PROSPECTUS

BIO-GENE TECHNOLOGY LTD

ABN 32 071 735 950

AN AGTECH DEVELOPMENT COMPANY ENABLING THE NEXT GENERATION OF NOVEL INSECTICIDES TO ADDRESS INSECTICIDE RESISTANCE

This Prospectus is for an offer of 35,000,000 New Shares at an issue price of $0.20 per New Share to raise $7 million before costs, referred to herein as "the **Equity Offer**". The Directors reserve the right to take oversubscriptions of up to $1 million dollars in respect of the Equity Offer.

This Prospectus also contains an offer of 2,000,000 Broker Options ("the **Broker Options Offer**") (see Section 10.7 for further details).

LEAD MANAGER TO THE OFFER

henslow

IMPORTANT INFORMATION: This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. THE SECURITIES OFFERED UNDER THIS PROSPECTUS SHOULD BE CONSIDERED HIGHLY SPECULATIVE.

THE EQUITY OFFER IS NOT UNDERWRITTEN

IMPORTANT NOTICES

GENERAL

This Prospectus **(Prospectus)** is dated 5 October 2017 and was lodged with ASIC on that date. ASIC and 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 person is authorised to give information or make any representation in connection with the Offers that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Bio-Gene Technology Limited (the **Company** or **Bio-Gene**) in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The New Shares that are the subject of this Prospectus should be considered highly speculative.

LEAD MANAGER

The Lead Manager is Henslow Pty Ltd [ABN 38 605 393 137] [AFSL 483 168] (**Henslow**).

INVESTMENT ADVICE

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for New Shares under this Prospectus.

EXPOSURE PERIOD

This prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

EXPIRY DATE

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

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 past and 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, its Directors and management.

Although the Company believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of the Company, its Directors or officers, or any person named in this Prospectus, can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will prove to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements. Except to the extent required by law, 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.

The forward-looking statements contained in this Prospectus are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. The key risk factors of investing in the Company are set out in Section 4 of this Prospectus.

PRIVACY STATEMENT

By completing and returning an application form, you will be providing Personal Information directly or indirectly to the Company, the Share Registry, the Lead Manager and other brokers involved in the Offer and related bodies corporate, agents, contractors and third-party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold 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.

By submitting an application form, you authorise the Company to disclose any Personal Information contained in your application (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offers, including processing your application. If the Offers are successfully completed and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any public authority.

If you do not provide the information required in respect of your application, the Company may not be able to accept or process your application. If the Offers are successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your New Shares or the Broker Options in the context of takeovers, public authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If obliged to do so by law or any public authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory in Section 14 of this Prospectus. A fee may be charged for access.

CURRENCY

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. All references to "$" or "A$" are references to Australian dollars.

WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at bio-gene.com.au/investor-relations/prospectus/.

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 a complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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

FOREIGN OFFER RESTRICTIONS

This Prospectus may not be distributed outside Australia. The New Shares may not be offered outside Australia. If you are outside Australia it is your responsibility to obtain any necessary approvals for the Company to allot and issue New Shares to you pursuant to this Prospectus.

DEFINED TERMS

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 bold terms have the meaning given in the Glossary in Section 13 of this Prospectus.

TIME

All references to time in this Prospectus are references to Australian Eastern Daylight Time.

TRADEMARKS

Flavocide™ and Qcide™ are trademarks of the Company. All other trademarks are the property of their respective owners and should not be interpreted to mean that any owner or user of a trademark endorses the Prospectus or its content or that a commercial or other relationship between an owner or user of a trademark exists.

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 in them 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.

ENQUIRIES

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay.

Should you have any questions about any aspect of the Offers or how to apply for New Shares or Broker Options under the Offers, please call or email Mr Roger McPherson, the Company Secretary, on 03 9628 4178 or bgt.ipo@bio-gene.com.au.

CONTENTS

CHAIRMAN'S LETTER

Dear Investor,

I am pleased to present to you this opportunity to become a Shareholder of Bio-Gene Technology Limited ("**Bio-Gene**" or the "**Company**").

Bio-Gene is an Australian AgTech development company enabling the next generation of novel insecticides, addressing the global problems of insecticide resistance and toxicity. Its novel platform technology is based on naturally occurring beta-triketones, a type of chemistry that may offer new solutions for insect management control in animal health and crop protection as well as in public health applications.

Insecticide resistance is a real and growing problem. Almost 600 insect types (including other arthropod pests such as ticks and mites) are resistant to more than one insecticide class[1]. In terms of public health, over 60 countries have reported mosquito resistance to at least one insecticide class[2]. With insect-borne diseases such as malaria, Zika and dengue fever becoming more widespread and only limited solutions available to address this expansion, the problem of insecticide resistance is expected to grow.

Many of the insecticide classes currently in use have toxicity profiles that pose mounting human and environmental problems, especially in agriculture where both crops and livestock can be continually exposed to these compounds. With the global agricultural insecticide market valued at in excess of US$16 billion per annum[3], there is real potential to disrupt the current paradigm with an insect control solution that is targeted, safer, has low environmental impact and is cost effective to use.

Flavocide™ is our lead beta-triketone insecticide product, based on a class of chemistry identified in extracts of specific Australian native flora that have been shown to have insecticidal activity. Flavocide™ is based on flavesone, a chemically synthesised nature-identical compound. Our research to date indicates efficacy when used alone, or in combination with other existing insecticides, and expressing a novel mode of action with potential to overcome existing insecticide resistance.

Our second product, Qcide™, is the natural form of another beta-triketone the Company is also developing.

Bio-Gene has several key attributes that provide a strong foundation for growth, including:

- granted and pending patent portfolio including patents granted in Europe, US, Japan, Australia and NZ for beta-triketone products and their use as insecticides;
- a growing body of test data that demonstrates the effectiveness and efficacy of Flavocide™ against a number of insecticide resistant pests, including mosquitoes, fleas, ticks and grain storage pests, when compared to existing insecticides;
- a strategic commercialisation plan aiming to bring Flavocide™-based products to market across a number of segments and vertically integrated channels;
- an agreement signed with Virbac[4], a multi-national major animal health company based in France as an initial step of a commercial program in this sector;
- manufacturing & formulation development programs with Australian-based contract manufacturing and formulation groups; and
- a Board and management team with the experience, expertise and pedigree to execute the commercialisation plan to bring Flavocide™-based products to market.

Under this Prospectus, Bio-Gene is seeking to raise $7,000,000 by the issue of 35,000,000 New Shares under the Equity Offer. The Directors also reserve the right to take oversubscriptions of up to $1,000,000. Upon Listing on the ASX, the Company will have a market capitalisation at the Equity Offer issue price of $25.2 million at the $7,000,000 raising amount.

Use of the proceeds of the Equity Offer will include seeking to progress the Company's commercialisation objectives including to advance securing additional collaboration partners, expanding product evaluations, filing and progressing additional patent applications, and generating data in preparation for making regulatory submissions which will be required to go to market. Further details of the proposed use of funds are set out in Section 10.6.

[1] Sparks & Nauan, 2015: "IRAC: Mode of action classification and insecticide resistance management"

[2] World Health Organisation, 2016: "WHO welcomes new initiative to combat insecticide resistance"

[3] US EPA, 2017: "Pesticides Industry Sales and Usage: 2008-2012 Market Estimates"

4 Virbac – a €1.05billion market cap company based in France

The Company also intends to issue 1 Loyalty Option for every 5 Shares held, at no cost, to eligible holders of Shares as at a record date which will be approximately three months after Listing on ASX, and to apply for quotation of the Loyalty Options. The proposed Loyalty Options will have an exercise price of $0.20 and an expiry date in or about November 2018, and will be issued under a separate prospectus.

This Prospectus contains detailed information about the Company, its Flavocide™ product, the market Bio-Gene will operate in, the proposed commercialisation program, and the Board and management team. It also outlines a range of potential risks associated with this investment.

The Directors believe the opportunity is substantial due to the Company's intellectual property, its value proposition compared to other insect control solutions, and its considerable global market opportunity, which all combine to give the Company the potential to create shareholder value.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

We believe that our platform has the potential to provide a new approach for insect control. I, and the team at Bio-Gene, are excited by the challenge of translating our intellectual property and research findings to marketed products.

I encourage you to read this document carefully and in its entirety before making your investment decision. I look forward to welcoming you as a shareholder.

Yours faithfully,

Don Brumley
Non-Executive Chairman

"OUR RESEARCH INDICATES EFFICACY WHEN FLAVOCIDE™ IS USED BY ITSELF, OR IN COMBINATION WITH OTHER EXISTING INSECTICIDES, AND APPEARS TO HAVE A NOVEL MODE OF ACTION INDICATING THAT IT HAS THE POTENTIAL TO PROVIDE A NEW APPROACH TO ADDRESSING INSECTICIDE RESISTANCE"

KEY OFFER INFORMATION

INDICATIVE TIMETABLE	
Lodgement of Prospectus with ASIC	5 October 2017
Equity Offer Period opens	20 October 2017
Equity Offer Period closes*	10 November 2017
Issue of New Shares	24 November 2017
Dispatch of holding statements	27 November 2017
Quotation of Shares on ASX	30 November 2017

** Broker Offer: An earlier date may be specified by Brokers for returning applications and payment of application monies for allocations under the Broker Offer.*

Dates may change: The above dates are indicative only and may change without notice. The Company, in consultation with the Lead Manager, reserves the right to vary the dates and times of the Offers, including to close the Offers early, extend the Offers or accept late applications without notifying any recipient of this Prospectus or any applicants. The Company also reserves the right not to proceed with all or part of the Offers prior to issue of New Shares. See Section 10.4 for further information.

THE OFFERS

The Offers contained in this Prospectus are:

(a) the Equity Offer which is an invitation to apply for a 35,000,000 New Shares (fully paid ordinary shares in the capital of Bio-Gene Technology Limited ("Bio-Gene" or "the Company") at an issue price of $0.20 per New Share to raise $7,000,000 before costs. The Directors reserve the right to accept oversubscriptions of up to $1,000,000. The Equity Offer is made up of:

  (i) the Broker Offer which is only open to clients of brokers who receive a firm allocation of New Shares from their broker; and

  (ii) the General Offer which is open to all eligible investors; and

(b) the Broker Options Offer of 2,000,000 Broker Options. See Section 10.7 for further details. Only the Lead Manager and recipients determined by the Lead Manager are eligible to accept the Broker Options Offer and receive Broker Options.

The Equity Offer and the Broker Options Offer are collectively referred to in this Prospectus as "the Offers".

The Offers are conditional upon:

(a) the Company receiving applications and application monies for at least 35,000,000 New Shares ($7 million), under the Equity Offer; and

(b) ASX giving its conditional approval for admission of the Company to the Official List and the quotation of the New Shares issued to successful applicants.

The Offers will not proceed, no New Shares or Broker Options will be issued pursuant to this Prospectus, and application monies will be refunded to applicants in full (without interest) in accordance with the Corporations Act if:

(a) the $7,000,000 raising amount is not received within 4 months of the date of this Prospectus (or any longer period as ASIC and ASX may permit); or

(b) ASX's approval for admission of the Company to the Official List is not received and New Shares issued to successful applicants are not quoted within 3 months of the date of this Prospectus (or any longer period as ASIC and ASX may permit).

Listing of the Broker Options in this Prospectus is not being applied for and is not a condition of the Offers.

KEY STATISTICS OF THE EQUITY OFFER

	$7 MILLION RAISING
Existing Bio-Gene Shares	91,224,471
Offer Price per New Share	$0.20
Total New Shares offered under the Equity Offer	35,000,000
Cash proceeds to be received under the Equity Offer	$7,000,000
Total number of Bio-Gene Shares at Listing	126,224,471
Market capitalisation at Offer Price	$25.2 million
Ownership of investors in the Offer at Listing	27.7%
Options on issue at the Listing date (Broker Options)	2,000,000

The Directors reserve the right to accept oversubscriptions up to $1,000,000 (5,000,000 New Shares). If the Maximum Oversubscription is received and accepted the ownership of investors in the Offer at Listing will be 30.5%. The market capitalisation will be $26.2 million.

Shares may not trade at the Offer Price upon, or after, Listing of the Company's shares to trading on the ASX's Official List.

1. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for New Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

ITEM	SUMMARY	FURTHER INFORMATION
A. COMPANY		
WHO IS THE ISSUER OF THIS PROSPECTUS?	Bio-Gene Technology Limited [ABN 32 071 735 950] (**Bio-Gene** or the Company)	
WHO IS BIO-GENE?	Bio-Gene is an Australian AgTech development company enabling the next generation of novel insecticides to address the global problems of insecticide resistance and toxicity. Its novel platform technology is based on a naturally occurring class of chemicals known as beta-triketones. Beta-triketone compounds have demonstrated insecticidal activity (eg kill or knock down insects) via a novel mode of action in testing performed to date. This platform may provide multiple potential new solutions for insecticide manufacturers in applications across animal health and crop protection, as well as in public health, and in consumer applications. The Company's aim is to develop and commercialise a broad portfolio of targeted insect control management solutions.	Section 3.1
WHAT IS BIO-GENE'S BUSINESS?	Bio-Gene's business is to pursue the development and ultimately the commercialisation of insecticide products. Bio-Gene's lead beta-triketone insecticide product is Flavocide™ (flavesone). Early research indicates insecticidal activity when used alone, or in combination with other existing insecticides, and a novel mode of action (see Sections 3.3 and 3.4) with potential to overcome existing insecticide resistance. Qcide™, a natural form of beta-triketone is also being developed. Bio-Gene is seeking to commercialise these products as insecticide formulations for use in a range of target markets.	Section 3
WHAT ARE BIO-GENE'S AIMS AND OBJECTIVES?	Bio-Gene as an AgTech developer seeks to specialise in bringing novel chemistries into the approval pipeline, then to partner with AgChem companies to assist in progressing these chemistries along the regulatory pathway to take them to market as cost-effectively as possible.	Sections 2.7 and 3.11
WHAT INDUSTRY WILL BIO-GENE BE OPERATING IN?	Bio-Gene will be operating in the insecticide industry as an AgTech developer providing new technologies for agrichemical (AgChem) companies to supply and distribute to end markets. Insecticides are used to combat the spread of insects and pests that pass disease to humans and animals, and cause damage to crops. Insects and other pests are becoming increasingly resistant to insecticides that have been in use for many years, or used improperly, lowering the number of insecticides at the disposal of public health agencies and the agricultural sector. Many of the insecticides in use have toxicity profiles that pose mounting human and environmental problems. Consumer concerns about the use of insecticides in the food chain have increased. Several active ingredients have been withdrawn from use due to human health and eco-toxicity concerns, which is reducing the industry's product portfolio further.	Section 2

ITEM	SUMMARY	FURTHER INFORMATION
A. COMPANY (CONT'D)		
WHAT IS THE MARKET OPPORTUNITY FOR BIO-GENE?	New classes of insecticide are required to combat the growing issue of insecticide resistance. The insecticide market is a segment of the broader pesticide market and is made up of public health, animal health, crop protection and home & garden consumer markets. Bio-Gene is capitalising on this with a platform technology that could enable a number of new insecticide products by addressing insecticide resistance.	Section 2.2
WHAT IS BIO-GENE'S BUSINESS MODEL?	It is the Company's strategy to develop its technology in collaboration with multi-national partners across a range of markets. Partners will potentially commercialise products based on the Company's compounds including transition through the regulatory pathways for specific uses. It is the intention of the Company to generate revenues through fees received from collaborators in respect of their purchase of active materials, licence fees, payments made upon successful milestones in product development activity and royalties on sales. Bio-Gene has entered an initial global evaluation agreement with the multi-national animal health company Virbac to evaluate Flavocide™ against ectoparasites, such as ticks and buffalo flies, in ruminants.	Section 3.5
WHAT ARE BIO-GENE'S COMMERCIAL GOALS?	Bio-Gene will look to develop Flavocide™ as a standalone product or in combination with existing incumbents. To achieve this Bio-Gene proposes to: • Undertake efficacy and registration enabling studies across a number of target markets to develop the value proposition of its products • Establish joint venture and licencing agreements for use of Flavocide™ & Qcide™ • Execute partnership agreements in target market segments • Provide exclusive supply of beta-triketone based insecticides to development partners • Optimise contract manufacturing currently in place with improved production processes • Engage leading global research institutions to continue producing data on the effectiveness of Flavocide™ & Qcide™ • Undertake formal Toxicological Studies as part of regulatory approval The purpose of the above will be to allow Bio-Gene to bring its chemistries to market and capitalise on its development to date. Funds raised under the Equity Offer are expected to progress Bio-Gene to its first field trials for Flavocide™.	Section 3.6
WHAT IS BIO-GENE'S INTELLECTUAL PROPERTY STRATEGY?	Bio-Gene is engaged in an active program of seeking to expand and to protect its IP assets. Bio-Gene is the owner of a series of granted patents around the world entitled "Methods and Compositions for Controlling Pests" which claim the use of beta-triketone molecules as insecticides. These patents form the basis of the technology platform. The Company intends to continue to expand this portfolio as further data emerges from the R&D programs, studies and commercial partnerships, and as it progresses programs in a number of insect/crop or insect/animal combinations.	Sections 3.10 and 7

ITEM	SUMMARY	FURTHER INFORMATION
B. THIS PROSPECTUS AND THE OFFERS		
WHY HAS THIS PROSPECTUS BEEN ISSUED?	The purpose of this Prospectus is to make the Equity Offer to provide the Company with funding, to make the Broker Option Offer and to assist the Company to comply with the requirements of ASX for Listing.	Sections 10.2 and 10.7
ARE THE OFFERS CONDITIONAL?	Yes. New Shares and options will only be issued if, in summary: • the Equity Offer raises at least $7,000,000; and • Bio-Gene becomes listed. Further detail is set out on page 6. If the conditions of the Offers are not fulfilled, applicants will be refunded their application monies in full without interest in accordance with the Corporations Act.	Page 6 and Section 10
C. RISKS		
WHAT ARE THE KEY RISKS OF AN INVESTMENT IN BIO-GENE?	As well as the general economic risks, there are specific risks that should be considered: • Revenues and profitability: Since incorporation, the Company's operations have been limited to the identification, characterisation, and research and development of its products. The Company has only incurred losses whilst undertaking research and development on its products and may continue to incur net losses for the foreseeable future. The Company may not generate revenues and/or achieve profitability in the future. • Ongoing need for capital: The Company is currently advancing its products through necessary testing. The development of novel insecticides is expensive, and the Company expects its research and development expenses to increase in connection with its ongoing activities, particularly as the Company advances the development of its products. • Research and development and product risk: The Company's products are currently in the early research and development phase. It is the Company's intention to pursue evaluation and subsequent development of one or more of its products through a rigorous testing regime, including mammalian, aquatic and avian toxicity, plant safety testing, efficacy testing at laboratory, preliminary field trials and larger field testing. The results of these studies may not generate sufficient evidence of efficacy to justify ongoing development or a sufficient level of safety of the Company's products. • Novel product: The Company's products are based on novel technologies which make it difficult to predict the time and costs of development and obtaining required regulatory approvals. • Research and development: There is the risk that the results from completed preliminary studies may not be predictive of results the Company may obtain in subsequent safety and efficacy studies. The results of the Company's research and development activities may not support or justify the continued development of its current products.	Section 4

ITEM	SUMMARY	FURTHER INFORMATION
C. RISKS (CONT'D)		
WHAT ARE THE KEY RISKS OF AN INVESTMENT IN BIO-GENE? (CONT'D)	• Resistance: The Company's primary products, Flavocide™ and Qcide™, are intended to address the issue of resistance in insect populations, however, Flavocide™ and Qcide™ are yet to be extensively field tested. Although not a short-term risk, there is a risk that in the future following commercialisation of one or more of the Company's products (if any), over time, insect populations will develop a resistance to the Company's products. • Area and range of use: The Company intends to develop and manufacture its products for a wide range of commercial uses, including public health, animal health, crop protection, grain storage and horticultural and general insecticide usage. There is a risk the Company's product will be limited to use in specific circumstances or for specific purposes, if any, or that regulatory approval will not be obtained for public sale or commercial use in all areas targeted. • Toxicity: There is a risk the Company's products, although effective as insecticides and for insect control, must be administered at such high dosages that result in human, off-target and environmental toxicity concerns including consequences for the flora and fauna of a particular environment. • Regulatory pathway to commercialisation: The Company currently has no products approved for commercial distribution and is focused primarily on the development of its products. The success of the Company's business ultimately depends upon the Company's ability to advance the development of its products from laboratory-based proof of concept studies, through to safety and efficacy studies, in a manner that meets the extensive regulatory requirements of products in the insecticide and insect control industry. • Public sentiment: Public sentiment may be influenced by claims and/or events adverse to the insecticide industry. Such claims and/or events may result in more restrictive government regulations or negative public opinion, which may have a negative effect on the Company's business. • Manufacturing/production: The Company must satisfy required manufacturing standards in connection with commercialisation of its products. There is a risk the Company may not be able to satisfy the necessary manufacturing standards for commercialisation and public sale. • Product liability: As with all new insecticide and public health products, even should the Company obtain regulatory approval, there is no assurance unforeseen adverse events or manufacturing defects will not arise. • Environmental, health or safety laws and regulations: There is a risk the Company will not comply with environmental, health and safety laws and regulations and could be exposed to liability for contamination caused by its products. • Competition risk: The insecticide and insect control industry is highly competitive. There is a risk competitors may develop similar products to those the Company currently has under development, or consumers prefer the products of the Company's competitors, or that a competitor's product may cause the Company's product to become obsolete.	Section 4

ITEM	SUMMARY	FURTHER INFORMATION
C. RISKS (CONT'D)		
WHAT ARE THE KEY RISKS OF AN INVESTMENT IN BIO-GENE? (CONT'D)	• Future market acceptance: Ultimately the Company's products need to find acceptance in a competitive market. Lack of market acceptance will negatively affect the profitability of the Company. • Raw material supply: As some of the Company's products include those derived from a natural product there are a number of agricultural related risks that could affect the supply of the raw material. • Absence of dividends: The Directors are unable to give any assurance regarding the payment of dividends in the future. • Dependence on key personnel: The Company is dependent on its management and Directors, the loss of whose services could materially adversely affect the Company and may impede the achievement of its objectives. • Reliance on third parties: The Company has engaged third parties (including in collaboration partnerships) to assist with the research and development of the Company's products. Accordingly, some of the success of the Company may depend on the performance of these third parties which may in turn delay the Company's development of its products. • Intellectual Property: Obtaining, securing and maintaining the Company's intellectual property rights (in particular, patents) is an integral part of securing potential value arising from conduct of the Company's business. The Company also relies on its trade secrets, including information relating to its products. The protective measures employed by the Company may not provide adequate protection of its products. • Litigation risks: As part of regular business activities, the Company is, or may become, exposed to possible litigation risks including contractual disputes, employee claims and/or intellectual property disputes. • International agreements: The Company has entered into contractual relations with parties domiciled in foreign jurisdictions. There is scope for changes in contract law, property law and intellectual property in developing foreign jurisdictions beyond the control of the Company and that may affect the Company's ability to carry on its business, including the enforceability of its contractual arrangements. • Unforeseen expenditure: The Company has not entered into contracts for a number of the material items anticipated to be covered by the Use of Funds contained in Section 10.6 of this Prospectus. There is a risk the Company may not be able to complete its commercialisation to the estimated expenditure in Section 10.6. • Liquidity and realisation risk: An active market in the Shares may not develop, or there may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of Shares.	Section 4

ITEM	SUMMARY	FURTHER INFORMATION

D. DIRECTORS AND KEY MANAGEMENT PERSONNEL

WHO ARE THE DIRECTORS OF THE COMPANY?

The Current Directors of Bio-Gene are:

- Don Brumley
- Robert Klupacs
- Richard Jagger
- Kevin Rumble; and
- Peter May

The profiles of each of these individuals are set out in section 8.1.

