Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Options and Lead Manager Options.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.9 Issue of Securities

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at Section 2.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

3.10 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3.11 Appointment of Nominee

Pursuant to ASX Listing Rule 7.7 of the Corporations Act, the Company has appointed a nominee, Mahe Capital Pty Ltd, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

The proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee must sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the nominee will not be required to sell Ineligible Shareholders' Entitlements at a particular price.

Shareholders resident in Australia or New Zealand holding Securities on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$4,211,596 before costs.

The funds raised from the Offer is intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Minimum Raise (\$2,500,000)	Maximum Raise (\$4,211,596)	%
1.	Phase 2 COVID-19 clinical trial	1,500,000	1,800,000	43
2.	Completing complementary non-clinical assays on samples from the current Phase 2 HIV-1 clinical trials	400,000	600,000	14
3.	Next generation drugs for HIV and COVID-19	0	350,000	8
4.	HBV program	0	300,000	7
5.	Commercialisation activities	200,000	200,000	5
6.	Working capital	70,000	528,596	13
7.	Expenses of the Offer ¹	330,000	433,000	10
	Total	2,500,000	4,211,596	100

Notes:

1. Refer to Section 7.8 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. In this event (and after accounting for associated Offers costs), the allocation of available funds will be modified by a minor scaling back of expenditures on the Phase 2 COVID-19 clinical trial (Item 1) and the completion of non-clinical assays on samples from the current Phase 2 HIV-1 clinical trials (Item 2), the development of next generation drugs for HIV, COVID-19 and HBV (Items 3 and 4) and available working capital (Item 6) will be reduced.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events, results achieved and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

4.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$3,778,900 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (a) increase the number of Shares on issue from 701,932,713 as at the date of this Prospectus to 842,319,256 Shares; and
- (b) increase the number of Options on issue from 4,500,000 as at the date of this Prospectus to 83,116,464 Options.

4.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	701,932,713
Shares offered pursuant to the Entitlement Offer	140,386,543
Total Shares on issue after completion of the Offer	842,319,256

Options

	Number
Options currently on issue	
Options exercisable at \$0.20 on or before 29 November 2022	1,000,000
Options exercisable at \$0.20 on or before 29 November 2023	1,000,000
Options exercisable at \$0.20 on or before 31 January 2023	2,500,000
Total Options on issue as at the date of this Prospectus	4,500,000
New Options to be issued pursuant to the Entitlement Offer	70,193,272
Lead Manager Options to be issued under the Lead Manager Options Offer	8,423,192
Total Options on issue after completion of the Offers	83,116,464

The capital structure on a fully diluted basis as at the date of this Prospectus would be 706,432,713 Shares and on completion of the Offers (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 925,435,720 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

4.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2022 and the unaudited pro-forma balance sheet as at 30 June 2022 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet 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 as noted below. The historical and 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.

	AUDITED 30 June 2022	PROFORMA Minimum Raise	PROFORMA Maximum Raise
	\$	\$	\$
CURRENT ASSETS			
CURRENT ASSETS			
Cash	1,741,405	3,911,405	5,520,305
Other current assets	20,988	20,988	20,988
TOTAL CURRENT ASSETS	1,762,393	3,932,393	5,541,293
NON-CURRENT ASSETS			
Plant and equipment	89,683	89,683	89,683
Other financial assets	53,985	53,985	53,985
TOTAL NON-CURRENT ASSETS	143,668	143,668	143,668
TOTAL ASSETS	1,906,061	4,076,061	5,684,961
CURRENT LIABILITIES			
Trade and other payables	389,166	389,166	389,166
Employee entitlements	327,235	327,235	327,235
Lease liability	34,247	34,247	34,247
TOTAL CURRENT LIABILITIES	750,648	750,648	750,648
NON-CURRENT LIABILITIES			
Employee entitlements	19,925	19,925	19,925

	AUDITED 30 June 2022	PROFORMA Minimum Raise	PROFORMA Maximum Raise
	\$	\$	\$
Lease liability	42,992	42,992	42,992
TOTAL NON-CURRENT LIABILITIES	62,917	62,917	62,917
TOTAL LIABILITIES	813,565	813,565	813,565
NET ASSETS	1,092,496	3,262,496	4,871,396
EQUITY			
Issued capital	52,843,994	55,013,994	56,622,894
Options Reserves	85,875	205,875	288,032
Accumulated losses	(51,837,373)	(51,957,373)	(52,039,530)
TOTAL EQUITY	1,092,496	3,262,496	4,871,396