Section 8.1

WHAT WILL THE INTERESTS OF DIRECTORS AND KEY MANAGEMENT BE IN THE COMPANY FOLLOWING COMPLETION OF THE OFFER?

(ASSUMING THEY DO NOT PARTICIPATE IN THE EQUITY OFFER)

The equity interests of the Directors are set out in the tables below:

Section 8.3

DIRECTORS			
DIRECTOR (DIRECT & INDIRECT INTERESTS)	SHARES (% CURRENT INTEREST)	SHARES (% $7 MILLION RAISING)	OPTIONS
Don Brumley	1,050,000 (1.1%)	1,050,000 (0.8%)	Nil
Robert Klupacs	3,370,000 (3.7%)	3,370,000 (2.7%)	Nil
Richard Jagger	675,000 (0.7%)	675,000 0.5%)	Nil
Kevin Rumble	8,671,673 (9.5%)	8,671,673 (6.9%)	Nil
Peter May	816,000 (0.9%)	816,000 (0.6%)	Nil

E. KEY FINANCIAL INFORMATION

WHAT IS THE KEY FINANCIAL INFORMATION?

The unaudited pro-forma statement of financial position of the Company as at 30 June 2017 is set out in Section 5 and has been reviewed by JT&P Corporate Advisers Pty Ltd as part of the Independent Limited Assurance Report on Pro Forma Financial Information in Section 6.

Sections 5 and 6

The summarised unaudited pro forma statement of financial position of Bio-Gene after the Offers, assuming the $7 million raising, is as set out below:

	STATUTORY HISTORICAL 30 JUNE 17 $	PRO FORMA HISTORICAL $7 MILLION RAISING $
Assets		
Total current assets	3,020,886	8,953,441
Total non-current assets	491,987	491,987
Total assets	**3,512,873**	**9,445,428**
Liabilities		
Total current liabilities	449,935	223,935
Total non-current liabilities	150,000	150,000
Total liabilities	**599,935**	**373,935**
Net Assets	**2,912,938**	**9,071,493**

ITEM	SUMMARY	FURTHER INFORMATION
E. KEY FINANCIAL INFORMATION (CONT'D)		
WHAT IS THE FINANCIAL OUTLOOK FOR THE COMPANY FOLLOWING COMPLETION OF THE OFFER?	The operations of the Company are inherently uncertain. The Company's financial performance is dependent on the Company's ability to execute its business model. It is unlikely that the Company will generate material revenues before a product achieves registration. The funds raised under the Equity Offer will seek to progress the Company's commercialisation activities. Details of the proposed use of funds received under the Equity Offer are set out in Section 10.6.	Sections 3 and Section 10.6
WHAT IS THE COMPANY'S DIVIDEND POLICY?	The Company does not, for the foreseeable future, expect to pay a dividend. The Board of the Company will review the dividend policy on a regular basis. Any future payment of dividends will be at the discretion of the Board.	Section 12.9
HOW HAS BIO-GENE HISTORICALLY PERFORMED?	The principal activity of the Company is to develop Flavocide™ as an insecticide with applications in a number of markets including public health, animal health and agriculture. The Company has generated losses from its activities in recent years as it has directed available funds to advancing its development programs.	Section 5.3.1
F. KEY EQUITY OFFER INFORMATION		
WHAT IS THE EQUITY OFFER?	An offer of 35,000,000 New Shares at an issue price of $0.20 to raise $7 million. The Directors reserve the right to accept oversubscriptions of up to $1 million (5 million New Shares).	Section 10.1
HOW WILL THE EQUITY OFFER BE STRUCTURED?	The Equity Offer comprises: • The Broker Offer which is only open to clients of brokers who receive a firm allocation of New Shares from their broker; and • The General Offer which is open to all eligible investors. Henslow acts as the Lead Manager to the Offers.	Section 11.1
WHAT ARE THE MINIMUM AND MAXIMUM RAISING LEVELS?	The raising amount is $7 million. No New Shares will be issued pursuant to the Equity Offer unless this amount is reached. Should the raising amount not be reached, all application monies will be dealt with in accordance with the Corporations Act. The Directors may accept Maximum Oversubscriptions of up to $1 million. Where the Company receives subscriptions in excess of this amount it may reject or scale back applications.	Section 10.2
HOW WILL THE PROCEEDS OF THE EQUITY OFFER BE USED?	Use of the proceeds of the Equity Offer will include seeking to progress the Company's commercialisation objectives, for both Flavocide™ and Qcide™, including to advance securing additional collaboration partners, expanding product evaluations, filing and progressing additional patent applications, and generating data in preparation for making regulatory submissions which will be required to go to market.	Section 10.6

ITEM	SUMMARY	FURTHER INFORMATION

F. KEY EQUITY OFFER INFORMATION (CONT'D)

HOW WILL THE PROCEEDS OF THE EQUITY OFFER BE USED? (CONT'D)

Section 10.6

	$7 MILLION RAISING ($'000)		
	YEAR 1	YEAR 2	TOTAL
Source of Funds			
Cash at Bank	1,850	3,779	1,850
Capital Raising	7,000	-	7,000
R&D Tax Incentive	100	400	500
Interest Income	120	60	180
	9,070	4,239	9,530
Use of Funds			
Costs of Capital Raising	905	-	905
Flavocide™	2,420	1,870	4,290
Qcide™	240	190	430
Intellectual Property	100	100	200
Intellectual Property – Medibio	226	-	226
Management & Administration	1,400	1,450	2,850
	5,291	3,610	8,901
Working Capital at End	**3,779**	**629**	**629**

A detailed breakdown of the Company's proposed use of funds is set out in section 10.6

WHAT WILL THE COMPANY'S CAPITAL STRUCTURE LOOK LIKE AT LISTING AFTER COMPLETION OF THE OFFERS?

Section 10.8

Immediately following completion of the Offer, the capital structure of the Company will be as set out below:

	$7 MILLION RAISING
Existing Bio-Gene Shares	91,224,471 (72.3%)
New Shares under the offer	35,000,000 (27.7%)
TOTAL SHARES	126,224,471
OPTIONS ISSUED UNDER THE BROKER OPTIONS OFFER	2,000,000

If the Directors accept the Maximum Oversubscription amount of $1 million there will be 40 million New Shares issued under the Equity Offer representing 30.5% of the total Shares on issue.

ITEM	SUMMARY	FURTHER INFORMATION
F. KEY EQUITY OFFER INFORMATION (CONT'D)		
WILL I BE GUARANTEED A MINIMUM ALLOCATION UNDER THE OFFER?	It will be a matter for each broker as to how they allocate shares under the Broker Offer among their clients. If oversubscriptions are received the Company may at its discretion reject General Offer applications and/or scale back General Offer applications and issue fewer shares than an applicant applied for under the General Offer. Excess application monies will be refunded without interest.	Section 11.1
WHAT ARE THE TERMS OF THE NEW SHARES UNDER THE EQUITY OFFER	The New Shares will rank equally with the existing ordinary shares of the Company. A summary of the material rights and liabilities attaching to the New Shares offered under the Equity Offer is set out in Section 12.3.	Section 12.3
WILL ANY NEW SHARES BE SUBJECT TO ESCROW?	New Shares offered under the Equity Offer to investors pursuant to this Prospectus will not be subject to any escrow requirement by the ASX. Some of the existing Shares of the Company will be subject to mandatory escrow under the ASX Listing Rules. Further details are provided in Section 11.3. In addition, the Company has entered voluntary escrow agreements with certain holders of existing Shares of the Company in respect of some of their Shares. Further details are provided in Section 11.3.	Section 11.3
WHEN WILL THE NEW SHARES BE QUOTED?	Application for quotation of all New Shares issued under the Equity Offer will be made to ASX no later than 7 days after the date of this Prospectus. Quotation of New Shares would occur when the Company becomes Listed, currently anticipated to be about 30 November 2017 (which date is subject to change).	Page 6 and Section 10.4
WHAT ARE THE KEY DATES OF THE EQUITY OFFER?	The key dates of the Equity Offer are set out in the indicative timetable in the Key Offer Information on page 6.	Page 6 and Section 10.4
WILL LOYALTY OPTIONS BE ISSUED?	Yes. The Company intends issuing one free Loyalty Option for every five Shares held to all eligible Shareholders on a record date about three months after the date the Company achieves Listing. The proposed Loyalty Options will have an exercise price of $0.20 and an expiry date in or about November 2018, and will be issued under a separate prospectus. The Company will apply to ASX for quotation of the Loyalty Options. Shareholders who have sold Bio-Gene Shares before the record date will not be entitled to free Loyalty Options in respect of those Shares.	Section 10.9

ITEM	SUMMARY	FURTHER INFORMATION
G. BROKER OPTIONS OFFER KEY INFORMATION		
THE BROKER OPTIONS OFFER	The Broker Options Offer is only made to and capable of acceptance by recipients of a personalised invitation from the Company attached to or accompanied by a copy of this Prospectus. Instructions for completing and returning the Broker Options Offer Form will be set out in the form. Listing of the Broker Options is not being applied for and is not a condition of the Offers. The Company will apply for quotation of Shares issued on exercise of the Broker Options, subject to any then remaining escrow period. Note that the Broker Options offered under this Prospectus are not the Loyalty Options, which will have different terms.	Section 10.7 and 12.4
ESCROW OF BROKER OPTIONS	The Broker Options are expected to be escrowed for two years from the Listing date.	
H. ADDITIONAL INFORMATION		
IS THERE BROKERAGE, COMMISSION OR STAMP DUTY PAYABLE BY APPLICANTS UNDER THE OFFERS?	No brokerage, commission or stamp duty is payable by applicants on acquisition of New Shares or Broker Options under the Offers.	Section 11.6
WHAT ARE THE TAX IMPLICATIONS OF INVESTING IN NEW SHARES?	Shareholders may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of New Shares subscribed for under this Prospectus. Applicants under this Prospectus should seek their own tax advice before applying for securities issued under this Prospectus.	Section 11.8
WHERE CAN I FIND MORE INFORMATION?	Additional information can be obtained through the following methods: • speaking to your broker, solicitor, accountant or other independent professional adviser; • by contacting Roger McPherson, the Company's Secretary, on 03 9628 4178 or bgt.ipo@bio-gene.com.au; or • by contacting the Share Registry on 1300 288 664 or by email – hello@automic.com.au.	Page 2 under "Enquiries"

2. INDUSTRY OVERVIEW

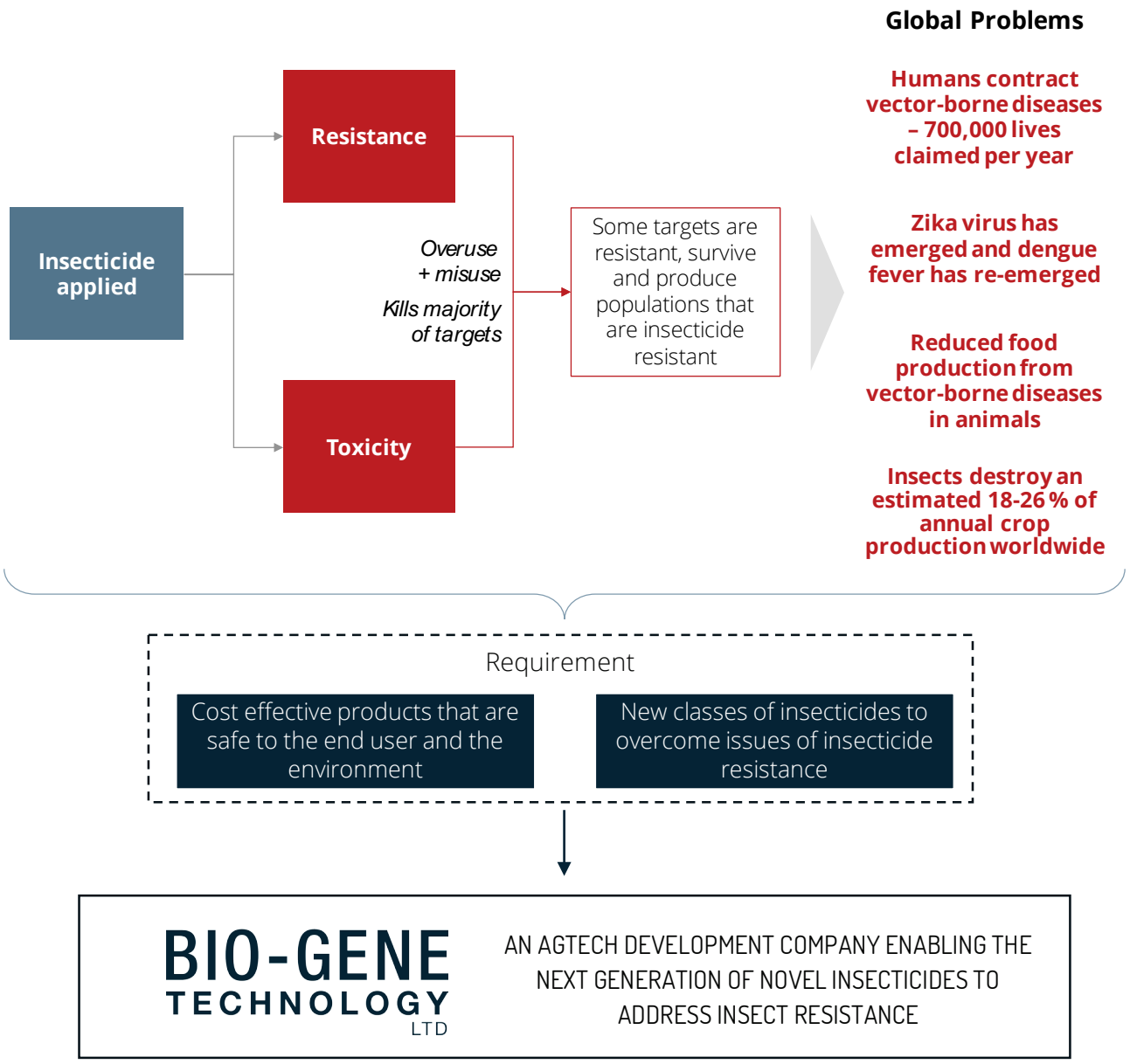
2.1 INTRODUCTION

Insecticides are used to combat the spread of insects and other pests such as ticks and mites that pass disease to humans and animals, and cause damage to crops. An effective insecticide is reliable, safe and cost-effective. Insects and other pests are becoming increasingly resistant to insecticides that have been misused or in use for many years, lowering the number of insecticides at the disposal of the agricultural sector as well as public health agencies.

Many of the insecticide classes in use have toxicity profiles that pose mounting human and environmental problems. Consumer concerns about the use of insecticides in the food chain have increased. Several active ingredients have been withdrawn from use due to human health and eco-toxicity concerns, which is reducing the industry's product portfolio further.

New classes of insecticide are required to combat the growing issue of insecticide resistance. Bio-Gene has developed a platform technology with a novel mode-of-action that could offer a new range of safe, effective insecticides.

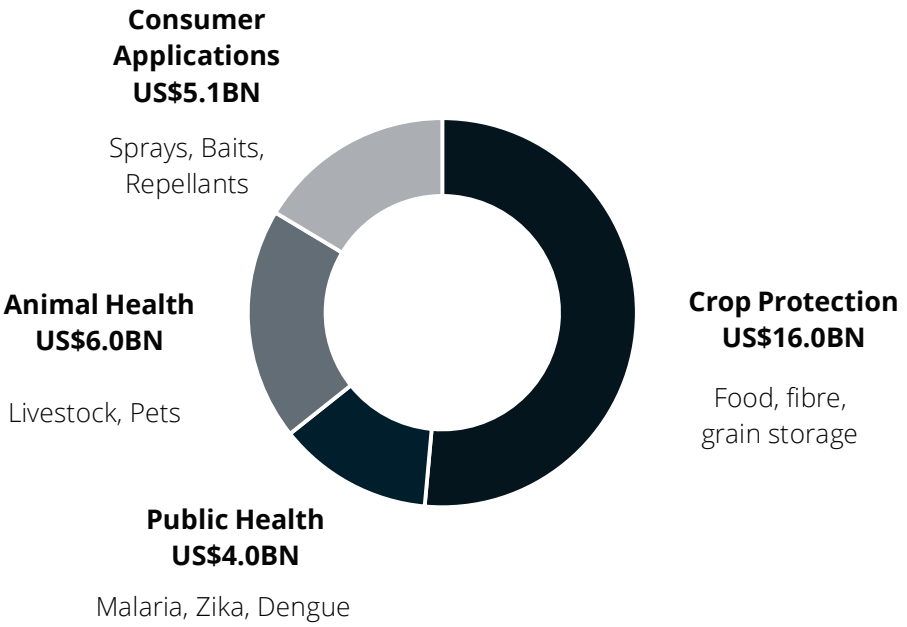
FIGURE: EFFECT OF TOXICITY AND RESISTANCE IN INSECTICIDES



2.2 INSECTICIDE MARKET

The insecticide market is a segment of the broader pesticide market. There are four main categories in the insecticide market: public health, animal health, consumer applications, and crop protection, and each are substantial.

FIGURE: ESTIMATED WORLDWIDEINSECTICIDE MARKET SIZES- US$ PER ANNUM



Sources: Crop Protection, US EPA 2017; Public Health, World Health Organisation, 2017; Animal Health: Zoetis and EU, 2016; Consumer Applications, Provue Market Research, 2017.

This market size provides an ample market for Bio-Gene to target. There are a number of persistent drivers that support the long-term demand for insecticides.

DEMAND DRIVERS		
INCREASING FOOD & FIBRE REQUIREMENTS	PROTECT AN INCREASINGLY URBAN POPULATION AGAINST PESTS & DISEASES	CLIMATE CHANGE PROMOTES SPREAD OF INSECTS
World population is estimated to reach at least 9 billion people in 2050. To meet global food demand, a 60% increase in yields from existing croplands is required.	Urbanisation congregates people where insect-borne disease breakouts can occur and increases demand for safer insect-free environments & living conditions.	Rising temperatures and changing weather are causing insects to reach locations they have previously not inhabited creating new populations exposed to insect borne diseases.

Sources: United Nations, Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision, Key Findings and Advance Tables. Working Paper No. ESA/P/WP/248;

These drivers are long term trends that given their nature are unlikely to change substantially in the near to medium term.

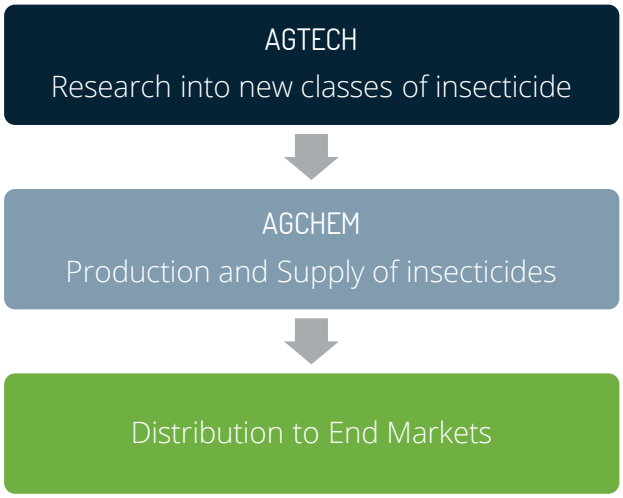
As such, this presents a stable market environment for the insecticide industry that is populated by multi-national agri-chemical (AgChem) companies such as:

- BASF (Germany),
- Syngenta (Switzerland),
- Monsanto (US),
- Bayer CropScience (Germany),
- DowDuPont Agricultural Division(US),
- ChemChina (China),
- Sumitomo Chemical Company. (Japan),
- FMC Corporation (US),
- ADAMA Agricultural Solutions (Israel),
- Nufarm (Australia),
- Zoetis (US); and
- Virbac (France)

Due to economies of scale as well as existing distribution networks, these AgChem companies dominate the global industry supply chain.

Insecticides manufacture in Australia is a $180 million *[Source: IBISWorld, 2017]* per year industry. Australia is a net importer of insecticides. Bio-Gene anticipates that given the comparative sizes of the Australian and global markets its primary source of collaborators is likely to be international AgChem supply or science organisations.

Market Structure



2.3 KEY TARGET MARKETS

From the four main insecticide markets, Bio-Gene aims to target opportunities for Flavocide™ in applications for public health, crop protection and animal health. There are possibilities in the consumer sector also, but the Company plans to focus the development of the chemically synthesised nature-identical compound of a beta-triketone, Flavocide™, on the industrialised segments and only capitalise on consumer opportunities as they arise. Qcide™, the natural form of another beta-triketone, offers potential in the consumer market that may be pursued subject to interest by collaborators in this sector.

2.3.1 PUBLIC HEALTH

"Insect vector-borne disease" is the term commonly used to describe an illness/or disease caused by an infectious microbe that is transmitted to humans or animals by vectors such as mosquitoes, ticks, sandflies or flies. A number of diseases are transmitted this way:

FIGURE: INSECT VECTOR-BORNE DISEASES

MOSQUITO	TICK	HOUSE FLY
• Malaria • Dengue fever • Zika virus • Yellow fever • Encephalitis • Filariasis • West Nile virus	• Lyme disease • Tick fever in humans	• Salmonella • Gastroenteritis

The major vector-borne diseases together account for around 17% of the estimated global burden of communicable diseases and claim more than 700 000 lives every year. In 2017 the World Health Organisation (WHO) issued a Global Vector Control Response with the aims to reduce mortality due to vector-borne diseases globally relative to 2016 by at least 75%, and reduce case incidence by at least 60%, by 2030.

Malaria is a substantial global health risk estimated to have had 212 million new cases and caused 429,000 deaths in 2015 alone. In 2015, a total of US$ 2.9 billion was invested in malaria control and elimination activities. The direct cost associated with malaria (such as medical treatment, illness and fatalities) has been estimated at approximately US$12 billion annually in Africa alone.

The emergence of the Zika virus and re-emergence of dengue fever are also problematic. Many current insecticides have proven to be ineffective in combating the spread of these diseases, suggesting new solutions are required to overcome growing insecticide resistance.

As of April 2016, 42 countries reported their first outbreak of the Zika virus. The United Nations Development Program estimated that the spread of the Zika virus to Latin America and the Caribbean alone will cost between US$7-18 billion for 2015 to 2017, and no solution currently exists.

WHO has reported the number of dengue fever cases increased from 2.2 million in 2010 to 3.2 million in 2015. Dengue fever, together with associated dengue haemorrhagic fever (DHF), is the world's fastest growing vector borne disease. The estimated aggregate global cost of dengue fever was approximately US$8.9 billion per year in 2013.

The numbers presented here illustrate the size of the problems that Bio-Gene is targeting. These diseases are a part of a growing global issue, represent a significant threat to human health, and have enormous negative impact on economic and social life despite considerable national and international control efforts. There is demand for control products with improved efficacy over existing products that block resistance mechanisms across a range of disease vectors.

Malaria	Zika Virus	Dengue Fever
Largest existing disease 212 million cases per year US$12 billion+ cost per year	**Emergence of a virus** 42 countries affected US$7 billion+ cost per year	**Re-emergence of old disease** 3.2 million cases per year US$8.9 billion cost per year

Sources: WHO: "World Malaria Report 2016"; "Unicef: Malaria A Global Crisis"; WHO: "Zika Virus Situation Report"; United Nations Development Program; WHO: "Dengue Fever Fact Sheet"; Minnesota University Centre for Infectious Diseases research.

2.3.2 CROP PROTECTION

One of the major challenges facing agriculture is to increase food production to feed the expanding world population, while limiting the environmental impact of agriculture and the associated pesticide crop treatments.

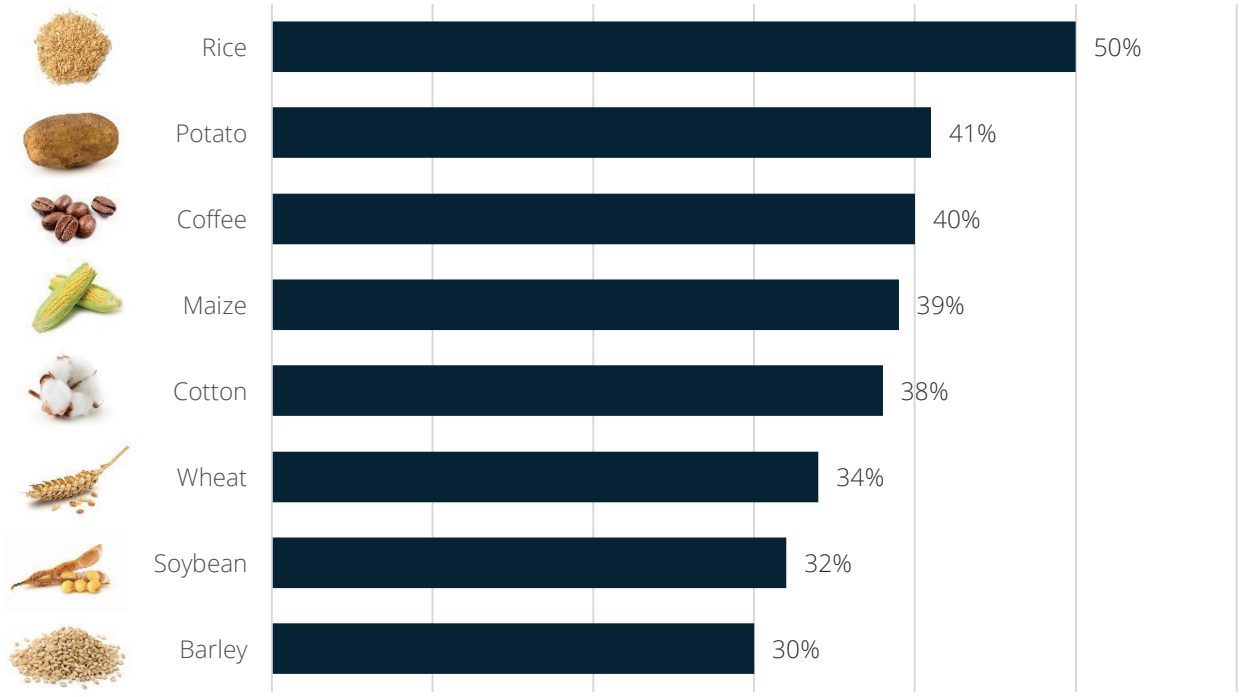
Food and fibre crops are attacked by a range of insects and pest types that can negatively impact production and quality, limit plant growth, damage produce by direct feeding, and in some cases spread vector-borne plant disease throughout the crop. Insects affect both in-field crop production as well as stored crop produce.

Insects and pests feed on all kinds of plants and stored agricultural produce, leading to significant economic losses. Examples of insects and pests in major food and fibre crop groups are listed below:

CROPS	INSECT/MITE PESTS
Tree crops – pome, stone, fruit & nuts	Sucking pests (fruit flies, aphids, scale), mites & chewing pests (caterpillars, beetles, weevils)
Cotton	Sucking pests (aphids, mirids, white flies), mites & chewing pests
Vegetables (crucifers, cucurbits, root crops)	Sucking pests (aphids, white flies), mites & chewing pests
Oilseeds (canola, soybean)	Aphids, mites & chewing pests (caterpillars, borers, beetles)
Cereals (rice, wheat, barley, sorghum, grain)	Sucking pests (leafhoppers, midges, aphids), mites, borers

Insects and pests destroy an estimated 18-26% of overall annual crop production worldwide. A large proportion of losses (13-16%) occurs in the field, before harvest. Despite the application of insecticides and other control measures a substantial proportion of annual production is lost to insects and pests worldwide. As outlined in the figure below this varies between crops and for some crops this can be as high as 50% of potential production:

FIGURE: ESTIMATED WORLDWIDE LOSSES IN SELECTED CROPS TO INSECTS AND PESTS, UP TO:



Source: Culliney, 2014. "Crop Losses to Arthropods"

A significant proportion of this loss also happens at the storage stage. Post-harvest loss accounts for physical losses that reduce the economic value of crop, or may make it unsuitable for human or animal consumption.

The above stresses the importance of crop protection from insect damage, with the global crop protection insecticide market estimated to be valued at US$16.0 billion per annum in 2012.

FIGURE: CROP PROTECTION: ESTIMATED INSECTICIDE MARKET SIZE

Sources: US EPA, "Pesticides Industry Sales and Usage 2006-2007"; US EPA "Pesticides Industry Sales and Usage 2008-2012"; Markets and Markets, 2017.

2.3.3 ANIMAL HEALTH

Animal parasiticides are substances used in agriculture and by veterinary medicine to kill parasites that infest livestock, pets and other animals. Ectoparasiticides used in livestock, horses and pets were primarily discovered and introduced initially as insecticides for agricultural production. The same chemical classes of insecticides are in use for both categories.

Parasiticides are categorised into the following:

- Ectoparasiticides – control external parasites such as fleas, ticks, mites, lice and fleas
- Endoparasiticides – control internal parasites such as roundworms, tapeworms and fluke

The use of animal parasiticides has resulted in an improvement in the health of livestock and pets across the globe. Growing awareness regarding animal diseases has meant the animal parasiticides market is growing significantly in both the livestock and companion animal segments.

The global market for parasiticide use in pets has been estimated at over US$4.2 billion in 2014. Parasiticide use in production animals is anticipated to be a larger market size given the scope of agriculture globally. As an indication, for Europe alone, the market is estimated to be €1.7 billion for livestock parasiticides.

LIVESTOCK AND PRODUCTION ANIMALS	Arthropod parasites (ectoparasites) are major causes of livestock production losses throughout the world. Parasites that live permanently on the skin, such as lice, can be controlled by directly treating the host animal. Ectoparasites with stages that live off the host (ticks, flies) are less easily controlled. Treatment with parasiticides to reduce ectoparasites is usually required to maintain health and to prevent economic loss in food animals.
PETS AND COMPANION ANIMALS	Flea and tick infestation is a major health problem in dogs and cats, and control presents an economic burden to their owners. A wide array of ectoparasiticides has been available, and reliance on products based on similar chemistry has led to problems in achieving acceptable external parasite control.

For the livestock market, ectoparasiticides come in several formulations such as sprays, dips, shampoos, pour-ons, dusts, oil sprays, or feed additives. However, some of these formulations are difficult to dose and can be overused resulting in adverse effects on the animal treated or, in the case of food production animals, can result in unacceptable chemical residues in animal produce and meat.

2.4 CATEGORIES OF INSECTICIDES

The Insecticide Resistance Action Committee (IRAC) Mode of Action (MoA) Classification is used as the basis of MoA classification of insecticides worldwide. IRAC is the industry technical body that classifies insecticides. IRAC currently list 30 classes of insecticide by MoA.

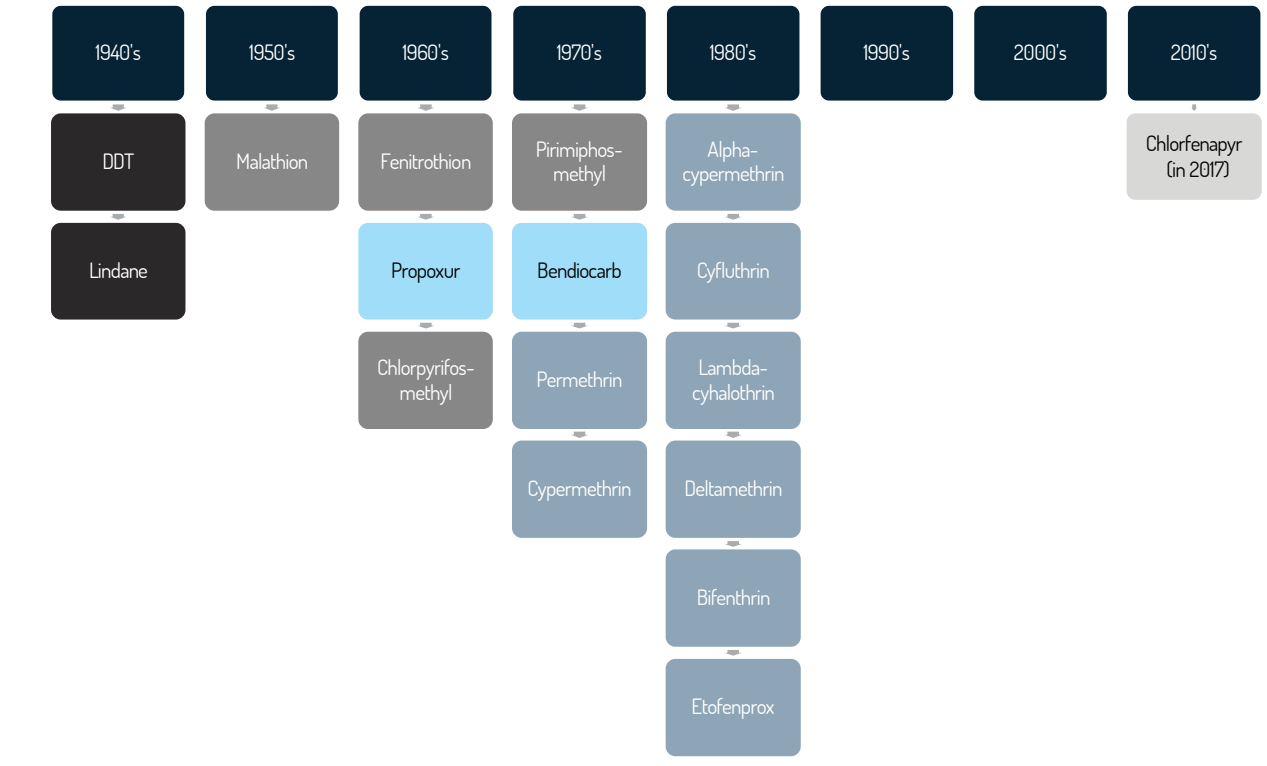
The five primary classes of chemical insecticides that dominate use are pyrethroids, organochlorines, organophosphates, carbamates, and neonicotinoids. The table below lists information on each of these classes based on 2013 market & sales data:

	PYRETHROIDS	ORGANOCHLORINES	ORGANOPHOSPHATES	CARBAMATES	NEONICOTINOIDS
First year of sale	1977	1944	1944	1950	1990
No of products	30	14	90	30	8
Public Health	✓	✓	✓	✓	×
Crop Protection	✓	×	✓	✓	✓
Animal Health	✓	×	✓	✓	✓
Consumer Products	✓	×	×	✓	✓
MARKET SIZE (US$)	$2.77B	N/A	$1.79B	$0.67B	$4.65B

Source: Sparks & Nauen (2015) J.Pestbp 121, 122-28

Many available insecticide classes, that have been successful in the past, are more than 40 years old. Insecticide resistance is driven by products that have been in use for decades, and that have also been misused. As an example, in malaria mosquito control in public health, there had been no new approvals of new insecticides since the 1980's until 2017 when the BASF product Interceptor® G2, based on a mixture of alpha-cypermethrin and chlorfenapyr, was approved for use for mosquito control.

FIGURE: HISTORY OF WHO-APPROVED INSECTICIDES FOR ADULT MALARIA MOSQUITO CONTROL



Source: Insecticides for Vector-Borne Diseases: Current Use, Benefits, Hazard and Resistance

2.5 TOXICITY & RESISTANCE LESSENING IMPACT OF INSECTICIDES

Pests that carry "Insect vector diseases" are becoming resistant to these insecticides through different resistance mechanisms. By their nature, some of these chemicals present toxicity concerns relating to both human and environmental impact over time. Each of these main insecticide classes has demonstrated some kind of toxicity but, apart from organochlorines, are still in widespread use with few adequate safe alternatives.

FIGURE: TOXICITY AND RESISTANCE IN THE FIVE MOST USED INSECTICIDE TYPES

	PYRETHROIDS	ORGANOCHLORINES	ORGANOPHOSPHATES	CARBAMATES	NEONICOTINOIDS
TOXICITY	Low	Banned in agriculture	Yes. Monitoring recommended	Yes	Yes
RESISTANCE	In many countries	Yes, and cross resistance with pyrethroids	Yes, and cross resistance with carbamates	Yes, and cross resistance with organophosphates	Yes

Source: Unit Aid: "Malaria Vector Control Commodities Landscape"

Despite there being 30 MoA classes of currently used insecticides, there has been resistance reported in all but the most recently introduced products. One of the most recently launched class of insecticide with a novel mode of action was the Ryanodine Receptor Modulators (Diamides) in 2008. They provided effective control of pest populations resistant to other insecticidal products, but have recently shown indications of resistance. This creates an opportunity for new classes of chemistry with novel mode(s) of action.

2.5.1 TOXICITY

All pesticides are toxic by nature and present risks of adverse effects that depend on toxicity of the chemical and the degree of exposure. Toxicity refers to the inherent poisonous potency of a compound, and chronic toxicity refers to the potential for adverse effects from long-term exposure.

The adverse effects associated with their use at different level of age groups and sex (especially on children and pregnant women) are of special interest when evaluating the impact of pesticide use. Several particular issues and trends are currently evident that relate to toxicity:

- Increased regulatory pressures on older existing insecticides
- Consumer concern over the potential toxicity of insecticides
- Toxicity levels of a number of existing insecticides considered by regulatory agencies to be unacceptable to humans and beneficial species
- Environmental effects of a number of existing insecticides considered unacceptable by the public and regulatory agencies (e.g. neonicotinoids potential effects on beneficial insects such as bees)

Concerns over potential for long term health and environmental problems from chronic toxicity derived from exposure to some insecticides also creates uncertainty that may be able to be resolved with new and safer insecticides.

2.5.2 RESISTANCE

Resistance is the change in the sensitivity of a population to an insecticide reflected in the repeated failure of a product to achieve the expected level of control.

Frequent applications of the same insecticide will select individuals in a population, with inherent genetic advantage, that are able to survive the recommended dose of the compounds. Over time, this selection will lead to a resistant population becoming established. In such cases, other compounds within the same class of chemistry are in most cases also affected – for instance, resistance to one pyrethroid type usually confers resistance against the whole group of pyrethroids. This is known as cross-resistance. Sometimes, depending on the nature of the resistance mechanism, cross-resistance can occur between different chemical classes, for example organophosphates and carbamates, and cross resistance between DDT and pyrethroids known as multi-resistance.

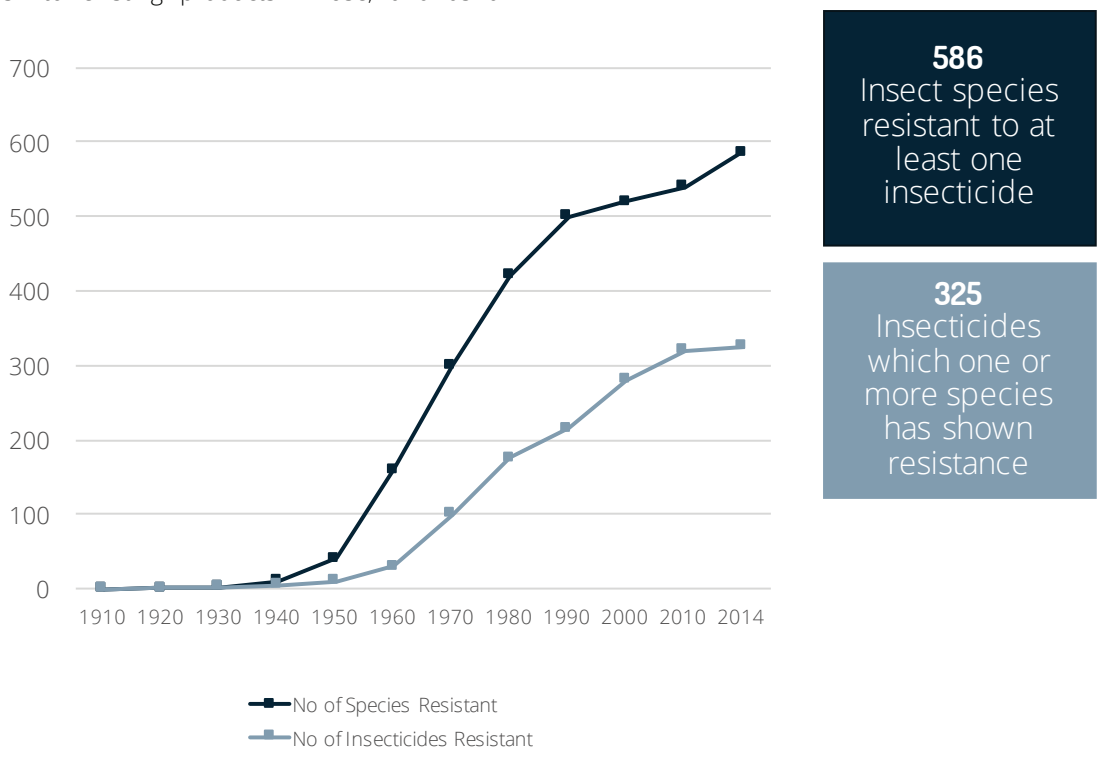
To date, four types of resistance mechanisms against the chemical insecticides have been described:

METABOLIC RESISTANCE	TARGET SITE RESISTANCE	PENETRATION RESISTANCE	BEHAVIOURAL RESISTANCE
Metabolic resistance involves the sequestration, metabolism, and/or detoxification of the insecticide, largely through the overproduction of specific enzymes. For example, enzymes that are efficient in detoxifying organophosphates, organochlorine, and carbamates	Target site resistance is achieved by point mutations that render the actual targets of an insecticide less sensitive to the active ingredient. The majority of insecticides currently in use are neurotoxic and mutations in neurotransmitters can confer resistance	Resistant insects may absorb the toxin more slowly than susceptible insects. Penetration resistance occurs when the insect develops barriers which can slow absorption of the chemicals into their bodies. This can protect insects from a wide range of insecticides. Penetration resistance is frequently present along with other forms of resistance	Resistant insects may detect or recognise a danger and avoid the toxin. This mechanism of resistance has been reported for several classes of insecticides, including organochlorines, organophosphates, carbamates and pyrethroids. Insects may stop feeding if they come across certain insecticides, or leave the area where spraying occurred

Insecticide resistance is viewed as an extremely serious threat to crop protection and vector disease control. The frequent application of similar synthetic insecticides to control pests of agricultural importance may also indirectly affect the susceptibility of insects of public health importance.

Insecticide resistance is a growing concern and poses a serious risk to existing products in use, and as a consequence, to the human population in 'at risk' locations as well as both crop and animal health.

It is estimated that approximately 600 insect and mite species are resistant to at least one class of currently used commercial insecticides and this is growing at a high rate:



Source: Sparks & Nauan, 2015: IRAC: Mode of action classification and insecticide resistance management

Of growing concern is the number of insect species that are resistant to multiple compounds. This indicates that the current range of solutions and chemical types available are becoming increasingly inadequate.

The most resistant pests tend to be those that also cause the greatest losses in crop protection and animal health. The economic impact of each of these pests is significant.

COMMON NAME	ORDER	NO. OF COMPOUNDS RESISTANCE HAS BEEN REPORTED	NO. OF UNIQUE INSTANCES RESISTANCE REPORTED	BIO-GENE TARGET
TWO-SPOTTED SPIDER MITE	Acari	93	414	✓
DIAMONDBACK MOTH	Lepidoptera	91	576	✓
GREEN PEACH APHID	Hemiptera	75	402	✓
HOUSE FLY	Diptera	58	303	✓
WHITEFLY	Hemiptera	54	555	✓
COLORADO POTATO BEETLE	Coleoptera	54	279	
COTTON APHID	Hemiptera	48	231	✓
EUROPEAN RED MITE	Acari	48	197	✓
COTTON BOLLWORM	Lepidoptera	47	692	✓
SOUTHERN CATTLE TICK	Ixodida	44	167	✓
GERMAN COCKROACH	Blattodea	43	219	✓
MEDITERRANEAN CLIMBING CUTWORM	Lepidoptera	38	457	

Source: Zhu et al, 2016

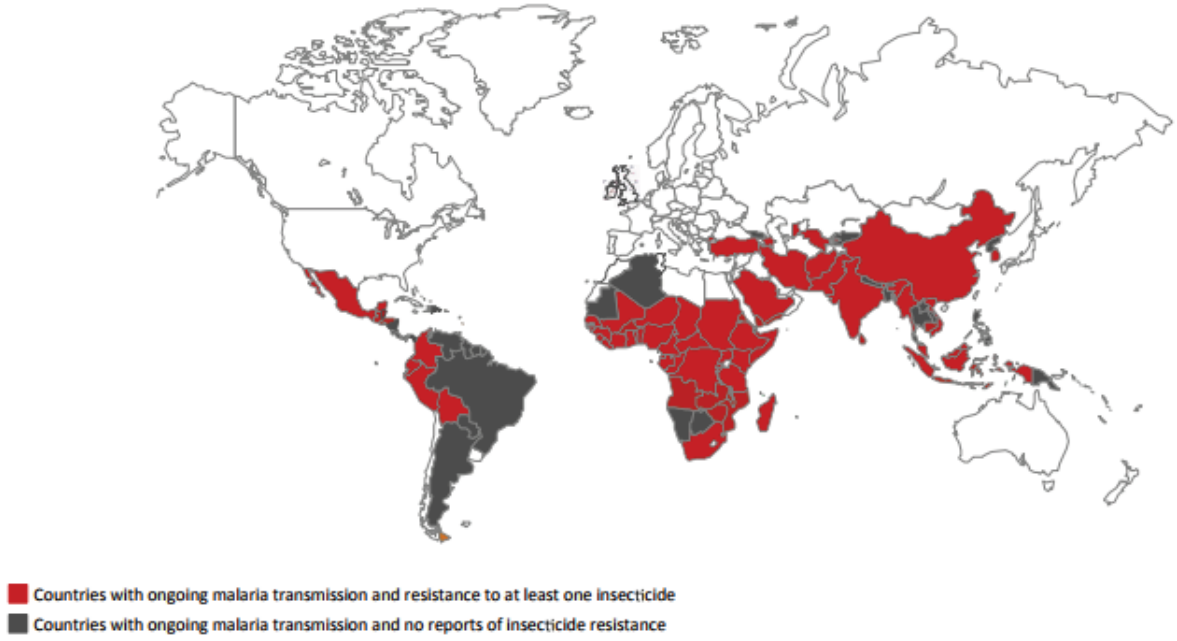
As indicated in the table above, Bio-Gene is targeting 10 of the 12 listed 'problem pests' in current testing programs, including work with resistant strains of the pests, aimed at confirming the efficacy and commercial merit of Bio-Gene products in insect management programs targeting these specific pests and applications.

In terms of public health, from the 78 countries that monitor insecticide resistance 64 reported mosquito resistance to at least one insecticide class; and of those 49 reported mosquito resistance to two or more insecticide classes.

Anopheles and Aedes mosquitoes, carrying malaria and dengue/Zika respectively, are developing resistance to all insecticide classes and, in particular, to the most widely used insecticides, pyrethroids. These insecticides historically achieved greatly reduced levels of transmission of malaria and dengue, but in many areas are now losing their effectiveness.

Due to insecticide resistance, and environmental and human health concerns, the use of many older generation insecticides is decreasing. The result is that the number of public health insecticides available is reducing and vector disease transmission is increasing. The map below illustrates how the majority of countries that have malaria are demonstrating resistance.

FIGURE: COUNTRIES REPORTING INSECTICIDE RESISTANCE



Source: Unit Aid: "Malaria Vector Control Commodities Landscape"

2.6 NEW INSECTICIDE DEVELOPMENT

For the major AgChem companies, the length of time insecticide classes have been in the market, for instance Organochlorides since the 1940's and Pyrethroids since the 1970's) has meant many patents have expired. This has led to rapid growth in lower cost, less profitable generic insecticide products, resulting in reliance on fewer product types that are facing issues of toxicity and resistance.