Notes:

1. The 30 June 2022 balances are extracted from the Company's audited 30 June 2022 financial statements.
2. The PROFORMA Minimum Raise balances are the 30 June 2022 balances adjusted for the following assumptions:
 - the issue of 83,333,333 Shares and 41,666,667 New Options under the Entitlement Offer to raise \$2,500,000;
 - the issue of 5,000,000 Lead Manager Options; and
 - costs of the issue of \$330,000.
3. The PROFORMA Maximum Raise balances are the 30 June 2022 balances adjusted for the following assumptions:
 - the issue of 140,386,543 Shares and 70,193,272 New Options under the Entitlement Offer to raise \$4,211,596;
 - the issue of 8,423,192 Lead Manager Options; and
 - costs of the issue of \$432,696.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

5.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. 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.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, 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. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 Terms of New Options and Lead Manager Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the New Option and Lead Manager Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option and Lead Manager Option will be \$0.06 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AEDT) on the date that is two years from the date of issue (**Expiry Date**). A New Option and Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options and Lead Manager Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options and Lead Manager Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option and the Lead Manager Option certificates (**Notice of Exercise**) and payment of the Exercise Price for each New Option and Lead Manager Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option and Lead Manager Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options and Lead Manager Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options and Lead Manager Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options and Lead Manager Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and Lead Manager Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options and Lead Manager Options without exercising the New Options and Lead Manager Options.

(k) **Change in exercise price**

A New Option and Lead Manager Option do not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option and Lead Manager Option can be exercised.

(l) **Transferability**

The New Options and Lead Manager Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

6. RISK FACTORS

6.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 6, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 6, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 6 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 6 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

6.2 Company and industry specific

Risk Category	Risk
Potential for dilution	<p>In addition to potential control impacts set out in Section 2.8, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 16.67% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options and Lead Manager Options under this Prospectus. However subsequent exercise of any or all of the New Options and Lead Manager Options will result in dilution. Assuming all New Options and Lead Manager Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 23.8% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the</p>

Risk Category	Risk
	<p>completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.045 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>
<p>Additional requirements for capital</p>	<p>The Company's capital requirements depend on numerous factors. 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).</p> <p>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.</p> <p>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. In the event of insufficient capital the Company may also have to licence or sell its technologies on unfavourable terms.</p> <p>Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its Research and Development programs activities as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<p>Going Concern</p>	<p>The Company's financial statements for the 2021-2022 financial year (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>The Company recorded a trading loss of \$2,781,083 for the year ended 30 June 2022 and has accumulated losses of \$51,837,373 at 30 June 2022. The Company has cash on hand of \$1,741,405 at 30 June 2022 and used \$3,994,573 of cash in operations for the year ended 30 June 2022 and received \$1,558,525 in research and development government incentives. As at 30 June 2022, the Company had net assets of \$1,092,496. These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to</p>

Risk Category	Risk
	<p>continue as a going concern.</p> <p>The ongoing operation of the Company is dependent on the Company raising additional funding from shareholders or other parties and/or the Company reducing expenditure in line with available funding.</p> <p>In the event that the Company does not obtain additional funding and/or reduce expenditure in line with available funding, the achievement of which is significantly uncertain until secured or realised, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.</p> <p>Notwithstanding the 'going concern' emphasis of matter included in the Financial Report, the Directors believe that upon the successful completion of the Entitlement Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.</p> <p>In the event that the Entitlement Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
Research and development risk	<p>Biotechnology, scientific research, medical product development and the commercialisation of the results of that work is, by its nature, a high risk undertaking.</p> <p>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.</p> <p>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</p>