Major chemical companies have not brought many new chemical classes and control technologies to market to address resistance and safety concerns. The Company considers this is largely caused by:

- The number of molecules requiring screening in order to identify potential candidates being significant (over 140,000 molecule candidates), with no guarantee of success (high level of risk);
- High costs and long timelines for registration;
- Focusing on delivering short-term returns for Shareholders, reducing expenditure on R&D and seeking projects with a higher probability of success.

This leaves a gap in the market for AgTech development companies like Bio-Gene to seek to develop new platforms and products, either to progress themselves or to supply to major AgChem companies already operating in the space.

Few new modes of action have entered the market this century, with some have a longer path to market relative to its classification.

2002	2005	2008
INHIBITORS OF ACETYL COA CARBOXYLASE	CHORDOTONAL ORGAN MODULATORS (Flonicamid)	RYANODINE RECEPTOR MODULATORS (Diamides)

Ryanodine Receptor modulators (Diamides) taken to market in 2008 have had sales of approximately US$1.4 billion per year within 5 years of entering the market. New products developed by the industry offer the larger AgChem companies an opportunity for differentiation. New products with the following features would be anticipated to be desirable to the industry:

- A novel mode of action offering a new product or a product that complements existing products (alone or in combination)
- A demonstrated activity against resistant strains to overcome existing issues in the market, and complement existing products (alone or in combination)

- A patented product that would provide proprietary product opportunities to AgChem companies and therefore subsequent competitive advantage
- A product that provides the industry a potential way to create an appropriate Integrated Pest Management Program, to protect new and existing chemistries from early onset of resistance
- A data package to support registration – reduces cost and time to market

The emergence of a new technology platform proven to be reliable, safe and cost-effective has the potential to be commercialised and enter the market.

2.7 REGULATORY APPROVAL PATHWAY

For a new insecticide to enter the market it must secure regulatory approval. In Australia, this is governed by the Australian Pesticides and Veterinary Medicines Authority (APVMA), and in the US by the EPA. Similar to the process for regulatory approval to market new drugs for human disease, new insecticidal compounds are required to pass a number of tests before reaching the market. The APVMA pathway is illustrated below.

FIGURE: REGULATORY APPROVAL PATHWAY

Source: APVMA, 2017

Bio-Gene's strategy, described in greater detail in the following Section 3, is to seek to collaborate with global partners to advance from the toxicological testing stage to first field trials, leading eventually to registration.

As an AgTech developer, Bio-Gene, seeks to specialise in bringing its chemistries into the regulatory approval pathway. Bio-Gene then seeks to partner with with AgChem companies to assist in progressing these chemistries along the regulatory pathway to take them to market as cost-effectively as possible. This approach seeks to apply a capital efficient model for Bio-Gene that utilises the Company's strengths and expertise, as well as the critical mass and industry coverage of suitable global partners.

3. COMPANY OVERVIEW

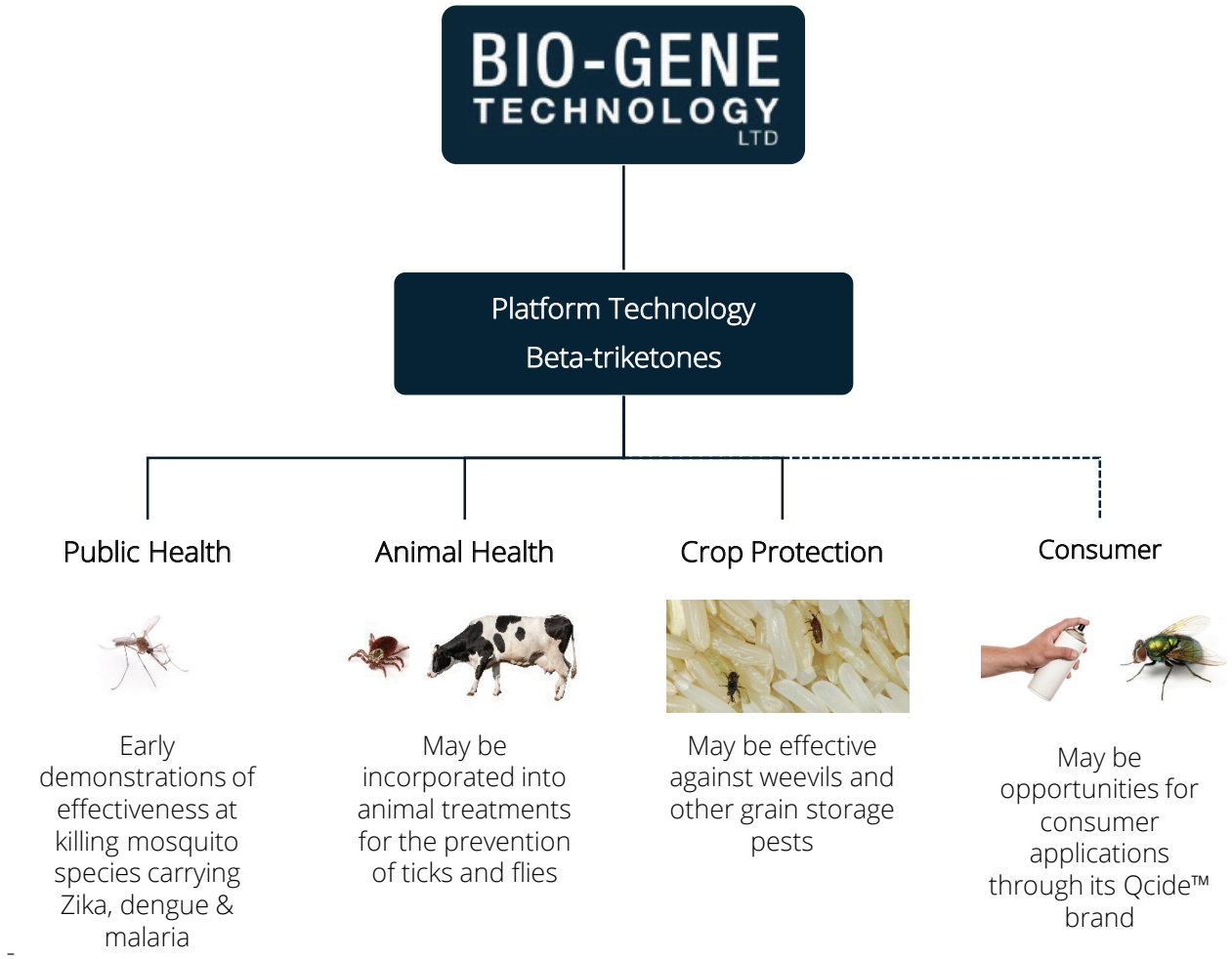
3.1 COMPANY SNAPSHOT

Bio-Gene is an Australian AgTech development company with a novel platform technology based on the naturally occurring class of chemicals known as beta-triketones that seeks to address the global problem of insecticide resistance and toxicity.

Beta-triketone compounds have demonstrated insecticidal activity (eg kill or knock down insects) via a novel mode of action in testing performed to date. This platform may provide multiple potential new solutions for insecticide manufacturers in applications across animal health and crop protection as well as in public health and consumer products.

The Company has obtained patent registrations as set out in Section 7 and holds other intellectual property for the use of its technology platform as insecticides.

The Company's aim is to develop and commercialise a broad portfolio of targeted insect control management solutions.

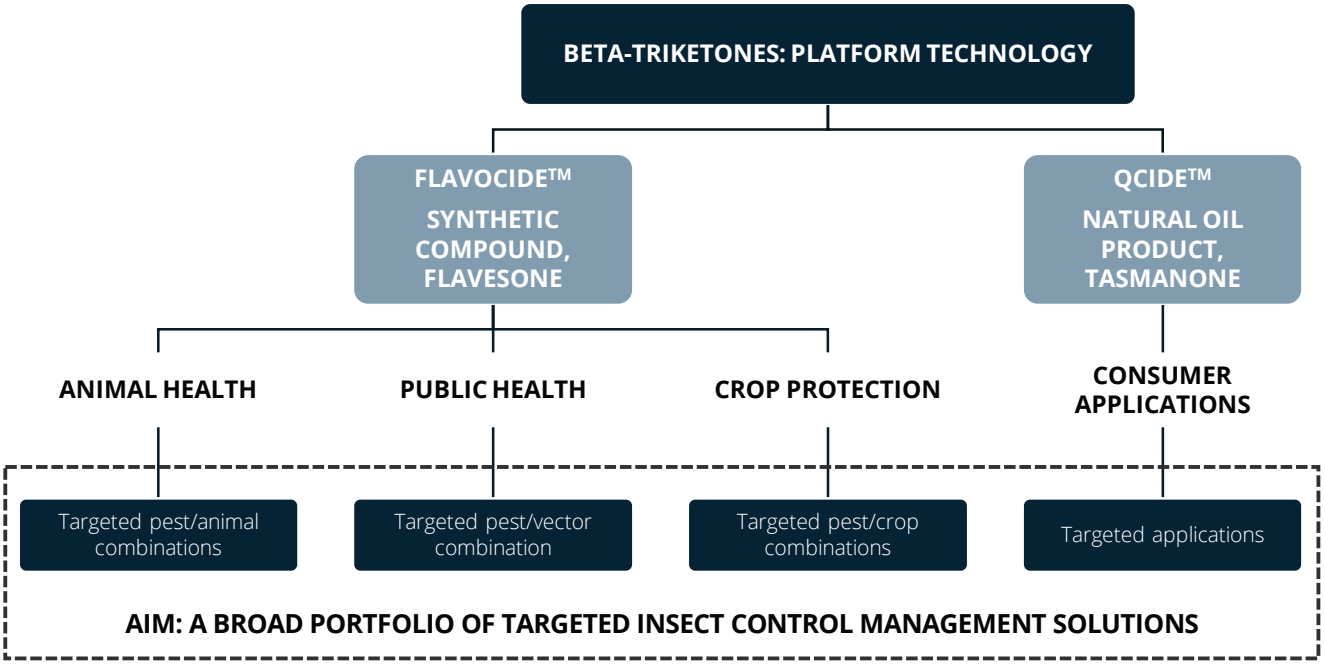


Bio-Gene's lead product is Flavocide™ (flavesone) a nature-identical compound produced by chemical means. Qcide™ is derived from a natural oil product containing tasmanone as the active constituent, and extracted from the leaves of a rare cultivar of an Australian eucalypt.

3.2 BETA-TRIKETONES TECHNOLOGY PLATFORM

Bio-Gene is the owner of intellectual property covering a novel class of beta-triketone insecticides.

After the discovery of Qcide™, Bio-Gene developed Flavocide™. As a synthetic compound, Flavocide™ potentially provides the Company with the ability to develop large scale chemical production which may enable scalable production to meet global demand if insecticidal testing and toxicity evaluation prove positive. Both of these beta-triketones may potentially be used alone, or in combination with other insecticides, with targeted applications in insect management and control.



3.3 INDICATED NOVEL MODE OF ACTION

As outlined in Section 2.4, currently insecticides are classified by the Insecticide Resistance Action Committee (IRAC) into 30 different identified modes of action (MoA) classes, based on how they affect the target insect. The majority of insecticides have an inhibitor or neurotoxic mechanism that affects the insect's nervous system killing it.

Flavesone has been tested across a number of key insect and pest species such as mites, aphids, flies and mosquitos, and the data generated by Bio-Gene and its collaborators to date suggests that flavesone does not exert its activity in the same manner as any of the 30 existing identified classes of insecticide.

The Company has engaged the services of a UK-based expert contract testing agency to evaluate the MoA of flavesone. Based on these studies the Company believes the MoA is different to any of the existing 30 MoA's described by IRAC. Having a different MoA class suggests that flavesone may address toxicity and resistance issues differently to the existing classes. Part of the proceeds from the Equity Offer is proposed to be used to generate data to facilitate registration as data for this prospective new class does not yet exist.

3.4 RESULTS TO DATE

Bio-Gene is developing Flavocide™ as an active agent against a variety of insects. Bio-Gene has demonstrated activity of these compounds against key pest species, in particular ticks, flies, fleas, aphids, mites and adult mosquitos. Results to date have indicated a:

- Novel mode of action
- Strong efficacy including against certain resistant strains of key pests (both alone and in combination with existing products)

The table below illustrates how the Flavocide™ active ingredient, flavesone has responded in terms of speed and efficacy versus the common incumbent insecticide used for that insect or pest. The table also illustrates the speed and efficacy of flavesone when used in combination with the common incumbent insecticide and in some cases shown improved insect mortality compared to common incumbent alone.

			FLAVESONE		COMMON INCUMBENT		FLAVESONE/ + COMMON INCUMBENT COMBINATION	
INSECT	MARKET SEGMENT	PROBLEM	SPEED	EFFICACY	SPEED	EFFICACY	SPEED	EFFICACY
AEDES AEGYPTI **MOSQUITO**	Public Health	Zika Dengue Fever	✓	✓	✓	✓	✓✓	✓✓
ANOPHELES MOSQUITO (RESISTANT STRAIN)	Public Health	Malaria	✓	✓	✗	✗	In progress	In progress
CULEX QUINQUEFASCIATUS MOSQUITO	Public Health	Ross River fever West Nile virus	✓	✓	✓	✓	✓✓	✓✓
DOMESTIC HOUSE FLY ***MUSCA DOMESTICA***	Consumer Products	Salmonella Gastroenteritis	✓	✓	✓	✗	✓✓	✓✓
RHIPICEPHALUS MICROPLUS **CATTLE TICK (RESISTANT STRAIN)**	Animal Health	Transmits blood borne tick fever to a range of animals	✓	✓	✗	✗	In progress	In progress
HAEMATOBIA IRRITANS EXIGUA **BUFFALO FLY**	Animal Health	Attacks Cattle resulting in weight loss etc	✓	✓	✓	✓	In progress	In progress
SIPHONAPTERA FLEA	Animal Health	Skin infections, typhus and plague to people	✓	✓	✓	✓	In progress	In progress
RHYZOPERTHA DOMINICA **LESSER GRAIN BORER (RESISTANT STRAIN)**	Grain Storage	Affect whole cereal grains, (wheat, barley, rice and sorghum)	✓	✓	✗	✗	In progress	In progress

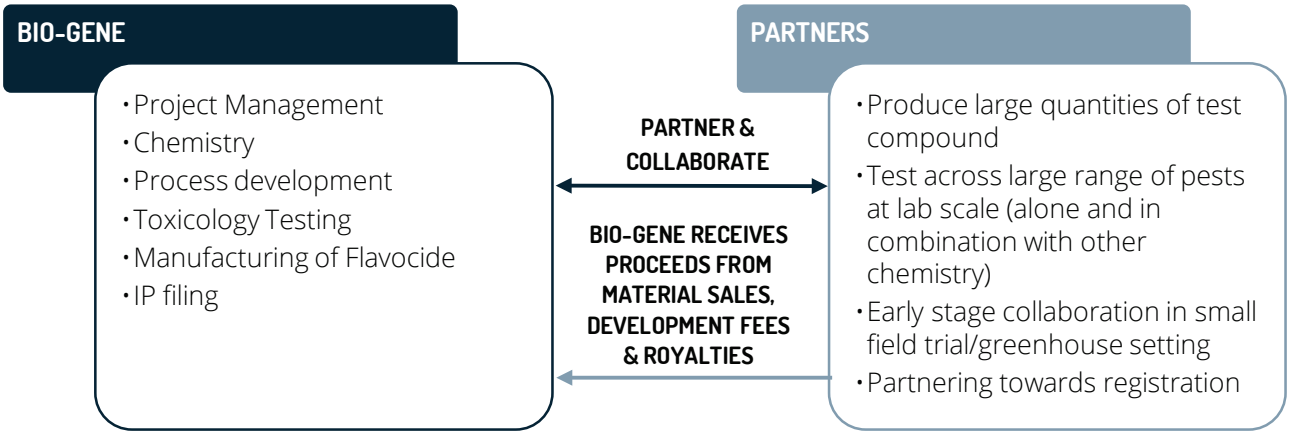
Bio-Gene has undertaken, and is further undertaking studies with research partners including Virbac, Purdue University, the Queensland Department of Agriculture and Fisheries (QDAF), Cesar Pty Ltd [ACN 123 867 587] and Eurofins Agroscience Services Pty Ltd [ACN 000 970 614]. Summaries of the Company's agreements with these partners are set out in Sections 12.1(h) to 12.1(l).

Bio-Gene is seeking to identify additional potential use applications, complete registration-enabling studies and partner ongoing development and marketing on a segment basis with third parties.

3.5 BUSINESS MODEL

It is the Company's strategy to develop its technology in collaboration with multi-national partners across market sectors of animal health, crop protection as well as public health. It is the intention of the Company to generate revenues through fees received from partners in respect of their purchase of active materials, lice nce fees, payments made upon successful milestones in product development activity and royalties on sales.

Bio-Gene has signed its first evaluation agreement with Virbac, a multi-national animal health company targeting animal health applications. A summary of the Company's agreement with Virbac is set out in Section 12.1(i).



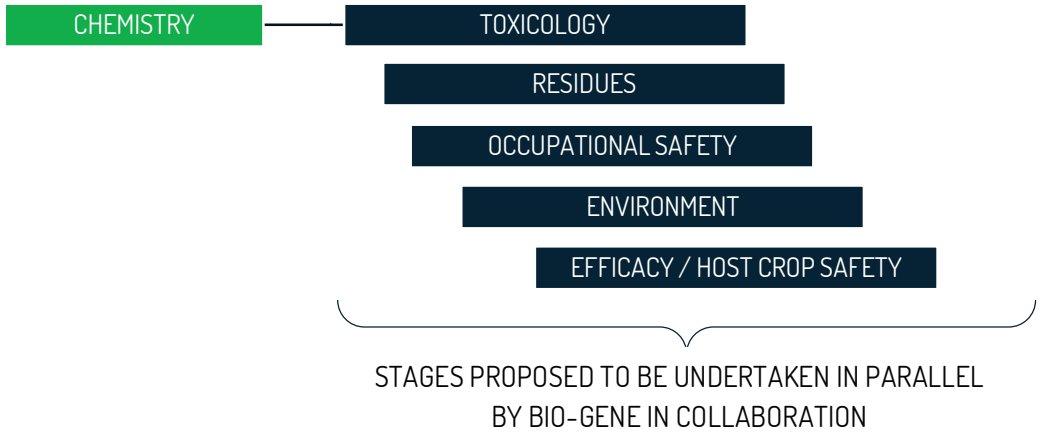
This partnership model has been created as:

- The technology may not work in all settings but opportunities in as many areas of need as possible should be evaluated;
- Speed to market may be potentially accelerated for value creation with core registration undertaken for lead molecules with partners;
- Potential partners will wish to undertake their own assessment and verification of data integrity so there is an early engagement policy with partners to drive quicker adoption; and
- The costs of registration and marketing are high so seeking multiple partners across a range of opportunities and sharing risk post proof of principle reduces being solely reliant on the Company's resources.

Ultimately, there are a limited number of novel insecticides coming to market, and Bio-Gene has one of the few platforms that has potential appeal to the large players who are seeking new products to market separately and/or in combination with their increasingly older products. Bio-Gene believes that there will be potential interest among those larger companies for collaboration projects using Flavocide™.

The potential speed-to market benefit of collaborative partnerships may allow Bio-Gene to address the regulatory pathway in parallel to potentially shorten time to registration.

FIGURE: STRATEGIC REGULATORY APPROVAL PATHWAY APPROACH BY BIO-GENE



3.6 COMMERCIAL PATHWAY

Bio-Gene has adopted a proposed strategic commercial pathway to pursue bringing products to market and to generate revenue.

STRATEGY	• To develop Flavocide™ as its lead molecule as an exemplar of its platform • Bio-Gene will look to develop Flavocide™ as a standalone product or in combination with existing incumbents • Undertake efficacy and registration enabling studies across a number of target markets to develop the value proposition of our products
COLLABORATION & VALIDATION	• First agreement signed with Virbac to evaluate Flavocide™ against ticks and buffalo flies in ruminants • Engage leading global research institutions to continue producing data on the effectiveness of Flavocide™ & Qcide™ • Seek to develop improved production processes for Flavocide™ • Undertake formal registration supporting Toxicological Studies
COMMERCIALISATION	• Establish joint ventures and licencing agreements for use of Flavocide™ & Qcide™ • Execute partnership agreements in market segments in Public Health, Animal Health (production & companion animals), Consumer & Crop Protection
PRODUCTION & SUPPLY	• Supply of beta-triketone based insecticides (Flavocide™ & Qcide™) to development partners • Utilise contracted third party manufacturing • Continuing process development R&D to reduce costs of production

Though Flavocide™ is the lead product for Bio-Gene, there are potential near-term opportunities with Qcide™ that the Company is pursuing with the objective of achieving early, yet modest, revenues.

3.7 STATUS OF LEAD PATHWAYS

The Company is generating data packages based on initial laboratory screening in particular insect species and with combinations of chemistry relevant to the target use and industry requirement. In line with the business strategy, the Bio-Gene approach is to develop as many product opportunities as possible. The current status across key industry segments is listed as follows:

SEGMENT	STATUS
ANIMAL HEALTH (LIVESTOCK)	• Global evaluation agreement with Virbac, a multi-national animal health company
ANIMAL HEALTH (PETS)	• Assess efficacy on target pests – fleas & ticks
CROP PROTECTION	• Lead targets are grain storage pest control and crop pests • Confirm target crops and associated pests (review / assess efficacy on target pests and crop safety)
PUBLIC HEALTH	• Replicating efficacy trials – mosquitoes, flies • Engage with corporations, non-government organisations (NGO's) and governments
OTHER OPPORTUNITIES	• Investigate opportunities in floriculture, turf, specialty crops, horticulture, and fibre crops such as cotton

Having entered an initial evaluation agreement with Virbac to evaluate Flavocide™ against ticks and buffalo flies in ruminants the Company can use its findings to refine its path to market, and approach further key collaboration partners across all of the market categories.

3.8 MARKETING STRATEGY

The path to market strategy is based initially on identifying key prospective partners that may have a product gap or a strategic need in a particular market niche, or have an existing product that may be able to be used in combination with Flavocide™. While these may be multi-national corporations there are also a number of active mid-sized players worldwide who may be attracted to Bio-Gene's technology.

The Company currently proposes implementing a three-stage collaborative structure to progress partner projects, involving:

Stage 1: Provision of product for collaborators to test in-house within a defined period under a materials transfer agreement and where they may pay an upfront option fee.

Stage 2: A longer term option and evaluation agreement whereby joint testing is undertaken in more advanced models with Bio-Gene seeking to be paid for materials, research and seeking an exclusivity option fee for a selected application or field of use.

Stage 3: A formal collaborative research and licensing agreement in a defined field of use, usually involving up-front licence fees, purchase of materials, product development and sales-based milestone payments, royalties on sales and potentially distribution rights.

These stages are further explained in the following table:

	BIO-GENE	PARTNER
Stage 1 – "Materials Transfer Agreement" - further lab testing conducted by partner based on initial results generated by Bio-Gene	• Supplied material at low cost to partner	• Undertake detailed testing at expert testing agency at Partner's cost
Stage 2 - "Option and Evaluation Agreement Stage"– initial field testing (6-12 months of negotiation and due diligence involving IP, manufacture, safety)	• Agree to supply materials at low cost • Provide access to ongoing safety data	• Undertake initial "field" proof of principle at Partner's cost; proceed to Stage 3 or decline based on outcome of studies. • Agree all commercial and other key licence terms (including possible option fee) • Form Project Steering Committee
Stage 3 – "Licence Agreement Stage" Development to Registration (To be completed within 4 months of Proof of Principle studies)	• Material supply • Completed toxicology package	• Undertake all further necessary registration studies and regulatory filings at Partner's cost. • Pay Milestones and Royalties as negotiated

As new data is generated, Bio-Gene plans to increase awareness in the technology and its capabilities by:

- Generating peer reviewed publications of the data generated by our collaborators with our molecules;
- Presentation of this data at scientific conferences by the key collaborators; and
- Forming consultancy arrangements with scientific key opinion leaders throughout the world

The Company considers the above activities could potentially provide multiple, credible, impartial references on which Bio-Gene can capitalise.

3.9 IN-HOUSE DEVELOPMENT PLAN

As Bio-Gene's contribution to the partnership program, the Company has commenced and proposes to progress the following key activities:

PROGRAM CATEGORY	TASKS	STATUS
EVALUATING EFFICACY AGAINST A RANGE OF INSECTS	Assess the insecticidal activity Flavocide™ against a broad range of pests/market segments by undertaking collaborative projects with expert research groups around the world, where possible with leveraged financial support through industry organisations • Phase 1: Laboratory screening against various insect species, and assess additive or synergistic effects in same insect species with selections of current insecticides • Phase 2: Initial field studies, greenhouses, research crops, small animal trials • Phase 3: Proof of principal in expanded field trials	Ongoing
EVALUATE TOXICITY	Assess the toxicity of Flavocide™ in line with APVMA & international guidelines in order to progress regulatory approvals.	Ongoing
IMPROVING MANUFACTURING AND PROCESSES	Develop improved methods of production of flavesone to enable low cost and robust large scale manufacture in three phases: • Process Improvement: Reducing costs of raw materials, improve yield, reduce process time • Intermediates manufacture: Developing novel manufacturing process and validation in pilot production • Specific manufacturing systems: Specific and proprietary manufacturing method, production facility layout, production equipment and validation in larger manufacturing batches	Ongoing
DEVELOPING SPECIFIC FORMULATIONS FOR MARKET SEGMENTS	Develop specific formulations for each segment e.g. oil-in-water emulsions; micro-encapsulated spray; sustained release granules; combination product(s) with other compounds. This to be done in collaboration with contract development groups Ensure that each formulation exhibits long term stability in range of environments and can be produced cost-effectively	Ongoing
OBTAIN ADDITIONAL COLLABORATION AGREEMENTS WITH PARTNERS	Obtain early stage evaluation and development partnerships for market segments as above where partners will pay for development rights and undertake product marketing, with Bio-Gene receiving license fees, sales royalties whilst retaining manufacturing rights to the active ingredient; providing an ongoing revenue stream to support Bio-Gene's specific value adding research and development activities.	Ongoing
SUPPLY CHAIN MANAGEMENT	• Implement contract manufacturing agreements with accredited manufacturers of flavesone. • Develop key supplier relationships to ensure reliable & efficient supply chain. Control manufacture of natural tasmanone through farm gate supply contracts with growers of *E. cloeziana*;	Ongoing

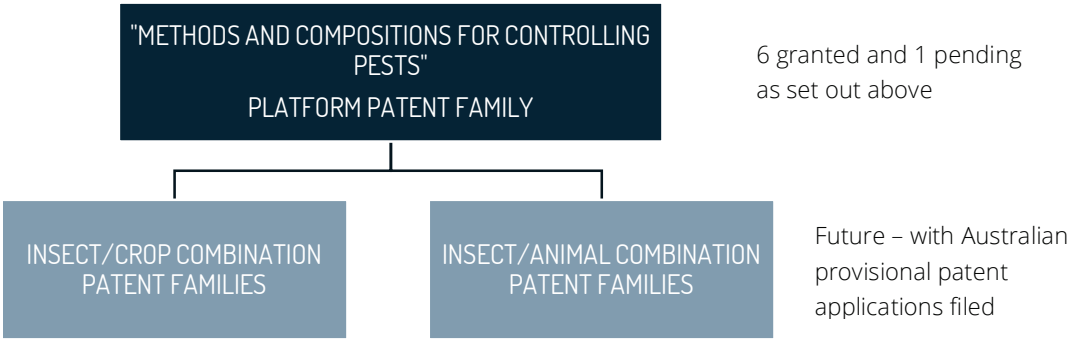
Bio-Gene intends pursuing the above with a view to ensuring it can properly develop commercialised chemistries in line with its business model. Material contracts related to the above table can be found Section 12.1(h) to 12.1(m).

3.10 IP STRATEGY AND ASSETS

Bio-Gene is engaged in an active program of seeking to expand and to protect its IP assets. Bio-Gene is the owner of a series of patents around the world entitled "Methods and Compositions for Controlling Pests" originally filed on 8 May 2002. These patents are granted in Australia, NZ, Europe, Japan and USA and will expire May 2022. Details are provided below:

COUNTRY	PATENT NUMBER	EXPIRY DATE
AUSTRALIA	2002250738	8 May 2022
NEW ZEALAND	529414	8 May 2022
EUROPE (UK, GERMANY, SWITZERLAND, IRELAND, FRANCE)	1392119	8 May 2022
JAPAN	2002586737	8 May 2022
USA	7,820,209	8 May 2022
USA	9,474,270	27 June 2022
USA	15/332364	Pending

These patents form the basis of the technology platform. The Company intends to continue to expand this portfolio as further data emerges from the R&D programs, studies and commercial partnerships, and as it progresses programs in a number of insect/crop or insect/animal combinations.



For both insect/crop and insect/animal combinations, Bio-Gene has filed additional provisional patent applications relating to:

- The use of beta-triketones in combination with selected insecticides to achieve improved knock down and/or mortality; and
- The use of beta-triketones alone or in combination with selected insecticides to achieve improved knock down and/or mortality of resistant insect species.

If new patents based on these provisional patent applications are granted they will provide potential patent coverage to 2038 in patent protected jurisdictions. Whilst there is no certainty that new patents will necessarily be granted, as part of its commercialisation program the Company is also generating data and know-how which it maintains as trade secrets. The Company's strategy includes maintaining trade secrets and keeping certain findings out of the public domain to ensure an additional mechanism of protection.

The intellectual property of the Company is summarised in the Intellectual Property Report in Section 7.

3.11 KEY BUSINESS OBJECTIVES

Over approximately two years after Listing, Bio-Gene has the following key business objectives and proposed activities which are to be undertaken to advance those objectives:

OBJECTIVE / PROPOSED ACTIVITY	YEAR 1	YEAR 2
Progress Virbac agreement to next stages		
Results from research partners, such as Purdue University, on activity against resistant mosquitoes, ticks, cockroaches, mites and aphids		
Initiation of expanded range of efficacy studies		
Pursue near-term product opportunities with Qcide™		
Undertake initial mammalian toxicology studies		
Secure supply chain and production capabilities		
Product testing and toxicity data generation to support the AVPMA regulatory process		
File additional patent applications as appropriate		
Pursue further strategic partnerships across applications		
Complete additional R&D to generate further data to support approaches to potential evaluation partners		
MoA peer reviewed scientific publication		
Undertake larger scale efficacy field trials		

Positive data generated from the first field trials would enable Bio-Gene to invest in generating further registration enabling data with the objective of completing registration filings thereafter.

4. RISK FACTORS

4.1 INTRODUCTION

The New Shares offered under this Prospectus are considered highly speculative. An investment in the Company carries risk. Due to these risks, there is no guarantee the Company will generate revenue, become profitable, commercialise its products and/or successfully carry out its business within a specific period of time, if at all.

The Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, and consult their professional advisers before deciding whether to apply for New Shares.

This Section identifies circumstances the Directors regard as the major risks associated with an investment in the Company and which may have a material adverse impact on the financial performance of the Company, and market price of the New Shares, should they arise.

The business, assets and operations of the Company are subject to certain commercial, operational and financial risk factors that have the potential to influence the operating and financial performance of the Company in the future (refer Sections 4.2 and 4.3).

In addition, there are other general investment risks, many of which are largely beyond the control of the Company and difficult to predict or anticipate (Section 4.4).

The Directors aim to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, as noted above, some of the risks identified below are highly unpredictable and/or outside of the control of the Company and the Company is limited to the extent to which it can effectively manage these risks.

The following risk factors are not intended to be an exhaustive list of the risk factors to which the Company is exposed or will, following Listing, be exposed. In addition, this Section has been prepared without taking into account an applicants' individual financial objectives, financial situation and particular needs. Applicants should seek professional advice if they have any queries in relation to making an investment in the Company.

4.2 SPECIFIC RISKS

(A) REVENUES AND PROFITABILITY

Since incorporation, the Company's operations have been limited to the identification, research and development of its products. The Company has only incurred losses whilst undertaking research and development on its products and expects to incur net losses for the foreseeable future. The Company's ability to generate revenue and achieve profitability in the future is dependent on, amongst other things, the Company's ability to successfully complete the development of its products, obtain all relevant regulatory approvals and commercialise its products. The Company may not generate revenues and/or achieve profitability in the future.

Even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. The Company expects its operating results will vary significantly from quarter-to-quarter and year-to-year as a result of the initiation and success or failure of proof-of-concept, pilot or safety and efficacy studies, the timing of the formulation and manufacture of the Company's products or other development related factors. If the Company fails to achieve and/or to maintain profitability, it could adversely affect the value of the ordinary shares of the Company.

The Company receives a portion of its income through governmental research and development income grants including the R&D Tax Incentive. The grants and R&D Tax Incentive received may not continue in future years if the Company no longer meets the eligibility requirements for grants under the R&D Tax Incentive or if the incentive program is modified or terminated.

(B) ONGOING NEED FOR CAPITAL

The Company is currently advancing its products through testing. The development of novel insecticides is expensive, and the Company expects its research and development expenses to increase in connection with its ongoing activities, particularly as the Company advances the development of its products. The Company's proposed expenditure over the two years following admission to the Official List of ASX is set out in the Use of Funds in section 10.6.

The Company may in future require additional capital for the advancement of its business activities, or to expand its business (although there are no current plans to expand its business). Additional capital may also be required to meet regulatory requirements and achieve commercialisation of its products (if any). There is a risk additional capital may not be available, or may only be available on terms that are prohibitive to the Company. If the Company is unable to obtain additional capital in a timely manner it may delay the obtaining of required regulatory approvals and/or the commercialisation of the Company's product/s (if any).

(C) RESEARCH AND DEVELOPMENT & PRODUCT RISK

The Company's products are currently in the early research and development phase. It is the Company's intention to pursue evaluation and subsequent development of one or more of its products through a rigorous testing regime, including mammalian, aquatic, avian and plant safety, efficacy testing at laboratory, preliminary field trials and

larger field testing. The results of these studies may not generate sufficient evidence of efficacy to justify ongoing development or a sufficient level of safety of the Company's products. There is also a risk the laboratory studies will not demonstrate appropriate insecticidal activity against test insects, and/or that the Company's products will be shown not to have a satisfactory safety profile to justify ongoing development.

NOVEL PRODUCT

The Company's products are based on novel technology which makes it difficult to predict the time and costs of development and obtaining required regulatory approvals. There is a risk that the Company's products will not obtain required regulatory approval or achieve commercialisation within a specific period of time, if at all. There is a risk that, due to the novel technology underpinning the Company's products, the Company may experience delays or unexpected costs.

RESEARCH AND DEVELOPMENT

There is the risk that the results from completed preliminary studies may not be predictive of results the Company may obtain in subsequent safety and efficacy studies. This could result in the Company pursuing further costly and time-consuming studies on a product or multiple products that may not ultimately be as effective as initially indicated in preliminary studies or may not meet the regulatory standards required for commercialisation and public sale. The Company has not at this stage of its development sought or received regulatory approval for commercialisation and public sale of any of its products.

The results of the Company's research and development activities may not support or justify the continued development of its current products. The Company may also not receive regulatory approval for commercialisation and public sale of its products. Failure of the Company to advance the development of one or more of its products will have an adverse effect on the Company's business.

RESISTANCE

Insect resistance to insecticides is a key issue in insect control worldwide. The insecticides and insect control market is dynamic and requires innovation as insect populations may develop resistance to new technologies over time. The Company's primary products, Flavocide™ and Qcide™, are intended to address the issue of resistance in insect populations, however, Flavocide™ and Qcide™ are yet to be extensively field tested.

Although not a short-term risk, there is a risk that in the future following commercialisation of one or more of the Company's products (if any), over time, insect populations will develop a resistance to the Company's products, including Flavocide™. There is also a risk that any future Company products developed to address resistance will not be as effective, both for purpose and cost, as prior products developed by the Company or products developed by competitors.

There is a risk that the Company's competitors will develop and commercialise products with similar compounds to those contained in the Company's products. These similar products may increase resistances in the insect population to those compounds shared with the Company's products, reducing or potentially nullifying the effectiveness of the Company's products as insecticides and insect control tools.

AREA AND RANGE OF USE

The Company intends to develop and manufacture its products for a wide range of commercial uses, including public health, animal health, crop protection, grain storage and horticultural and general insecticide usage. The Company also intends for its products to be able to be used effectively for purpose in a wide range of environments and conditions.

There is a risk the Company's product will be limited to use in specific circumstances or for specific purposes, if any, or that regulatory approval will not be obtained for public sale or commercial use. There is also a risk that, despite testing, the effectiveness of the Company's product may diminish depending on the proposed purpose or area of use, or the environmental conditions at the time of use.

TOXICITY

There is a risk the Company's products, although effective as an insecticide and for insect control, must be administered at such high dosages that result in human, off-target and environmental toxicity concerns including consequences for the flora and fauna of a particular environment. There is also a risk the long-term exposure to the Company's product may result in unforeseen issues, including human & animal health issues and environmental contamination, resulting in the Company being required to make good any damage and a loss of the Company's reputation.

REGULATORY PATHWAY TO COMMERCIALISATION

The Company currently has no products approved for commercial distribution and is focused primarily on the development of its products. The success of the Company's business ultimately depends upon the Company's ability to advance the development of its products from laboratory-based proof of concept studies, through to safety and efficacy studies, in a manner that meets the extensive regulatory requirements of products in the insecticide and insect control industry.

The Company's products must satisfy stringent regulatory standards of purity, safety, potency and efficacy before advancing from development to commercialisation. To satisfy required regulatory standards the Company will need to complete proof-of-concept studies, safety and efficacy studies and develop acceptable and cost-effective manufacturing processes. There is a risk the Company will not satisfy regulatory standards or that the cost of satisfying such regulatory standards is prohibitive to the Company proceeding with commercialisation of one or more of its products.

Even should data collected from studies, including safety and efficacy studies, demonstrate that the Company's products have a satisfactory safety and efficacy profile, there is a risk such results may not be sufficient to obtain regulatory approvals required for the Company to market and sell its products to the public.

PUBLIC SENTIMENT

Public sentiment may be influenced by claims and/or events adverse to the insecticide industry. Such claims and/or event may result in more restrictive government regulations or negative public opinion, which may have a negative effect on the Company's business and may delay or impair the development and commercialisation of the Company's products and subsequent demand following commercialisation.

MANUFACTURING/PRODUCTION

As noted above, the Company must satisfy required manufacturing standards in connection with commercialisation of its products. There is a risk the Company may not be able to satisfy the necessary manufacturing standards for commercialisation and public sale. The Company may not be able to source a third-party manufacturer to produce the Company's product on reasonable and sustainable commercial terms. There is a risk that the cost of reaching and maintaining manufacturing standards will be prohibitive to the Company proceeding with commercialisation of its products.

The Company has successfully manufactured product at a scale sufficient to supply product to conduct the studies that it has undertaken to date. The Company is currently working on improving its manufacturing processes. While results to date have been positive, the ultimate process may not generate sufficient yields of finished products at scale or at an appropriate price point. The Company's existing and potential production technologies have not been tested at a scale sufficient to make commercial quantities of a product that, in the event that it proves successful, can be brought to market. The Company's ability to produce its products is therefore subject to risks of failure and/or high costs.

(D) PRODUCT LIABILITY

As with all new insecticide and public health products, even should the Company obtain regulatory approval, there is no assurance unforeseen adverse events or manufacturing defects will not arise. Adverse events could expose the Company to product liability claims in litigation, potentially resulting in any regulatory approval (when/if obtained) being removed and damages being awarded against the Company. In such event, the Company's liability may exceed its insurance coverage (if any).

(E) ENVIRONMENTAL, HEALTH OR SAFETY LAWS AND REGULATIONS

The Company's business involves the controlled use of hazardous materials and chemicals and is subject to numerous environmental, health and/or safety laws and regulations. There is a risk the Company will not comply with these laws and regulations and could be exposed to liability for contamination caused by its products. In addition to payment of remediation costs, the Company may also be liable for fines, penalties and natural resource damages.

The costs of compliance with environmental, health and/or safety laws and regulations are significant. Any violations, even if inadvertent or accidental, of environmental, health or safety laws and/or regulations, and any cost of compliance with any resulting order or finding and any liability imposed could adversely affect the Company's business, reputation, financial conditions, cash flows and results of operations.

(F) COMPETITION RISK

The insecticide and insect control industry is highly competitive and is categorised by rapid technological advancement. The Company's current products are still in the early research and development phase, however in the event a product of the Company is commercialised it will be in direct competition for market share with other companies in the industry.

There is a risk competitors may develop similar products to those the Company currently has under development, or consumers prefer the products of the Company's competitors, or that a competitor's product may cause the Company's product to become obsolete. There is also a risk the Company's competitors have, or may attain, more resources than the Company, including financial, technical and sales resources. This would allow these competitors to aggressively pursue strategies to capture greater levels of market share than the Company.

The Company does not have prior experience in marketing its products. Following commercialisation of its product/s (if any), the Company will need to develop this capacity internally or engage third-parties to assist with advertising and marketing. In the event the Company is unable to generate sufficient marketing of its products, there is a risk that the Company will not receive sufficient revenue to sustain its business.

The timing of market introduction of the Company's products or of competitor's products may be an important competitive factor, particularly if consumer demand changes. Accordingly, the Company considers efficient development of its products, completion of safety and efficacy studies and approval processes (which are outside of the Company's control) and the manufacture and supply of commercial quantities of its product to the market to be important competitive factors.

(G) FUTURE MARKET ACCEPTANCE

Ultimately the Company's products need to find acceptance in a competitive market. Market acceptance depends on many factors, including obtaining access to relevant markets, convincing potential consumers and partners of the attractiveness of the Company's products and the ability to manufacture products to a sufficient

quality and quantity at an acceptable cost. These and other factors may cause the Company's products to not gain market acceptance and will negatively affect the profitability of the Company.

(H) RAW MATERIAL SUPPLY

The Company's product Qcide™ is extracted from the leaves of a rare sub-set of Eucalyptus trees. As such there are a number of agricultural related risks that could affect the supply of the raw material from which Qcide™ is sourced. These include weather related factors and variation in yields. The inability to obtain sufficient raw material whether due to adverse weather conditions or other issues could impact on the Company's ability to supply Qcide™ which would impact Bio-Gene's operations, financial performance and future prospects.

(I) ABSENCE OF DIVIDENDS

The ability of the Company to pay dividends in the future is dependent on many factors including the results of the Company's research and its ability to commercialise and/or licence its products. Where the Company is in a position to pay dividends, the amount, timing and payment of future dividends is dependent on a range of factors including future capital and R&D requirements, as well as the overall financial position of the Company. There will be factors outside of the control of the Company and its Directors that may affect the ability of the Company to pay dividends. The Directors are unable to give any assurance regarding the payment of dividends in the future.

(J) DEPENDENCE ON KEY PERSONNEL

The Company is dependent on its management and Directors, the loss of whose services could materially adversely affect the Company and may impede the achievement of its objectives. Given the nature of the Company's activities, its ability to maintain its program is dependent on its ability to attract and maintain appropriately qualified personnel either within the Company or through contractual arrangements.

There can be no assurance the Company will maintain sufficiently qualified personnel in a timely manner or that it will be able to retain its key personnel. The failure to retain such personnel and develop such expertise may materially adversely affect the Company's ability to meet its objectives.

The Company's current size affects its ability to provide substantial training and development opportunities to its key personnel. Extensive ongoing development opportunities are not feasible for a Company such as Bio-Gene. The Company has sought to address this risk by hiring sufficiently qualified and skilled management staff.

(K) RELIANCE ON THIRD PARTIES

The Company has engaged third parties (including in collaboration partnerships) to assist with the research and development of the Company's products. Accordingly, some of the success of the Company may depend on the performance of these third parties which may in turn delay the Company's development of its products. There is also a risk that studies required to obtain regulatory approval will be delayed due to third party performance. The engagement of these third parties will likely involve the payment of fees which may reduce the profit margins of the Company. There is also a risk that the relevant third-parties may terminate their engagement with the Company.

There is a risk the Company's existing or future collaboration partnerships may break down or the Company may become involved in a dispute with one or more of its collaborative partners. This could result in the Company having difficulty in obtaining data from research undertaken under collaboration partnerships. The Company is also dependent, in part, on collaboration partners providing accurate information. There is a risk the Company will determine to pursue or not to pursue a course of action based on inaccurate, incomplete or conflicting information provided by one or more of its collaborative partners.

The Company may in future engage third-parties to manufacture its product. The engagement of third-parties to assist in manufacture, in addition to the collaboration partnerships entered into by the Company, may require the Company to share its proprietary information (including trade secrets) with these third parties. Although these agreements typically contain provisions restricting the publication of data relating to the Company's proprietary information (and the proprietary information itself), there is a risk the third-party may break confidentiality or may inadvertently publish data or results that contain the Company's proprietary information.

(L) INTELLECTUAL PROPERTY

TRADE SECRETS

The Company relies on its trade secrets, including information relating to its product. The protective measures employed by the Company may not provide adequate protection for its trade secrets. This may erode the Company's competitive advantage and materially harm its business. The Company cannot be certain others will not independently develop the same or similar technologies on their own or gain access to trade secrets. The Company may not be able to meaningfully protect its trade secrets and unpatented know-how and keep them secret.

PATENTS

Obtaining, securing and maintaining the Company's intellectual property rights (in particular, patents) is an integral part of securing potential value arising from conduct of the Company's business. The Company holds a number of patents and has made multiple patent applications in respect of its products. If patents are not able to be maintained if challenged or if patent applications are not granted, or if granted only for limited claims, the Company's intellectual property may not be adequately protected and may be able to be copied or reproduced by third parties. The Company may not be able to achieve its objectives, commercialise its products or generate revenue or other returns.

Competitors may develop technology to avoid those patents or seek to claim an interest in the intellectual property held by the Company with a view of seeking a commercial benefit from the Company. There can also be no assurance employees, consultants or third parties will not breach confidentiality, infringe and/or misappropriate the Company's intellectual property.

The Company seeks to mitigate the risk of unauthorised use of its intellectual property by limiting disclosure of sensitive material to particular employees, consultants and others on a need to know basis. Where appropriate, parties having access to such sensitive information will be required to provide written commitments to confidentiality and ownership of intellectual property.

INFRINGEMENT CLAIMS

The Company's success depends, in part, on its ability to enforce and defend its intellectual property against third party challengers. The Company believes the manner in which it proposes to conduct activities will minimise the risk of infringement upon another parties' intellectual property rights, however there can be no assurance another party will not seek to claim the Company is infringing upon their rights.If a third party accuses the Company of infringing its intellectual property rights or commences litigation against the Company for infringement, the Company may incur significant cost defending such action, whether or not the Company ultimately prevails. Defence against third party infringement action will necessarily divert the time of the Company's Officers' and other key personnel.

If any third-party patents were held to cover aspects of the Company's products, processes of manufacture or methods of use, the third-party holders of such patents may be able to block the Company's ability to develop and/or commercialise its products until such time as the third-party patents expired.

In addition, parties making claims against the Company may obtain injunctive or other relief to prevent the Company from further developing or commercialising its products. In the event a successful claim of infringement is made out against the Company, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it may encounter delays and lose substantial resources while seeking to develop alternative products.

Patent litigation is typically expensive. Defence of any litigation commenced against the Company could prevent the Company from commercialising its products and could cause it to incur substantial expenditure.