Risk Category	Risk
	<p>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 cost of goods may mean that research, trial, commercialisation, manufacture and distribution of a product is not viable. The market demand for products being sold may result in products becoming obsolete. 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.</p> <p>The Company is currently undertaking two Phase 2 HIV-1 clinical trials and proposes commencing a Phase 2 COVID-19 clinical trial (subject to funding). There are risks associated with recruiting and retaining eligible participants on clinical trials which can be impacted by potential changes in rates of viral infection in a community and availability of other therapeutic options including vaccinations which may preclude inclusion in a clinical trial. Recruitment rates can significantly impact on timing of studies which can have flow on effects on expenditures.</p> <p>The Company utilises the services of external contractors to undertake clinical and non-clinical studies. Changes in business operations by those contractors may impact on timelines which can have flow on effects on expenditures.</p> <p>Changes in exchange rates may impact on costs as several external contractors utilised by the Company charge in USD.</p> <p>The Company makes assumptions about the expected future benefits generated by investment in research and development and the expected timeframe in which the benefits will be realised. These assumptions are subject to change and involve both known risks and risks that are beyond the Company's control. Any change to the assumptions the Company has made about development of a certain product may have an adverse impact on the Company's ability to realise a benefit from investment in the development of that product.</p> <p>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.</p>
Commercialisation Risk	The Company's ultimate objective is a commercialisation transaction with a pharmaceutical company. There can

Risk Category	Risk
	<p>be no assurance that the Company will be able to successfully negotiate and execute a commercialisation transaction with a pharmaceutical company.</p> <p>There is uncertainty of future revenue and profitability.</p> <p>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.</p> <p>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.</p>
Intellectual property risk	<p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>

Risk Category	Risk
	<p>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.</p>
Sovereign Risk	<p>The Company is currently completing a Phase 2 HIV-1 clinical trial of BIT225 (BIT225-010) at a number of sites in Thailand. This trial includes a COVID-19 trial of BIT225 as a sub-study in the ongoing Phase 2 HIV-1 trial. 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 antiviral drug, BIT225-010 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.</p>
Insurance Risk	<p>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.</p>
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any

Risk Category	Risk
	<p>consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
Coronavirus (COVID-19)	<p>The impact of COVID-19 is ongoing. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 (such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be implemented) that may impact the Company's operations are likely to be beyond the control of the Company. The Company confirms that it has not been materially affected by the COVID-19 pandemic to date.</p> <p>In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.</p>
Related party risk	<p>The Company has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that the Company may not be able to find a satisfactory replacement.</p> <p>Further, the operations of the Company will require involvement of related parties and other third parties including contract research organisations, contract research laboratories, and consultants. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:</p> <p>(a) financial failure or default by a participant in any agreement to which the Company may become a party; and/or</p> <p>(b) insolvency, default on performance or delivery by any operators, contractors or service providers.</p> <p>There is also a risk that where the Company has engaged a contractor who is a related party, the contract between the contractor and the Company may terminate for reasons outside of the control of the</p>

Risk Category	Risk
	Company. This may then result in the termination of the contract between the Company and the contractor and the impact the Company's position, performance and reputation.
Board Spill	<p>The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company. A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (Spill Resolution) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote.</p> <p>At the Company's annual general meeting in 2021, more than 25% of the votes cast on the remuneration report resolution are voted against adoption of the remuneration report. Therefore, if, at the Company's upcoming annual general meeting on 16 November 2022 (Second Annual General Meeting), more than 25% of the votes cast on the remuneration report resolution are voted against adoption of the remuneration report, then the Spill Resolution must be put to vote.</p> <p>If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (Spill Meeting) within 90 days of the Second Annual General Meeting.</p> <p>All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.</p> <p>Following the Spill Meeting, those persons whose election or re-election as directors of the company is approved will be the directors of the company.</p>

6.3 General risks

Risk Category	Risk
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities, as well as on its ability to fund those activities.
Market conditions	Share market conditions may affect the value of the Company's quoted securities regardless of the

Risk Category	Risk
	<p>Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.</p>
Litigation risks	<p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>
Dividends	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation</p>

Risk Category	Risk
	consequences of subscribing for Securities under this Prospectus.
Reliance on key personnel	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.
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of its Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>

6.4 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

7. ADDITIONAL INFORMATION

7.1 Litigation

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

7.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, 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 report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
24 October 2022	Quarterly Activities/Appendix 4C Cash Flow Report
14 October 2022	Annual Report and Notice of Annual General Meeting

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.

The announcements are also available through the Company's website www.biotron.com.au.

7.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.065	27 July 2022
Lowest	\$0.044	25 October 2022
Last	\$0.045	26 October 2022

7.4 Material Contracts

7.4.1 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Mahe Capital Pty Ltd, pursuant to which Mahe Capital Pty Ltd has agreed to underwrite the Offer up to a value of \$2,500,000 (the **Underwritten Amount**) (being 59.36% of the funds to be raised under the Offer (and equal to 83,333,333 Shares and 41,666,666 New Options) (**Underwritten Securities**).