(M) LITIGATION RISKS

As part of regular business activities, the Company is, or may become, exposed to possible litigation risks including contractual disputes, employee claims and/or intellectual property disputes.

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, reputation, financial performance and financial position.

(N) INTERNATIONAL AGREEMENTS

The Company has entered into contractual relations with parties domiciled in foreign jurisdictions. There is scope for changes in contract law, property law and intellectual property in developing foreign jurisdictions beyond the control of the Company and may affect the Company's ability to carry on its business, including the enforceability of its contractual arrangements.

(O) UNFORESEEN EXPENDITURE

The Company has not entered into contracts for a number of the material items anticipated to be covered by the Use of Funds contained in Section 10.6 of this Prospectus. The Directors of the Company have determined that, following close of the Offers, the Company will be in a position to negotiate the exact terms for such contracts. The Company does not, however, have indicative quotations for many of the material items. There is a risk the Company may not be able to source these suppliers at the estimated expenditure in Section 10.6.

(P) LIQUIDITY AND REALISATION RISK

If restriction obligations (escrow) are applied to Shares held by existing Shareholders, the remaining "free float" (shares that are tradable during any restriction period) may be limited, resulting in there being relatively few active or potential sellers or buyers at any given time, which may result in an inactive or illiquid market for the Company's Shares, which may increase the volatility of the market price of the Company's Shares.

While the Company is not currently aware of what, if any, restriction obligations will be imposed, and will not know the extent of escrow until determined by ASX, if all existing Shares are subject to escrow, the restricted shares would represent approximately 72.3% of the Company shares at Listing. This would leave only approximately 27.7% of the Company's free trading until this escrow period(s) ended. If fewer Shares were to be restricted, more shares would be free trading. See Section 11.3 for additional details.

Further, there is a risk that once the shares subject to escrow or trading restrictions are released from the restrictions attaching to them, there may be significant sell down by holders of those shares which may negatively affect the Company's Share price.

The potential limited free float (tradeable Shares during any restriction period) and potential sell down may affect the prevailing market price at which Shareholders are able to sell their Shares.

An active market in the Shares may not develop or the price of the Shares may not increase. There may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of Shares.

4.3 GENERAL RISKS

(A) ECONOMIC RISKS

General economic conditions, movements in interest and inflation rates and currency exchange rates may adversely affect the Company's activities. Furthermore, share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- General economic outlooks;
- Interest rates and inflation rates;
- Currency fluctuations; and
- Changes in investors' sentiment toward a particular market section.

(B) FOREIGN CURRENCY AND EXCHANGE RATE FLUCTUATIONS

As previously noted, the Company has entered into contractual relations with entities domiciled in foreign jurisdictions. There is therefore potential the Company's revenue and expenditure may be domiciled in various currencies other than Australian dollars. This may expose the Company to foreign exchange movements, which has the potential to positively and negatively influence the Australian dollar equivalent of such revenue and expenditure. The fluctuations in foreign currency may also result in increased operating expenses and reduced revenues.

(C) GOVERNMENT POLICY CHANGES

Any material changes in government policies or relevant legislation of the countries in which the Company may operate have the potential to affect the viability, profitability and progress of the Company's business.

(D) INSURANCE

The Company has obtained insurance where it is considered appropriate for its needs. However, the Company would not expect to be insured against all risks, either if appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

Accordingly, the Company may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Company incurs losses or liabilities for which it is uninsured, the value of the Company's assets may be at risk.

(E) TAXATION

There may be tax implications arising from applications for New Shares, participation in any on-market buy-back and/or on the future disposal of New Shares. Potential investors should consult their professional tax adviser before deciding whether to apply New Shares pursuant to this Prospectus.

(F) UNFORESEEN RISKS

There may be other risks which the Directors or management of the Company are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of the Shares.

(G) COMBINATION OF RISKS

The Company may be subject to a combination of risks, including any of the risks outlined in section 4.2 and 4.3, which could affect the operations, financial performance and prospects of the Company.

4.4 SPECULATIVE INVESTMENT

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above risk factors, and others not specifically referred to above, may affect the performance of the Company and the value of New Shares offered under this Prospectus. There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact the Company, its operations and/or the valuation and performance of the Company's Shares.

Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or market value. The Directors are unable to give any assurance regarding the payment of dividends in the future.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

5. FINANCIAL INFORMATION

5.1 INTRODUCTION

Bio-Gene was incorporated on 8 November 1995 and converted to a public company limited by Shares on 19 August 2002. Prior to this Prospectus the Company has 91,224,471 Shares on issue. This Prospectus is for a raising of $7,000,000 through the issuance of a further 35,000,000 New Shares at an issue price of $0.20 per share which will represent 27.7% of the total issued Shares at Listing. The Directors reserve the right to accept oversubscriptions up to $1,000,000. If the Maximum Oversubscription is accepted the issuance will be for a total of 40,000,000 New Shares which will represent 30.5% of the total issued Shares at Listing. In addition under the Broker Option Offer the Company will issue 2,000,000 Broker Options to the Lead Manager or to AFSL holders or others determined by the Lead Manager (and/or their respective nominees) in connection with the Equity Offer just prior to Listing. These Broker Options will vest on issue, have an expiry date 3 years after issue and an exercise price of $0.20.

The financial information contained in Section 5 has been prepared by the Company, in connection with the Offers. The financial information for the Company contained in Section 5 includes:

- Statutory historical financial information for the Company, being the:
    - statutory historical statements of profit and loss and other comprehensive income for FY2015, FY2016 and FY2017;
    - statutory historical statement of financial position as at 30 June 2015, 30 June 2016 and 30 June 2017; and
    - statutory historical statements of cash flows for FY2015, FY2016 and FY2017

  the 'Statutory Historical Financial Information'; and
- Pro forma historical financial information for the Company, being the:
    - pro forma historical statements of profit and loss and other comprehensive income for FY2017;
    - pro forma historical statement of financial position as at 30 June 2017; and
    - pro forma historical statements of cash flows for FY2017;

      the 'Pro forma Historical Financial Information', collectively the 'Historical Financial Information'.

The Pro forma Historical Financial Information as at 30 June 2017 have been prepared to reflect the Statutory Historical Financial Information adjusted to give effect to the issue of 35,000,000 New Shares, the issue of 2,000,000 Broker Options, the exercise and conversion of options and the recognition of the payment for Intellectual Property which is triggered by the Listing of the Company.

The information in this Section 5 should also be read in conjunction with the risks set out in Section 4 and other information contained in this Prospectus. All amounts disclosed are presented in Australian dollars unless otherwise noted.

Past performance is not a guide to future performance. Pro forma financial information is not a forecast.

5.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

The Financial Information included in this Section has been prepared and presented in accordance with the recognition and measurement principals of the Australian Accounting Standards (including the Australian Accounting Interpretations), made by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board. The Financial Information is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by the Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Accounting policies have been consistently applied for Bio-Gene Technology Limited throughout the periods presented and are set out in Section 5.9.

5.2.1 PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information is presented on both a statutory and pro forma basis.

The Statutory Historical Financial Information for the Company has been derived from the FY2015, FY2016 and FY2017 audited general purpose financial reports of Bio-Gene Technology Limited. The FY2015 general purpose financial reports of Bio-Gene Technology Limited have been audited by John Foley who issued an

unqualified audit opinion in respect of this period. The FY2016 and FY2017 general purpose financial reports of Bio-Gene Technology Limited have been audited by JTP Assurance, who has issued unqualified audit opinions in respect of these periods.

The Company's FY2015, FY2016 and FY2017 audited general purpose financial reports have been lodged with ASIC and are taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Each financial report comprises a Directors' report, statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes to the financial statements and an independent auditor's report. As set out in Section 5.3, below, each of the financial reports sets out that the Company has made losses in each of the past three financial years. Any person may request a copy of any of the financial reports referred to above during the application period of this Prospectus, which the Company will provide free of charge. A copy of each of the above documents can also be downloaded from the Company's website at bio-gene.com.au/investor-relations/shareholder-updates.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of the Company and adjusted as set out below in Section 5.6.

5.2.2 FORECAST FINANCIAL INFORMATION

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 beyond expecting listing date on the basis that the operations of the Company are inherently uncertain. Any forecast or projection information would contain such a broad range of potential outcomes that it is not possible to prepare a reliable best estimate forecast or projection.

5.3 STATUTORY HISTORICAL STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	FY 2015 $	FY 2016 $	FY 2017 $
Revenues from continuing operations	80,441	186,415	106,725
Expenses from continuing operations			
Research & Development	(28,087)	(173,684)	(440,876)
Management and Employment Expenses	(111,125)	(197,520)	(378,615)
Directors Expenses	(170,000)	(20,307)	(125,273)
Financial Advisory	-	(16,470)	(22,000)
Professional Services	(8,879)	(26,206)	(46,646)
Intellectual Property	(10,248)	(27,401)	(25,157)
Depreciation & Amortisation	(10,119)	(15,806)	(39,745)
Other Expenses	(10,244)	(31,539)	(83,315)
Loss from continuing operations before tax	(268,261)	(322,518)	(1,054,902)
Income tax (expense)	-	-	-
Loss for the year from continuing operations after income tax	**(268,261)**	**(322,518)**	**(1,054,902)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss	-	-	-
Total comprehensive loss for the year attributable to members of the Company	**(268,261)**	**(322,518)**	**(1,054,902)**

The accounting policies in relation to the Historical Financial Information are set out in section 5.9 statement of significant accounting policies.

5.3.1 NOTES TO THE STATUTORY HISTORICAL STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

The principal activity of the Company is to develop Flavocide™ as an insecticide with applications in a number of markets including public health, animal health and agriculture. A key long-term objective is to achieve the registration of the active molecule within Flavocide™ (flavesone) by major regulatory bodies throughout the world including the Environment Protection Agency (EPA) in the USA and with the APVMA (Australian Pesticides & Veterinary Medicines Authority) in Australia. The Company aims to market products through partnerships with major market players across a range of different market segments. It aims to control its intellectual property and manufacturing and to obtain a return on invested capital through licensing fees, sales royalties and sales of manufactured product to its partners for re-sale.

In the first half of 2015 the Company appointed Henslow Pty Ltd's predecessor, Halcyon Corporate Pty Ltd [ACN 74 147 742 041], to assist it with its capital raising endeavours. Since that time the Company has raised funds which have allowed it to focus on advancing its development program for Flavocide™ which is reflected in the increase in expenditure on Research & Development reflected in the above statutory historical statutory statements of profit and loss and other comprehensive income. During FY2017, the Company began to advance its plans to undertake a Listing. As part of these plans it was necessary to further strengthen the Board and management skill sets. Richard Jagger joined the Board and was appointed to the executive role of Head of Commercial Development. Richard Jagger will become the Company's CEO on 1 January 2018 as described in Section 8. Don Brumley was appointed as the Non-executive Chairman, Roger McPherson was appointed as the CFO and Company Secretary and the time commitment of the current CEO, Robert Klupacs was increased. These changes are reflected in the increase in Management and Employment expenses on a year on year basis.

With the expansion of management capability the Company is now able to focus on attracting collaboration partners to leverage the different potential applications of Flavocide™. This seeks to achieve in-licensing income in future years. Currently the Company's main form of revenue is derived from the R&D Tax Incentive.

During FY2017, the Company undertook a number of its research activities overseas as the necessary experience and facilities are not available in Australia. As a result the Company lodged an Advanced Overseas Finding with AusIndustry to seek approval to claim these costs as part of its R&D Tax Incentive. As this approval had not been received at the time of completion of 2017 Annual Report the Directors elected to only include an estimate of the anticipated revenue from the AusIndustry incentive claim in respect of its Australian based expenditure in these accounts. If the Company is successful in its request to claim the overseas activities as well which will result in additional revenue, this revenue will be recognised in the 2018 financial year. The decrease in Revenue is a direct result of the investment of the Company's overseas research activities.

5.4 STATUTORY HISTORICAL STATEMENTS OF FINANCIAL POSITION

	Note	30 June 15 $	30 June 16 $	30 June 17 $
Current assets				
Cash and cash equivalents		208,811	101,646	2,860,324
Trade and other receivables		88,016	227,956	160,562
Total current assets		**296,827**	**329,602**	**3,020,886**
Non-current assets				
Property, plant and equipment		6,715	28,020	30,203
Intangible assets		131,818	498,727	461,784
Total non-current assets		**138,533**	**526,747**	**491,987**
Total assets		**435,360**	**856,349**	**3,512,873**
Current liabilities				
Trade and other payables		-	7,000	223,935
Financial liabilities		-	-	226,000
Total current liabilities		**-**	**7,000**	**449,935**
Non-current liabilities				
Financial liabilities		-	376,000	150,000
Total non-current liabilities		**-**	**376,000**	**150,000**
Total liabilities		**-**	**383,000**	**599,935**
Net assets		**435,360**	**473,349**	**2,912,938**
Equity				
Issued capital	5.7.1	1,549,908	1,779,147	5,208,852
Reserves		170,000	301,268	366,053
Accumulated losses		(1,284,548)	(1,607,066)	(2,661,967)
Total equity		**435,360**	**473,349**	**2,912,938**

Accounting policies in relation to the Historical Financial Information are set out in section 5.9 statement of significant accounting policies

5.4.1 NOTES TO THE STATUTORY HISTORICAL STATEMENT OF FINANCIAL POSITION

During the 2017 financial year the Company completed two capital raisings. The improvement in the cash position and the increase in the issued capital is a direct result of these raisings, net of the increased expenditure outlined in Section 5.3.1.

The decrease in trade and other receivables reflects the lower amount accrued for the R&D Tax Incentive revenue as explained in Section 5.3.1. The increase in trade and other payables reflects the increased expenditure on the Flavocide™ development program.

5.5 STATUTORY HISTORICAL STATEMENTS OF CASH FLOWS

	FY 2015	FY 2016	FY 2017
	$	$	$
Cash flows from operating activities			
Payments to suppliers and employees inclusive of GST	(201,293)	(498,802)	(922,114)
Interest received	32	48	279
R&D Tax Incentive	74,311	79,409	186,367
Licence fees	-	-	6,316
Net cash used in operating activities	**(126,950)**	**(419,345)**	**(729,152)**
Cash flows from investing activities			
Payments for property, plant and equipment	-	(28,020)	(4,985)
Payments for intangible assets	-	-	-
Net cash used in investing activities	**-**	**(28,020)**	**(4,985)**
Cash flows from financing activities			
Net proceeds from issue of shares	284,500	360,000	3,704,753
Payment for share issue expenses	-	(19,800)	(211,938)
Net cash provided by financing activities	**284,500**	**340,200**	**3,492,815**
Net (decrease)/increase in cash and cash equivalents	157,550	(107,165)	2,758,678
Cash and cash equivalent at beginning of year	51,261	208,811	101,646
Cash and cash equivalents at end of year	**208,811**	**101,646**	**2,860,324**

Accounting policies in relation to the Historical Financial Information are set out in section 5.9 statement of significant accounting policies.

5.5.1 NOTES TO THE STATUTORY HISTORICAL STATEMENTS OF CASH FLOWS

As outlined in Section 5.3.1 over the last two years the Company has raised funds from the Capital Markets with the assistance of Henslow Pty Ltd which it has used primarily to advance its development program for Flavocide™ and prepare for the planned Listing.

This increase in activity is reflected in the statutory historical statements of cash flows on a year on year basis.

5.6 PRO FORMA HISTORICAL STATEMENTS

5.6.1 PRO FORMA HISTORICAL STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Statutory Historical 30 June 17 $	Pro forma Adjustments $7 million raising $	Pro Forma Historical $7 million raising $
Revenues from continuing operations		106,725	-	106,725
Expenses from continuing operations				
Research & Development		(440,876)	-	(440,876)
Management and Employment Expenses		(378,615)	-	(378,615)
Directors Expenses		(125,273)	-	(125,273)
Financial Advisory		(22,000)	-	(22,000)
Professional Services		(46,646)	-	(46,646)
Intellectual Property		(25,157)	-	(25,157)
Depreciation & Amortisation		(39,745)	-	(39,745)
Other Expenses		(83,315)	-	(83,315)
Capital Raising Costs	1	-	(298,446)	(298,446)
Loss from continuing operations before tax		**(1,054,902)**	**(298,446)**	**(1,353,348)**
Income tax (expense)		-	-	-
Loss for the year from continuing operations after income tax		**(1,054,902)**	**(298,446)**	**(1,353,348)**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss		-	-	-
Total comprehensive loss for the year attributable to members of the Company		**(1,054,902)**	**(298,446)**	**(1,353,348)**

The pro forma historical statements of profit and loss and other comprehensive income reflect the balance at 30 June 2017 adjusted for the impact of the Listing and the exercise and conversion of the options at the $7 million raising.

1 In accordance with Accounting Standards the Company has expensed the proportion of the capital raising costs incurred in relation to Prospectus preparation on the basis of the shares on issue before and after the Listing. ASX Listing Fees have been expensed. A total of $298,446 will be expensed from the proceeds of the Listing. If the Maximum Oversubscription amount of $1,000,000 is received the amount expensed would be reduced by $7,123.

5.6.2 PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

	Note	Statutory Historical 30 June 17 $	Pro forma Adjustments $7 million raising $	Pro Forma Historical $7 million raising $
Current assets				
Cash and cash equivalents	1, 2, 4	2,860,324	5,932,555	8,792,879
Trade and other receivables		160,562	-	160,562
Total current assets		**3,020,886**	**5,932,555**	**8,953,441**
Non-current assets				
Property, plant and equipment		30,203	-	30,203
Intangible assets		461,784	-	461,784
Total non-current assets		**491,987**	**-**	**491,987**
Total assets		**3,512,873**	**5,932,555**	**9,445,428**
Current liabilities				
Trade and other payables		223,935	-	223,935
Financial liabilities	5	226,000	(226,000)	-
Total current liabilities		**449,935**	**(226,000)**	**223,935**
Non-current liabilities				-
Financial liabilities		150,000	-	150,000
Total non-current liabilities		**150,000**	**-**	**150,000**
Total liabilities		**599,935**	**(226,000)**	**373,935**
Net assets		**2,912,938**	**6,158,555**	**9,071,493**
Equity				
Issued capital	1, 2, 3, 4	5,208,852	6,747,647	11,956,499
Reserves	1, 3	366,053	(290,646)	75,407
Accumulated losses	4	(2,661,967)	(298,446)	(2,960,413)
Total equity		**2,912,938**	**6,158,555**	**9,071,493**

The pro forma historical statements of financial position reflect the balance at 30 June 2017 adjusted for the impact of the Listing and the exercise and conversion of the options at the $7 million raising.

1 In order to undertake the Listing the Company was required to ensure that all then existing options had been exercised, converted into Shares or lapsed. Options with a 14 cent exercise price (on a post consolidation basis) which had been proposed to be issued in connection with an issue of Shares at 14 cents (on a post consolidation basis) which closed in June 2017 were not issued.

Refer to Note 11(b) of the Company's 2017 Annual Report for further details of the options. These adjustments reflect the exercise and conversion of the then existing options:

a. Net cash proceeds $63,800

b. Reduction in reserves $404,646

2 Financial effects of the issue of 35,000,000 New Shares of Bio-Gene Technology Limited at A$0.20 per share pursuant to this Prospectus to raise $7 million. Net cash proceeds of $6,094,755 after deducting the placement fees paid to the broker and the other capital raising costs associated with the preparation of this Prospectus and ASX Listing Fees.

If the Maximum Oversubscription amount is received the net cash proceeds would increase by $924,000 to $7,018,755.

3 Financial effects of the issue of 2,000,000 Broker Options pursuant to this Prospectus. In

accordance with Accounting Standards the Company has valued these Broker Options (at the date of this Prospectus) at $114,000. The valuation of the Broker Options issued is determined by using an industry standard option pricing model taking into account the terms and conditions upon which the instruments were issued.

4 In accordance with Accounting Standards the Company has expensed the proportion of the capital raising costs incurred in relation to Prospectus preparation on the basis of the Shares on issue before and after the Listing. ASX Listing Fees have been expensed. Of the total of these expenses of $905,245, $298,446 will be expensed from the proceeds of the Listing. If the Maximum Oversubscription amount is received $291,323 will be expensed from the proceeds of the Listing, an adjustment of $7,123.

5 As outlined in Note 10 of the Company's 2017 Annual Report the Company is required to pay $226,000 to a previous owner of intellectual property now held by the Company which will become due as a consequence of Listing.

5.6.3 PRO FORMA HISTORICAL STATEMENTS OF CASH FLOWS

	Note	Statutory Historical 30 June 17 $	Pro forma Adjustments $7 million raising $	Pro Forma Historical $7 million raising $
Cash flows from operating activities				
Payments to suppliers and employees inclusive of GST	3	(922,114)	(298,446)	(1,220,560)
Interest received		279	-	279
R&D Tax Incentive		186,367	-	186,367
Licence fees		6,316	-	6,316
Net cash used in operating activities		**(729,152)**	**(298,446)**	**(1,027,598)**
Cash flows from investing activities				
Payments for property, plant and equipment		(4,985)	-	(4,985)
Payments for intangible assets	4	-	(226,000)	(226,000)
Net cash used in investing activities		**(4,985)**	**(226,000)**	**(230,985)**
Cash flows from financing activities				
Net proceeds from issue of shares	1, 2	3,704,753	7,063,800	10,768,553
Payment for share issue expenses	3	(211,938)	(606,799)	(818,737)
Net cash provided by financing activities		**3,492,815**	**6,457,001**	**9,949,816**
Net (decrease)/increase in cash and cash equivalents		2,758,678	5,932,555	8,691,233
Cash and cash equivalent at beginning of year		101,646	-	101,646
Cash and cash equivalents at end of year		**2,860,324**	**5,932,555**	**8,792,879**

The pro forma historical statements of cash flows reflect the balance at 30 June 2017 adjusted for the impact of the Listing and the exercise and conversion of the options at the $7 million raising.

1 In order to undertake the Listing the Company was required to ensure that all then existing options had been exercised, converted into shares or lapsed. Options with a 14 cent exercise price (on a post consolidation basis) which had been proposed to be issued in connection with an issue of Shares at 14 cents (on a post consolidation basis) which closed in June 2017 were not issued. Refer to Note 11(b) of the Company's 2017 Annual Report for further details of the options. These adjustments reflect the exercise of 1,150,000 of the then existing options raising $63,800.

2 Cash effects of the issue of 35,000,000 Bio-Gene Technology Limited shares at $0.20 per share pursuant to this Prospectus. Adjustments in relation to the $7 million raising are net cash proceeds of $6,094,755 after deducting the placement fees paid to the broker and the other capital raising costs associated with the preparation of this Prospectus and ASX Listing Fees of $905,245. Of these costs $606,799 have been treated as cash outflows from financing activities and the balance of $298,446 have been treated as cash outflows from operating activities. If the Maximum Oversubscription amount is received the net cash proceeds would increase to $7,018,755.

3 In accordance with Accounting Standards the Company has expensed the proportion of the capital raising costs incurred in relation to Prospectus preparation on the basis of the shares on issue before and after the Listing. ASX Listing Fees have been expensed. A total of $298,446 will be expensed from the proceeds of the Listing.

4 Payment of $226,000 to a previous owner of intellectual property now held by the Company which will become due as a consequence of Listing.