The Underwriter may appoint sub-underwriters to sub-underwrite the Offer.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fees	<p>Pursuant to the Underwriting Agreement, the Company has agreed to:</p> <p>(a) pay a lead manager fee of \$60,000, under which the Underwriter (or its nominee/s) has a right to subscribe for this fee in Shares under the Entitlement Offer;</p> <p>(b) pay a management fee of 1% of the total amount raised under the Entitlement Offer, under which the Underwriter (or its nominee/s) has a right to subscribe for this fee in Shares under the Entitlement Offer;</p> <p>(c) pay an underwriting fee of 5% of the Underwritten Amount;</p> <p>(d) pay a placement fee of 5% of any shortfall placed beyond the Underwritten Amount, including any additional amount that may be placed under the Company's 7.1 and 7.1A placement capacity (if applicable).</p>
------	--

Termination Events

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **Indices fall:** The S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement.
- (b) **Prospectus:** The Company does not lodge the Prospectus on the lodgement date or the Prospectus or the Offer is withdrawn by the Company.
- (c) **No Listing Approval:** The Company fails to lodge an Appendix 3B and/or an Appendix 2A in relation to the Underwritten Securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations.
- (d) **No Official Quotation:** ASX has advised the Company that it will not or may not grant official quotation to the Underwritten Securities or admit the Company to trading on the ASX following completion of the Offer (including issue of the Shortfall Securities) on or prior to the Shortfall Notice Deadline Date.
- (e) **Price:** The Price (being \$0.03) is greater than the volume weighted average market price (as defined in the Listing Rules) of Shares calculated over five trading days after the date of the Underwriting Agreement.
- (f) **Supplementary prospectus**
 - (i) The Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in paragraph (s)(iv) below, forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter.
- (g) **Non-compliance with disclosure requirements**

It transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make 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 the Underwritten Securities.
- (h) **Misleading Prospectus:** It transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive.
- (i) **Misleading Announcement:** It transpires that the Company has made a statement via the ASX that is misleading or deceptive or likely to mislead or deceive.
- (j) **Restriction on issue:** The Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority.
- (k) **Withdrawal of consent to Prospectus:** Any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent.
- (l) **ASIC application:** An application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the shortfall notice dealing date has arrived, and that application has not been dismissed or withdrawn.
- (m) **ASIC hearing:** ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act.
- (n) **Takeovers Panel:** The Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel.
- (o) **Hostilities:** There is an outbreak of hostilities or a

material escalation of hostilities (whether or not war has been declared) after the Underwriting Agreement has been signed 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.

- (p) **Authorisation:** Any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably
- (q) **Event of Insolvency:** An Event of Insolvency occurs in respect of a Relevant Company (as those terms are defined in the Underwriting Agreement).
- (r) **Indictable offence:** A director or senior manager of a Relevant Company is charged with an indictable offence.
- (s) **Termination Events:** Subject to the paragraph below regarding Material Adverse Effect, any of the following events occurs:
 - (i) **Default:** Default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking.
 - (ii) **Incorrect or untrue representation:** Any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect.
 - (iii) **Contravention of constitution or Act:** A contravention by the Company or any of its subsidiaries (**Relevant Company**) of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX.
 - (iv) **Adverse change:** 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.

- (v) **Error in Due Diligence Results:** It transpires that any of the Due Diligence Results or any part of the verification material was false, misleading or deceptive or that there was an omission from them.
- (vi) **Significant change:** A "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor.
- (vii) **Public statements:** Without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act.
- (viii) **Misleading information:** Any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive.
- (ix) **Change in Act or policy:** There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement.
- (x) **Prescribed Occurrence:** A Prescribed Occurrence (as that term is defined in the Underwriting Agreement) occurs, other than as disclosed in the Prospectus.
- (xi) **Judgment against a Relevant Company:** A judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days.
- (xii) **Litigation:** Litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any relevant company, other than any claims foreshadowed in the Prospectus.