5.7 MOVEMENTS IN ISSUED CAPITAL AND OPTIONS

5.7.1. MOVEMENTS IN SHARE CAPITAL DURING THE YEAR WERE AS FOLLOWS:

	Statutory Historical 30 June 17	Pro forma Historical $7 million raising	Statutory Historical 30 June 17	Pro forma Historical $7 million raising
	No.	No.	$	$
Issued shares:				
At the beginning of the reporting period	109,553,101	177,470,133	1,779,147	5,208,852
Shares issued	60,067,032	-	3,681,753	-
Value of shares issued to Financial Advisors	1,600,000	-	40,000	-
Transaction costs arising on issue of shares	-	-	(292,048)	-
Shares issued pursuant to the Loan Share Plan (LSP)[1]	6,250,000	750,000	287,500	52,500
Employee share plan loans	-	-	(287,500)	(52,500)
Share buy back as approved at the General Meeting held on 6 September 2017[2]	-	(2,117,675)	-	-
	177,470,133	**176,102,458**	**5,208,852**	**5,208,852**
Share consolidation as approved at the AGM held on 6 September 2017[3]	-	(88,051,217)	-	-
Exercise of options[4]	-	1,150,000	-	63,800
Conversion of options[4]	-	2,023,230	-	404,646
Share Issue for Listing[5]	-	35,000,000	-	7,000,000
Transaction costs arising from the Listing[6]	-	-	-	(720,799)
Balance at end of the year	**177,470,133**	**126,224,471**	**5,208,852**	**11,956,499**
Issued shares are reconciled to ASIC register as follows:				
Ordinary shares	160,004,133	117,116,471	5,208,852	11,956,499
Restricted shares issued under the LSP	17,466,000	9,108,000	567,900	620,400
	177,470,133	126,224,471	5,776,752	12,576,899
Accumulated transaction costs on the issue of shares	-	-	422,809	1,143,608
Balance at end of the year	**177,470,133**	**126,224,471**	**6,199,561**	**13,720,507**

1. Shares issued under the Loan Share Plan in the period 1 July 2017 to 31 October 2017;
2. Adjustment in respect of the Share buy-back which was approved at the General Meeting held on 6 September 2017 and impacted the number of shares on issue but not the amount of issued capital as the Shares had a nil consideration;
3. Adjustment to reflect the 2:1 consolidation of the Shares on issue; and
4. Adjustment to reflect the exercise and conversion of options, refer to 5.7.2
5. Issue of 35,000,000 Bio-Gene Technology Limited Shares at A$0.20 per Share pursuant to this Prospectus.
6. Transaction costs associated with the Listing of $606,799 deducted from the proceeds of the Equity Offer and $114,000 being the value of the Broker Options. Refer to Sections 5.6.2 and 5.6.3 for further details.

5.7.2 MOVEMENTS IN SHARE OPTIONS OVER ORDINARY SHARES DURING THE YEAR WERE AS FOLLOWS:

	Statutory Historical 30 June 17 No.	Pro Forma Historical No.
Balance at beginning of the year	7,548,400	7,548,400
Granted during the year	1,300,000	1,300,000
Broker Options[1]		2,000,000
Effect of consolidation		(4,424,199)
Exercised during the year[2]	-	(1,150,000)
Converted during the year[2]	-	(3,274,201)
Balance at end of the year	**8,848,400**	**2,000,000**

1 Issue of 2,000,000 Broker Options pursuant to this Prospectus.

2 In order to undertake the Listing the Company was required to ensure that all then existing options had been exercised, converted into shares or lapsed. Options with a 14 cent exercise price (on a post consolidation basis) which had been proposed to be issued in connection with an issue of Shares at 14 cents (on a post consolidation basis) which closed in June 2017 were not issued. Refer to Note 11(b) of the Company's 2017 Annual Report for further details of the options. These adjustments reflect the exercise and conversion of the then existing options:

a. Net cash proceeds $63,800 for the exercise of 1,150,000 options.

b. Reduction in reserves $404,646 following the conversion of 3,274,201 options.

5.8 RECONCILIATION OF CASH IS AS FOLLOWS:

	Minimum Raising $
Cash held at 30 June 2017	2,860,324
Receipt of proceeds on exercise of options	63,800
Receipts of proceeds of Offer under this Prospectus	7,000,000
Payment of issue costs associated with the Offers	(905,245)
Payment for Intellectual Property triggered by the Listing	(226,000)
Balance at end of the year	**8,792,879**

5.9 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies which have been adopted in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Directors believe the Company will continue as a going concern.

(A) PROPERTY, PLANT AND EQUIPMENT

The purchase method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Property, plant and equipment is recognised at cost and are depreciated over their estimated useful lives using the straight line method. The expected useful life for property, plant and equipment is 10 years.

Profits and losses on disposal of plant and equipment are taken into account in determining the result for the year.

IMPAIRMENT

The carrying values of plant and equipment are reviewed for impairment at each reporting date with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(B) INTANGIBLE ASSETS

LICENCES

Licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method, over the assets estimated useful lives of 20 years.

(C) IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life and intangible assets not yet available for use are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount may not be recoverable.

At each reporting date, the Company reviews the carrying amounts of its finite life tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(D) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, held at call with financial institutions, and other short-term deposits with an insignificant risk of change in value.

(E) TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables represent the principal amounts due at reporting date less, where applicable, any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Debts which are known to be uncollectable are written off. All trade receivables and other receivables are recognised at the amounts receivable as they are due for settlement within 90 days.

(F) RESEARCH AND DEVELOPMENT COSTS

Research and development expenditure is expensed as incurred except to the extent that its future recoverability can reasonably be regarded as assured, in which case it is deferred and amortised on a straight line basis over the period in which the related benefits are expected to be realised.

The carrying value of development costs that have been capitalised are reviewed for impairment annually when the asset is not yet in use or when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

(G) TRADE AND OTHER PAYABLES

Payables represent the principal amounts outstanding at reporting date plus, where applicable, any accrued interest. Liabilities for payables and other amounts are carried at cost which approximates fair value of the consideration to be paid in the future for goods and services received, whether or not billed. The amounts are unsecured and are usually paid within 30 days of recognition.

(H) INCOME TAXES

Income taxes are accounted for using the comprehensive statement of financial position liability method whereby:

- the tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements;
- current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;
- a deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset; and
- deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

(I) ISSUED CAPITAL

Ordinary shares are classified as equity.

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(J) REVENUE RECOGNITION

LICENCE REVENUE

Licence revenue is recognised in accordance with the underlying agreement. Upfront milestone payments are brought to account as revenues at the time of execution of the agreement and subsequent milestones when the relevant milestone has been achieved.

R&D TAX INCENTIVE

Income from the R&D Tax Incentive is recognised on an accruals basis when AusIndustry accept the claim or there is a reasonable probability that AusIndustry will accept the claim.

(K) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

(L) FOREIGN CURRENCY TRANSLATION

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Australian dollars, which is Bio-Gene's functional and presentation currency.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at reporting date. Foreign exchange gains or losses resulting from the translation of monetary assets and liabilities at year end exchange rates are recognised in the statement of profit or loss and other comprehensive income.

(M) NEW, REVISED OR AMENDING ACCOUNTING STANDARD AND INTERPRETATIONS

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. The Directors do not believe these changes will impact significantly on the company.

6. LIMITED ASSURANCE REPORT

JT&P CORPORATE ADVISERS

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4th October 2017

Board of Directors
Bio-Gene Technology Ltd
Level 7
420 Collins Street
MELBOURNE VIC 3000

To the Board of Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON BIO-GENE TECHNOLOGY LTD HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

We have been engaged by Bio-Gene Technology Ltd ("Bio-Gene") to report on the historical financial information for the year end 30 June 2015, 30 June 2016 and 30 June 2017 and pro forma historical financial information of Bio-Gene as at 30 June 2017 for inclusion in the public document (the "Prospectus") dated on or about 4th October 2017 and relating to the Initial Public Offering ("IPO") of fully paid ordinary shares and options in Bio-Gene (the "Proposed Offer") on the Australian Securities Exchange.

Expressions and terms defined in the prospectus have the same meaning in this report, unless otherwise specified.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the *Corporations Act 2001*. JT&P Corporate Advisors ("JT&P") holds the appropriate Australian Financial Services Licence under the *Corporations Act 2001*.

The financial information presented in the Prospectus is in a summarised form. As a result it does not include all the presentation and disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared under the *Corporations Act 2001*.

Scope

Historical Financial Information

You have requested JT&P to review the following historical financial information of Bio-Gene (the responsible party) included in the prospectus:

- the Statement of Profit and Loss and Other Comprehensive Income for the years ended 30 June 2017, 30 June 2016 and 30 June 2015;
- the Statement of Financial Position as at 30 June 2017, 30 June 2016 and 30 June 2015;
- the Statement of Cash Flows for the years ended 30 June 2017, 30 June 2016 and 30 June 2015.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The historical financial information has been extracted from the financial report of Bio-Gene for the years ended ended 30 June 2017, 30 June 2016 and 30 June 2015, which was audited by JTP Assurance in 2017 and 2016 and John Foley CPA in 2015 in accordance with the Australian Auditing Standards. JTP Assurance and John Foley both issued a unmodified audit opinion on the financial reports. The historical financial information is presented in the prospectus in an abbreviated form, in so far as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma historical financial information

You have requested JT&P to review the pro forma historical Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position as at 30 June 2017 and Statement of Cash Flows referred to as —the pro forma historical financial information.

The pro forma historical financial information has been derived from the historical financial information of Bio-Gene, after adjusting for the effects of pro forma adjustments described in section 5.6 of the prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 5.6 of the prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position, financial performance, or cash flows.

Directors' responsibility

The directors of Bio-Gene are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*, issued by the Auditing and Assurance Standards Board. We have also considered the requirements of *ASAE* 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, ASAE 3420 *Assurance engagements to Report on the Compilation of Pro Forma Historical Information included in a Prospectus or other Document*, and ASIC Regulatory Guides RG 111 *Content of expert reports* and RG 112 *Independence of experts*

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in sections 5.3, 5.4 and 5.5 of the prospectus, and comprising:

- the Statement of Profit and Loss and Other Comprehensive Income for the years ended 30 June 2017, 30 June 2016 and 30 June 2015;
- the Statement of Financial Position as at 30 June 2017, 30 June 2016 and 30 June 2015;
- the Statement of Cash Flows for the years ended 30 June 2017, 30 June 2016 and 30 June 2015.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 5.2 of the prospectus.

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information being the Statement of Profit and Loss and Other Comprehensive Income and the Statement of Cash Flows for the year ended 30 June 2017 and Statement of Financial Position as at 30 June 2017 are not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 5.6 of the prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to section 5.1 and 5.2 of the prospectus, which describes the purpose of the financial information, being for inclusion in the prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

JT&P has consented to the inclusion of this assurance report in the prospectus in the form and context in which it is included.

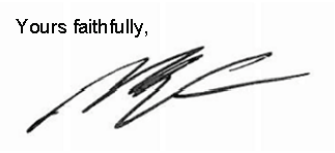
Liability

The liability of JT&P is limited to the inclusion of this report in the Prospectus. JT&P makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Disclosure of Interest

JT&P does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. JT&P will receive a professional fee for the preparation of this report.

Yours faithfully,



MICK O'KANE
DIRECTOR

JT&P | CORPORATE ADVISERS

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What is the purpose of this financial services guide?

This financial services guide ("FSG") is an important document. It is designed to assist you in deciding whether to use any of the financial services offered by us, as described in this FSG. We are required to give you an FSG if we provide certain financial services to you and you are a retail client. This FSG contains important information about:

- who we are and how we can be contacted
- information about JT&P Corporate Advisers Pty Ltd ("JT&P")
- the financial services we offer
- the financial products to which those services relate
- our fees and how we and others are paid in connection with those services
- your privacy
- how we deal with complaints

About Us

JT&P is an Authorised Representative of Australian Financial Services Licence ("AFSL") number 290328. We have been engaged by Bio-Gene Technology Ltd ("the Company") to provide a report in the form of an Independent Limited Assurance Report for inclusion in the prospectus relating to the offer of shares in the Company. You have not engaged us directly however have been provided a copy of the report as a retail client because of your connection to the matters set out in the report.

What financial services are we licenced to provide?

We are authorised to provide general advice in connection with the preparation of an Independent Limited Assurance Report for inclusion in a prospectus in relation to the issuance of shares in a company, options to acquire shares in a company and debentures issued by a company.

Any advice provided limited to general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product you should read the relevant offer document carefully before making any decision about whether to acquire that product. We are responsible for the financial services provided to you under our AFSL. We do not act as a representative for any other AFSL holder.

How we and others are paid for the services we provide

Our fees are usually determined on a fixed fee or time cost basis and may include reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits. All employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits as a result of the services provided to you. The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance. We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Related parties and service providers

JT&P and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, JT&P may be the auditor of, or provide financial services to, the issuer of a financial product and may provide financial services to the issuer of a financial product in the ordinary course of its business.

In relation to Bio-Gene Technology Ltd, JTP Assurance (an associate entity of JT&P) is the auditor.

Privacy

We respect your privacy and have developed a Privacy Policy which embodies our legal obligations in respect of your privacy. Our Privacy Policy can be obtained by contacting us directly.

Compensation arrangements

JT&P is insured under the terms of a current professional indemnity insurance policy, in satisfaction of the requirement under section 912B of the Corporations Act that JT&P has in place this type of insurance. These insurances provide cover even if one of our employees has ceased to work for us.

How we deal with complaints

As part of our commitment to providing quality services to our clients, we endeavour to resolve all complaints quickly and fairly. Our policy is to acknowledge any complaint promptly after receiving it and investigate, properly consider and decide what action (if any) to take and to communicate our decision to you in a timely manner and within any timeframes as the law may, from time to time, require.

If you have a particular complaint, please do not hesitate to contact us by sending a letter to JT&P Corporate Advisers Pty Ltd

If you are not happy with our response or how the complaint has been handled (or if we have not responded within 45 days), you may contact one of the following external dispute resolution scheme:

Financial Ombudsman Service Limited
GPO Box 3
Collins Street West
Melbourne, VIC 3001

Toll Free 1800 367 287

Website www.fos.org.au

Contact Details

We can be contacted by sending a letter to the following address:

JT&P Corporate Advisers Pty Ltd
Level 10, 446 Collins Street
Melbourne, VIC 3001

7. INTELLECTUAL PROPERTY REPORT

griffith hack
IP Amplified

The Directors
Bio-Gene Technology Limited
Suite 1, Level 6
50 Queen Street
Melbourne VIC 3000

27 September 2017

Dear Sirs,

Report on Trade Marks, Patents and Patent Applications in the name of Bio-Gene Technology Limited
Our Ref: G114988

We provide the following Report on Australian and foreign patents and patent applications that are derived from International Patent Application No. PCT/AU2002/000569 entitled "Pesticidal compositions", as well as recently filed Provisional Patent Applications AU 2017902664 entitled "Insecticide Combinations" and AU 2017902671 entitled "Control of Resistant Pests". Reference to Trade Marks for which we are responsible are also included.

Information relating to each patent family and the trade mark family is briefly discussed below.

Pesticidal Compositions
This family of patents and patent application generally relates to methods of controlling pests selected from insects, arachnids and molluscs with β-triketone and β-diketone compounds including flavesone and tasmanone.

The international patent application PCT/AU2002/000569 was filed on 8 May 2002 and was published on 14 November 2002 under Publication No. WO 02/089587. This patent family claims priority from Australian Provisional Patent Application No. PR 4842. The patent family includes patents granted in Australia, Japan, New Zealand, France, Germany, Ireland, Switzerland, United Kingdom and the US. There is one application still pending in the US.

The provisional application and international application have limited life times after which they expire. The provisional application expires 12 months from filing; by this time the international application has been filed. The international application expires 30 months from the filing date of the provisional application; by this time the national applications have been filed.

The Australian, New Zealand, French, German, Irish, Swiss, UK and US patents and application are in the name of Bio-Gene Technology Limited. The Japanese Patent is in the names of Bioprospect Ltd and University of Western Sydney but recordal of this assignment to Bio-Gene Technology is underway.

griffithhack.com

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GH PTM Pty Ltd (Griffith Hack) and GH Law Pty Ltd (Griffith Hack Lawyers) are subsidiaries of Xenith IP Group Limited

We understand that the inventors assigned rights to the University of Western Sydney and due to an agreement between the University of Western Sydney and Bioprospect, ownership of IP rights was split between the University and Bioprospect.

This patent family has been subsequently assigned to Bio-Gene Technology Limited. We have a copy of the document setting out this assignment.

Insecticide Combinations
This provisional patent application is not yet published.

The patent application was filed on 7 July 2017 and will form the basis of a future patent family. The application is in the name of Bio-Gene Technology Ltd. There is an assignment in place between the inventor and Bio-Gene Technology Ltd.

Control of Resistant Pests
This provisional patent application is not yet published.

The patent application was filed on 7 July 2017 and will form the basis of a future patent family.

The application is in the name of Bio-Gene Technology Ltd. There is an assignment in place between the inventors and Bio-Gene Technology Ltd.

Trade Mark No. 919656 – Qcide
This trade mark was filed on 12 July 2002 and entered the Register on 11 April 2003.

The Registration is in the name of Bio-Gene Technology Limited.

The registration is in Class 1 and Class 5 and is in Australia only.

Trade Mark No. 1714598 – Flavocide
This trade mark was filed on 14 August 2015 and entered the Register on 22 March 2016.

The registration is in the name of Bio-Gene Technology Limited.

The registration is in Class 1 and Class 5 and is in Australia only.

Comments

Patent rights are essentially national rather than transnational, and patents must be obtained in every country in which protection is required. Because of differences in patent laws, examination and local practices, the claims granted in one country may be different to those granted in another. The claims granted in each country may be obtained from the Patent Offices which have granted them.

Information regarding the status of the patents and patent applications listed in the Schedule was obtained directly from Patent Office databases or from our own data records system.

We make no representation as to the accuracy of information held on Patent Office databases except to say that what appears in the schedule reflects what is on the official database at the date the search on the database was done.

The information in our database in relation to patents and patent applications outside Australia and New Zealand, is obtained from overseas patent attorneys who have been appointed by us to handle their filing and prosecution. In view of the possibility of delays in communication between those overseas patent attorneys and us, it is possible that some status information is not completely accurate at the date of this report.

No assurance can be given that the patents when granted are valid nor that they will adequately cover the commercial activities of Bio-Gene Technology Limited or that the exploitation of the inventions described in the patents and patent applications will not infringe the rights of patents held by third parties.

Yours sincerely

Kathryn Morris

Kathryn Morris
Principal
kathryn.morris@griffithhack.com

Bio-Gene Technology Limited
Pesticidal compositions

Patent/Application Number	Country	Status	Expiry Date	Renewal due	Comments
PR4842	Australia	Expired at end of life	-	n/a	Priority Application
PCT/AU2002/000569	Patent Co-operation Treaty	Expired at end of life	-	n/a	International Application
2002250738	Australia	Granted	08 May 2022	08 May 2018	
1392119	European Patent Office	Granted		n/a	Validated in France, Germany, Ireland, Switzerland and UK
1392119	France	Granted	08 May 2022	31 May 2018	
1392119	Germany	Granted	08 May 2022	31 May 2018	
1392119	Ireland	Granted	08 May 2022	08 May 2018	
4651267	Japan	Granted	08 May 2022	24 Dec 2017	
529414	New Zealand	Granted	08 May 2022	08 May 2018	
1392119	Switzerland	Granted	08 May 2022	31 May 2018	
1392119	United Kingdom	Granted	08 May 2022	31 May 2018	
7820209	United States of America	Granted	08 May 2022	26 Apr 2018	
9474270	United States of America	Granted	27 Jun 2022	25 Apr 2020	
15/332364	United States of America	Pending			Under Examination

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Bio-Gene Technology Limited
Insecticide Combinations

Patent/Application Number	Country	Status	Expiry Date	Renewal due	Comments
2017902664	Australia	Pending	7 July 2018	n/a	Provisional application

Bio-Gene Technology Limited
Control of Resistant Pests

Patent/Application Number	Country	Status	Expiry Date	Renewal due	Comments
2017902671	Australia	Pending	7 July 2018	n/a	Provisional application

Bio-Gene Technology Limited
Qcide™ trademark

Registration Number	Country	Status	Expiry Date	Renewal due	Comments
919656	Australia	Registered	n/a	12 July 2022	

Bio-Gene Technology Limited
Flavocide™ trademark

Registration Number	Country	Status	Expiry Date	Renewal due	Comments
1714598	Australia	Registered	n/a	14 Aug 2025	

8. KEY PEOPLE, INTERESTS AND BENEFITS

8.1 BOARD OF DIRECTORS

The Company's Board currently comprises five Directors. Profiles for each of the Directors are provided below:

DON BRUMLEY (FCA, MAICD)
CHAIRMAN

Don has 30 years' experience as a senior partner of Ernst & Young, Oceania, and has extensive experience in IPO's, transactions and audits. Don has advised and worked with Boards of organisations, ranging from some of the largest in Australia to fast growing entrepreneurial and medium sized organisations.

Don was the Oceania IPO Leader at Ernst & Young and worked with clients listing on the Australian, US, UK and key Asian stock exchanges. IPO clients in Australia include Regis Healthcare Ltd, Realestate.com.au Ltd, Melbourne IT Ltd, MYOB Ltd and several Biotech entities. He held positions as Biotech Markets Leader, National Leader of Strategic Growth Markets and on the Board of Partners of Ernst & Young.

Don is a Fellow of Chartered Accountants Australia & New Zealand, a member of the Australian Institute of Company Directors and a Non-executive Director and of Murray River Organics Group Limited.

RICHARD JAGGER (BSC (HONS), M.INTL.BUS, GAICD)
DIRECTOR AND HEAD OF COMMERCIAL DEVELOPMENT
(BECOMING MANAGING DIRECTOR AND CEO ON 1 JANUARY 2018)

Richard has over 20 years' experience in the Agricultural sector, working for Fortune 500 companies around the world. He managed the introduction of Australia's first agricultural biotech products into the cotton sector. Having worked as a senior executive manager for Monsanto's Roundup® business within Australia and New Zealand, he has extensive knowledge of the local business and distribution network, as well as the major Crop Protection companies globally. Over the past five years he co-created the Australian subsidiary of Sinochem – one of the largest Crop Protection companies in China – in the role of Managing Director. He was previously a board member of Crop Life Australia, the peak national industry organisation representing the agricultural chemical and biotechnology (plant science) sector in Australia.

Richard has extensive experience in business management, continuous improvement, strategy development, culture evolution, and technology and innovation implementation. With the opportunity to work with different cultures and business styles across the globe, he has a solid understanding of what is required to make a success of cross cultural, or cross geographic businesses.

ROBERT KLUPACS (BSC (HONS) GRAD DIP IP LAW, AUSTRALIAN, REGISTERED PATENT & TRADEMARK ATTORNEY)
CEO AND MANAGING DIRECTOR (BECOMING NON-EXECUTIVE DIRECTOR ON 1 JANUARY 2018)

Mr Klupacs is a highly experienced professional uniquely experienced in translating and commercialising early stage intellectual property from a variety of technology areas into commercial product or investable corporate vehicles. He is an Australian registered patent attorney who has had a wide and successful career to date within both private and publicly traded companies as well as the academic arena. He has over 30 year's corporate experience in the international technology development arena.

He has focused primarily on biotechnology and biotechnology corporate development, particularly healthcare related, but has also been involved in the commercialisation of software, scientific instrumentation, food technologies and enabling agricultural technology. He has deep expertise and experience in all facets of corporate development and technology transfer including: IP licensing, patenting, intellectual property strategy and management, joint venture creation and management, fund-raising (private and public markets), corporate and scientific due diligence, technology and corporate acquisitions, corporate compliance and corporate governance and academic liaison. He is the Founder of a number of start-up companies in Australia and Singapore.

He is a highly experienced professional Director having been an Executive or Non-Executive Chairman/Director on over 21 different corporate entities. He was previously a member of the Pharmaceutical Industry Group and the Victorian Biotechnology Advisory Committee. He has also been involved as a Director or advisor to a number of Australian companies and co-operative research centres. He is scientifically trained in pharmacology and biochemistry and has a deep understanding of molecular biology, genetics, bioinformatics, immunology, ophthalmology (device and therapeutic), neurosciences, oncology, reproductive biology and stem cell biology. Robert was Managing Director and CEO of ASX listed Circadian Technologies Ltd (now Opthea Limited) from 2008-2013.