- (xiii) **Board and senior management composition:** Other than as disclosed to the Underwriter prior to the Execution Date, there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld.
- (xiv) **Change in shareholdings:** There is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company.
- (xv) **Force Majeure:** A Force Majeure (as that term is defined in the Underwriting Agreement) affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs.
- (xvi) **Certain resolutions passed:** A relevant company passes or takes any steps to pass a resolution under Section 254N, Section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter.
- (xvii) **Capital Structure:** Any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of the Underwriting Agreement.
- (xviii) **Breach of Material Contracts:** Any of the contracts is terminated or substantially modified.
- (xix) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
- (xx) **Market Conditions:** 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,

	<p>the United States of America or other international financial markets.</p> <p>The events listed in sub-paragraphs (s)(i) to (s)(xx) do not entitle the Underwriter to exercise its termination rights unless, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act.</p>
Indemnity	<p>Subject to the limitations of the indemnity included in the Underwriting Agreement, the Company will indemnify and keep indemnified the Underwriter and its directors, officers, employees and agents (Related Parties) and hold them harmless from and against all prosecutions, losses (including loss of profit or losses or costs incurred in connection with any investigation, enquiry or hearing by ASIC, ASX or any governmental authority or agency but excluding indirect, special or consequential losses), penalties, actions, suits, claims, costs (including legal costs on a solicitor-and-own-client basis), demands and proceedings (whether civil or criminal) (Liability) arising out of or in respect of:</p> <ul style="list-style-type: none"> (a) non-compliance by the Company with or breach of any legal requirement or the Listing Rules in relation to the Prospectus or any Supplementary Prospectus; (b) any advertising of the Offer (notwithstanding that the Underwriter may have consented to it) or any documents in respect of the Offer which accompany the Prospectus or any Supplementary Prospectus or otherwise arising out of the Offer; (c) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Prospectus or any Supplementary Prospectus, any advertising of the Offer or any documents in respect of the Offer which accompany the Prospectus or any Supplementary Prospectus; or (d) any breach or failure by the Company to observe any of the terms of the Underwriting Agreement.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

7.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

- (ii) 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 to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 2.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's Annual Report for the financial year ended 30 June 2022.

Director	FY ended 30 June 2022 ¹	FY ending 30 June 2023 (proposed)
Michael J Hoy	82,500	82,500
Susan M Pond	44,000	44,000
Robert B Thomas	44,000	44,000
Stephen Locarnini	44,000	44,000
Michelle Miller	380,439 ²	370,000

Notes:

1. Inclusive of superannuation.

2. Inclusive of share-based payments (Options) of \$10,585 and long term benefits of \$8,211.

7.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offer.

Mahe Capital has acted as the lead manager and underwriter of the Entitlement Offer. The Company estimates it will pay Mahe Capital Pty Ltd the fees set out in section 7.4.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Mahe Capital has not received any fees from the Company for any other services.

Steinepreis Paganin has acted as the legal advisers to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received any other fees for any other services.

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other

parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Mahe Capital has given its written consent to being named as the Lead Manager and Underwriter to the Entitlement Offer in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the legal advisers to the Company in this Prospectus.

KPMG has consented to the inclusion of the audited balance sheet of the Company as at 30 June 2022 for the purposes of the pro-forma balance sheet set out in Section 4.4.

7.8 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$433,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	14,342
Lead Manager and Underwriting fees	312,696
Legal fees	20,000
Printing and distribution	80,000
Miscellaneous	2,756
Total	433,000

7.9 Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Michael Hoy
Non-Executive Chairman
Biotron Limited

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 2 (unless extended).

Company means Biotron Limited (ACN 086 399 144).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Entitlement Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer or **Offer** means the renounceable entitlement issue the subject of this Prospectus.

Exercise Price means the exercise price of the New Options being \$0.06.

Lead Manager means Mahe Capital Pty Ltd (ACN 634 087 684) (AFSL 517246).

Lead Manager Options means the Options to be offered to the Lead Manager in part consideration for services provided to the Company, with an exercise price

of \$0.06 each, expiring on or before the date that is two years from the date of issue.

New Option means an Option issued on the terms set out in Section 5.2.

Official Quotation means official quotation on ASX.

Offers means the Entitlement Offer and the Lead Manager Options Offer.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 2.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Entitlement Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 3.7.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

Underwriter means Mahe Capital Pty Ltd (ACN 634 087 684) (AFSL 517246).

Underwritten Amount means \$2,500,000.