KEVIN RUMBLE (AFAIA)
NON-EXECUTIVE DIRECTOR

Kevin is a founding Director of Bio-Gene Technology Limited. Kevin has had an extensive career in the fields of Advertising and Marketing having run his own Advertising Agency for more than 20 years. He has more than 20 years' experience in new plant propagation, farming, and processing and live plant transport techniques.

Kevin was instrumental in securing the contract with the University of Western Australia to grow Boronia megastigma and producing essential oil that was regarded as the best of its type in the world and was highly valued. He also secured the contract in Western Australia for exclusive access to that State's native flora.

He has been involved in the development of Qcide™ from the outset and has a vast knowledge of the plant husbandry and the extraction methods used to produce natural Qcide™. Kevin was also involved in facilitating development of the synthesis of flavesone as a first step in the commercialisation of Flavocide™.

PETER MAY (BAPPSC (RURAL TECHNOLOGY) (HONS), MBA, GAICD, AFAIM)
NON-EXECUTIVE DIRECTOR

Peter's career has included over 20 years of experience in the Australian and international crop protection market with companies Orica and Crop Care Australasia (now part of Nufarm). His various roles included business management of pesticide portfolios including new technology products, export sales & toll formulation operations. During this period Peter developed extensive experience in international crop protection markets including dealing with major multi-national companies, international industry structures and regulatory regimes.

In 2001, he founded Xavca Pty Ltd, providing marketing & consultancy services to companies such as Syngenta (now part of ChemChina), Sorex (now part of BASF), Babolna Bioenvironmental (Hungary) and Proplan Plant Protection (Spain). Peter continues to operate Xavca with a focus on strategic marketing activities in both crop and non-crop sectors in Australia, New Zealand and the Asian region. In 2008 Peter joined BioProspect Limited (ASX: BPO) as Chief Executive Officer and subsequently was appointed Non-Executive Director and then Non-Executive Chairman of that company. In 2012 Peter joined Xenex Associates, a UK-based international consultancy company, as a Senior Associate.

Peter is a graduate member of the Australian Institute of Company Directors (AICD), a fellow of the Australian Institute of Managers and Leaders (IML), and member of the Australian Environmental Pest Managers Association (AEPMA) and the Mosquito Control Association of Australia (MCAA).

8.2 CFO AND COMPANY SECRETARY

ROGER MCPHERSON (BBUS, CPA, GAICD)

Roger has more than 20 years' experience in senior finance roles in a wide variety of industries. His early career included working with a Chartered Accounting practice and two years with the Australian Taxation Office. Before Bio-gene, Roger was CFO and Company Secretary for a number of SMEs both listed and unlisted including Patrys Limited, TPI Enterprises Ltd and eChoice Home Loans. In these roles he was responsible for all financial affairs and corporate administration as well as assisting in investor relations activities. He has over 15 years of biotechnology and pharmaceutical experience.

8.3 INTERESTS AND REMUNERATION OF DIRECTORS

8.3.1 INTERESTS OF DIRECTORS

As at the date of this Prospectus, the Directors have the following direct and indirect interests in the Company's Shares

NAME	SHARES		% INTEREST CURRENT	% INTEREST $7 MILLION RAISING
	DIRECT	INDIRECT		
Don Brumley	1,000,000	50,000	1.1	0.8
Richard Jagger	625,000	50,000	0.7	0.5
Robert Klupacs	500,000	2,870,000	3.7	2.7
Kevin Rumble	2,020,000	6,651,673	9.5	6.9
Peter May	500,000	316,000	0.9	0.6

Directors or their associates may apply for and receive New Shares under the Equity Offer on the same terms as other eligible applicants.

None of the Directors currently will receive (directly or indirectly) any options under the Broker Options Offer.

8.3.2 REMUNERATION OF DIRECTORS

The proposed remuneration of each Director with effect from Listing is as outlined in this Section 8.3.2:

NAME	DIRECTORS FEES (PER ANNUM)	
	AT LISTING	EFFECTIVE 1 JANUARY 2018[4]
Don Brumley	$45,000	$80,000
Richard Jagger[1]	$30,000	$256,000
Robert Klupacs[2]	$180,000	$50,000
Kevin Rumble[3]	$30,000	$45,000
Peter May[3]	$30,000	$45,000

1. As set out in Section 8.1 of this Prospectus, effective 1 January 2018 it is proposed that Richard Jagger will replace Robert Klupacs as the Managing Director and CEO of the Company. The payments outlined above reflect this proposed change. Richard Jagger currently receives $30,000 per annum for Directors' Fees and an additional $180,000 per annum for consulting services. From 1 January 2018, as Managing Director and CEO Mr Jagger will cease to receive those amounts and will receive $256,000 per annum.
2. From 1 January 2018, Robert Klupacs (or his nominee) cease to receive his present salary which is received in his capacity as Managing Director and CEO and will instead receive $45,000 per annum as a Non-executive Director. The Company is intending to form a Scientific Advisory Panel which will consist of independent scientific and intellectual property experts to provide advice to the Board in respect of the Company's ongoing development programs. It is currently intended that Robert Klupacs will Chair this panel and receive an additional payment of $5,000 per annum for this responsibility.
3. Kevin Rumble and Peter May (or his nominee) also provide Consulting services to the Company as required. They receive an additional amount of $3,000 (for 3 days per month) and $2,000 (for 2 days per month) per month, respectively, and also invoice the Company for additional days worked at the rate of $1,000 per day. Further details of the consulting services provided by Mr Rumble and Mr May are set out in Section 12.1(d).
4. Due to the extra time commitment required of all Directors as a result of becoming an ASX Listed

company it is proposed to increase Non-executive Director fees from 1 January 2018. The proposed base fees which have been benchmarked against comparator companies will be $80,000 for the Chairman and $45,000 for each Non-executive Director. The Company also intends to pay an additional amount of $5,000 per annum to Non-executive Directors who Chair subcommittees of the Board.

When appropriate the Board will undertake a review process and may seek advice from external consultants on fees paid to Non-executive Directors of comparable companies. Directors who are called upon to perform extra services beyond the Director's ordinary duties may be paid additional fees for those services.

In addition to the remuneration outlined above each of the Directors are eligible, subject to further Shareholder approvals after Listing, to participate in the Company's Loan Share Plan, details of which are outlined in Section 12.5 of this Prospectus.

Remuneration received by or agreed to be paid to the current Directors from the Company in the past two years is set out in the table below:

	OCTOBER 2015 TO SEPTEMBER 2016			OCTOBER 2016 TO SEPTEMBER 2017		
DIRECTOR NAME	DIRECTOR'S FEES / SALARY / CONSULTING FEES (PER ANNUM) (EX GST)	VALUE OF COMPENSATION UNDER LSP	TOTAL	DIRECTOR'S FEES / SALARY / CONSULTING FEES (PER ANNUM) (EX GST)	VALUE OF COMPENSATION UNDER LSP	TOTAL
Don Brumley	-	-	**-**	19,375	34,988	**54,363**
Richard Jagger	-	-	**-**	61,609	21,867	**83,476**
Robert Klupacs	104,000	10,688	**114,688**	175,000	17,494	**192,494**
Kevin Rumble	64,800	6,413	**71,213**	75,500	17,494	**92,994**
Peter May	39,000	3,206	**42,206**	79,200	17,494	**96,694**

Don Brumley and Richard Jagger were appointed to the Board on 26 April 2017.

8.3.3 INDEMNIFICATION AND INSURANCE

The constitution of the Company provides that each Director and other officers of the Company are entitled to indemnification by the Company for liabilities incurred in the performance of their duties, subject to the exclusions and limits provided for in the Corporations Act.

The Company has:

(a) entered a Deed of Access, Indemnity and Insurance with each of its current officers (Directors and Company Secretary). A summary of the Deeds is set out in Section 12.1(f); and

(b) obtained Directors' and Officers' indemnity insurance in respect of potential liabilities and expenses of Directors and other officers of the Company on terms, and subject to exclusions, common for such types of indemnity insurance.

The Company also proposes obtaining prospectus liability insurance following lodgement of this Prospectus. Details of the Company's proposal are set out in Section 12.1(g).

8.3.4 NON-EXECUTIVE DIRECTORS' REMUNERATION POOL

The Constitution of the Company provides for a maximum aggregate amount that may be paid to Non-executive Directors (referred to as a "Non-executive Directors' remuneration pool") to be determined by Shareholders at a general meeting. The current maximum aggregate amount is $450,000. The Non-executive Director's remuneration pool is a maximum and does not mean that Non-executive Directors will be paid a total of $450,000 per annum. Payments to non-executive Directors for specific services beyond the ordinary role of a Non-executive Director, such as consulting or professional services, are excluded from the total pool amount, as is reimbursement of expenses. Any future change to the non-executive directors' remuneration pool would require a further Shareholder approval.

The amount of each non-executive Director's remuneration and allocations among non-executive Directors within the pool limit are determined by the Board, and after Listing the process of determining Non-executive Directors' remuneration will be subject to compliance with the Company's corporate governance policies described in Section 9. Details of the

remuneration of each Director are set out in Section 8.3.1.

8.4 PAYMENTS TO ADVISERS

The Company has engaged the following advisers in relation to the Offers:

- Henslow Pty Ltd acts as Lead Manager. The Company will pay Henslow Pty Ltd fees and issue Broker Options as summarised in section 12.1(a).
- JT&P Corporate Advisers Pty Ltd has acted as the Investigating Accountant. The Company has agreed to pay $15,000 (plus GST) to JT&P Corporate Advisers Pty Ltd for preparation of the Limited Assurance Report in Section 6.
- Griffith Hack has acted as the Intellectual Property expert. The Company has agreed to pay $6,000 (plus GST) to Griffith Hack for preparation of the Intellectual Property Report in Section 7.
- Quinert Rodda and Associates Pty Ltd has acted as legal advisor to the Company. The Company has paid, or agreed to pay, approximately $144,000 (plus GST) to Quinert Rodda and Associates Pty Ltd (excluding disbursements). Subsequently, fees will be charged in accordance with normal charge out rates.
- Automic Pty Ltd trading as Automic Registry Services has acted as Share Registry to the Company. The Company has paid, or agreed to pay, approximately $2,000 (plus GST) to Automic Pty Ltd for acting as Share Registry. Subsequently, fees will be charged in accordance with normal charge out rates.

These amounts, and other expenses of the Offers, to the extent not paid by the Company prior to completion of the Offers will be paid out of funds raised under the Equity Offer or available cash. Further information on the use of proceeds is set out in Section 10.6 and costs of the Offers is set out in Section 12.8.

9. CORPORATE GOVERNANCE

9.1 ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity commensurate with Company's needs.

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles and Recommendations. Section 9.2 contains a table setting out where the Company does not comply with The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council on 27 March 2014 (**Recommendations**) and sets out reasons for non-compliance.

The Company's corporate governance policies will also be reviewed and where necessary updated and amended to address the Recommendations as amended from time to time.

Copies of the Company's corporate governance procedures, policies and practices are available on the Company website at bio-gene.com.au/aboutus/governance.

BOARD OF DIRECTORS

The Board is responsible for the corporate governance of the Company. The Board is responsible for the following matters:

- ensuring the Company's conduct and activities are ethical and carried out in accordance with the Company's charters, policies and for the benefit of its stakeholders;
- development of corporate strategy, implementation of business plans and performance objectives;
- approval of Company budgets;
- monitoring and reviewing at regular intervals the Company's performance towards meeting its stated objectives
- reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control systems and legal and regulatory compliance
- the appointment (and removal) of the Chair of the Board;
- the appointment of new Directors to fill a vacancy or as additional Directors;
- the appointment, and where appropriate, the removal of the:
    - CEO (who may also be the Managing Director);
    - Managing Director (where separate from the CEO);
    - CFO;
    - Executive Directors (to the extent of their capacity as an executive);
    - Company Secretary; and
    - Ratifying the appointment or removal of other Senior Management of the Company.
- oversight of all matters delegated to Managing Director & CEO and Senior Management;
- managing succession planning for the position CEO (who may also be the Managing Director) and overseeing succession planning for his or her direct reports;
- approving overall Company, Director and specific senior executive remuneration and related performance standards and their evaluation;
- regular review of the Code of Conduct, the Communication and Disclosure Policy, the Securities Trading Policy, the Diversity Policy, the Risk Management Policy and Remuneration Policy to ensure the policies meet the standards of corporate governance the Board is committed to;
- review and oversight of compliance with ASX Listing Rules, financial reporting obligations, including periodic and continuous disclosure, legal compliance and related corporate governance matters;
- approving and monitoring major Company financing matters including approving and monitoring major capital expenditure, capital management, acquisitions and divestitures, material contracts and incurring material debt obligations;
- monitoring and reviewing the operational performance of the Company including the viability of current and prospective operations and exploration opportunities; and

- proposing and recommending to Shareholders any changes in the capital structure of the Company.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

COMPOSITION OF THE BOARD

Election of Board members is substantially the province of the Shareholders in a general meeting. However, subject thereto, the Company is committed to the following principles:

- the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

BOARD CHARTER AND POLICIES

The Board has adopted a charter (**Board Charter**), which formally recognised its responsibilities functions, power and authority and composition. This Board Charter sets out other things that are important for effective corporate governance including:

(a) a detailed definition of 'independence';

(b) a framework for the identification of candidates for appointment to the Board and their selection (including undertaking appropriate background checks);

(c) a framework for individual performance review and evaluation;

(d) proper training to be made available to Directors both at the time of their appointment and on an on-going basis;

(e) basic procedures for meetings of the Board and its committees including frequency, agenda, minutes and private discussion of management issues among non-executive Directors;

(f) ethical standards and values (in a detailed code of corporate conduct);

(g) dealings in securities (in a detailed code for securities transactions designed to ensure fair and transparent trading by Directors and senior management and their associates); and

(h) communications with Shareholders and the market.

INDEPENDENT PROFESSIONAL ADVICE

Under the Board Charter, subject to approval from the Chair, each Director has the right to seek independent legal or other professional advice at the Company's expense on all matters necessary for that Director to make fully informed and independent decisions.

REMUNERATION ARRANGEMENTS

The total maximum remuneration of non-executive Directors is determined 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. The maximum aggregate remuneration for non-executive Directors (referred to as a "Non-executive Directors' remuneration pool") is currently set at $450,000 per annum (see Section 8.3.4). 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.

TRADING POLICY

The Board has adopted a securities trading policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel. The policy generally provides that written notification must be given to the Company Secretary and prior written approval from the Chair must be obtained prior to key management personnel trading in the Company's securities.

EXTERNAL AUDIT

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

AUDIT AND RISK COMMITTEE

Having regard to its size and intended operations, the Company will not have an Audit and Risk Committee at the time of Listing. The function of the committee will be the responsibility of the Board in accordance with the Company's corporate governance policies. The Company will review this position periodically and, where Directors numbers permit, the Audit and Risk Committee will consist of at least 2 members.

Where possible, the Audit and Risk Committee will consist of two independent non-executive Directors and such other members so that overall Audit and Risk Committee will comprise:

- at least one member who has an understanding of the industry in which the Company operates; and

- members who can read and understand financial statements and are otherwise financially literate.

The CEO & Managing Director and CFO have standing invitations to attend all meetings.

The committee's responsibilities (or in the absence of a committee the role of the Board) will include:

- reviewing the overall conduct of the external audit process, including the independence of all parties to the process;
- reviewing the performance of external auditors;
- considering the reappointment and proposed fees of the external auditor;
- where appropriate, seeking tenders for the audit and where a change of external auditor is recommended, arrange submissions to the Shareholders for Shareholder approval;
- corporate risk assessment (including economic, environmental and social sustainability risks) and compliance with internal controls;
- overseeing the risk management system;
- monitor and review the propriety of any related party transactions;
- reviewing the quality and accuracy of all published financial reports; and
- reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures.

Meetings shall be held at least quarterly to review and discuss financial issues and the financial statements. In addition, the Chair of the Audit and Risk Committee is required to call a meeting if requested to do so by any member of the Audit and Risk Committee, the CEO/Managing Director or the external Auditor.

A broad agenda is laid down for regular meeting according to an annual cycle. The committee may invite the external auditors to attend each of the meetings.

REMUNERATION AND NOMINATION COMMITTEE

Have regard to its size and intended operation, the Company will not have a Remuneration and Nomination Committee at the time of Listing. The function of the committee will be the responsibility of the Board (or independent advisors engaged by the Board) in accordance with the principles set out in the Company's corporate governance policies. The purpose of this committee (or in its absence the principles to be followed by the Board) is to:

- review and report on remuneration and related policies and practices (including remuneration of senior management and non-executive Directors); and
- make recommendation to it about the appointment of new Directors (both executive and non-executive) and senior management.

The committee's functions (or in the absence of a committee the Board's role) will include:

- review and evaluation of market practices and trends on remuneration matters;
- recommendations about the Company's remuneration policies and procedures;
- oversight of the performance of senior management and non-executive Directors;
- recommendations about remuneration of senior management and non-executive Directors; and
- review the Company's reporting and disclosure practices in relation to the remuneration of Directors and senior executives.

Meetings shall be held at least annually and more often as required.

DIVERSITY POLICY

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

9.2 DEPARTURES FROM RECOMMENDATIONS

As noted above, the Company seeks to adopt the Recommendations with respect to its corporate governance where appropriate. Where the Company does not comply with a Recommendation, it must identify the extent of the non-compliance and provide an explanation for the departure from the Recommendation.

The Company's departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

PRINCIPLE OR RECOMMENDATION	EXPLANATION
1.5 DIVERSITY POLICY	The Company partially complies with this recommendation. The Company has adopted a Diversity Policy providing a framework for the Company to establish and achieve measurable diversity objectives (including for gender diversity). The Board has not set measurable gender diversity objectives at this stage. The Board is of the view that, given the scale of the Company's activities and its number of employees, it is not currently appropriate to set and disclose measurable objectives for achieving gender diversity and annually assess objectives and the Company's progress in achieving them.
2.1 NOMINATION COMMITTEE AND 8.1 REMUNERATION COMMITTEE	The Company partially complies with these recommendations. The Company's Remuneration and Nomination Committee Charter is contained in its Corporate Governance Charter and provides for the establishment of a Remuneration and Nomination Committee (or, in its absence, the Board) to carry out the functions as specified in the Remuneration and Nomination Committee Charter. The Company does not currently have a separate Remuneration and Nomination Committee. The Company does not intend to have a separate Remuneration and Nomination Committee until such time as the Board forms the view the Company would benefit from its establishment, including having regard to the Company's size and scope of operations. The Board currently carries out the functions of the Remuneration and Nomination Committee in accordance with the terms of the Remuneration and Nomination Committee Charter. The Board devotes time for the consideration of Board succession plans (where applicable), updating the Board skill matrix and the assessment of the level and composition of remuneration for Directors to ensure such remuneration is appropriate and not excessive. All Directors are involved in the Company's nomination process to the maximum extent permitted by the Corporations Act and the ASX Listing Rules (if applicable).
2.4 INDEPENDENT DIRECTORS	To Company does not comply with this recommendation. The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Company does not have a current majority of independent Directors. The Board has formed the view that it is not necessary for the majority of the Board to be independent having regard to the size of the Company and the scale of its activities. The composition of the Board may be reassessed dependent on the Company's operations and level of activity. The recommendation will be considered in assessing changes in the composition of the Board (if any).
4.1 AUDIT COMMITTEE AND 7.1 RISK COMMITTEE	The Company partially complies with these recommendations. The Company's Audit and Risk Charter is contained in its Corporate Governance Charter and provides for the establishment of an Audit and Risk Committee (or, in its absence, the Board) to carry out the functions as specified in the Audit and Risk Committee Charter. The Company does not currently have a separate Audit and Risk Committee. The Company does not intend to have a separate Audit and Risk Committee until such time as the Board forms the view the Company would benefit from its establishment, including having regard to the Company's size and scope of operations. The Board currently carries out the functions of the Audit and Risk Committee in accordance with the terms of the Audit and Risk Committee Charter. The Board devotes time for the fulfilment of the roles and responsibilities associated with the Company's internal audit function and arrangements with external auditors, the proper maintenance of the Company and the integrity of financial reporting and overseeing risk and maintaining the Company's risk management framework and associated internal compliance and control procedures.

10 DETAILS OF THE OFFER

10.1 THE OFFERS

The Offers in this Prospectus comprise the Equity Offer and the Broker Options Offer.

10.2 THE EQUITY OFFER

This Prospectus invites investors to apply for 35,000,000 New Shares in the Company at the Offer Price of $0.20 per New Share to raise $7 million before costs of the Offers. The Directors reserve the right to accept oversubscriptions of up to $1 million (5,000,000 New Shares).

Details of how to apply for New Shares under the Equity Offer are set out in Section 11.1.

The Equity Offer comprises:

- the Broker Offer – open to Australian resident clients of brokers who have received a firm allocation from their broker; and
- the General Offer – an invitation to eligible investors to apply for shares.

Details of the allocation policies under the Broker Offer and the General Offer are described in Sections 11.1(a) and 11.1(b).

The raising amount for the Equity Offer is $7,000,000 through the issue of 35,000,000 Shares.

If the Maximum Oversubscription is accepted for the Equity Offer $8,000,000 would be received through the issue of 40,000,000 Shares.

10.3 TERMS OF SHARES OFFERED

All shares offered under this Prospectus will, once issued, rank equally with the Company's currently issued shares. Further details of the rights attaching to Shares are described in Section 12.3

10.3 IMPORTANT DATES

INDICATIVE TIMETABLE	
Lodgement of Prospectus	5 October 2017
Offer period opens	20 October 2017
Offer period closes *	10 November 2017
Shares are expected to be allotted	24 November 2017
Expected despatch of holding statements	27 November 2017
Expected quotation of shares on ASX (subject to ASX approval)	30 November 2017

**Broker Offer: An earlier date may be specified by Brokers for returning applications and payment of application monies for allocations under the Broker Offer.*

Dates may change: The above dates are indicative only and may change without notice. The Company, in consultation with the Lead Manager, reserves the right to vary the dates and times of the Offers, including to close the Offers early, extend the Offers or accept late applications, without notifying any recipient of this Prospectus or any applicants. The Company also reserves the right not to proceed with all or part of the Offers prior to issue of New Shares.

Investors are encouraged to submit their applications as early as possible.

10.5 PURPOSE OF THE EQUITY OFFER

Funds raised by the Company under the Equity Offer are intended to be used as set out in the table in Section 10.6 to provide funding for the Company's key business objectives for the approximately two years after Listing set out in Section 3.11.

Funds raised will also be used to pay the administrative expenses and costs associated with the Offers.

Funds raised under this Offer not specifically allocated for the purposes set out above are anticipated to be used to meet unforeseen expenditure and for working capital purposes.

10.6 USE OF FUNDS RAISED BY THE OFFER

The Company's intended use of funds raised under the Offer together with other funds held at the Listing Date on its key business objectives, associated management and administration and costs of the capital raising is as set out in the table below:

	$7 MILLION RAISING ($'000)		
	YEAR 1	YEAR 2	TOTAL
Source of Funds			
Cash at Bank[1]	1,850	3,779	1,850
Capital Raising	7,000	-	7,000
R&D Tax Incentive[2]	100	400	500
Interest Income[3]	120	60	180
	9,070	**4,239**	**9,530**
Use of Funds			
Costs of Capital Raising[4]	905	-	905
Flavocide™[5]	2,420	1,870	4,290
Qcide™[6]	240	190	430
Intellectual Property[7]	100	100	200
Intellectual Property – Medibio[8]	226	-	226
Management & Administration	1,400	1,450	2,850
	5,291	**3,610**	**8,901**
Working Capital at End	**3,799**	**629**	**629**

The table above reflects how cash would be allocated with no revenues other than the R&D Tax Incentive and Interest Income. As outlined in Sections 3.5 and 3.6, revenues may be generated over the coming two years through fees received from partners in respect of their purchase of active materials, licence fees, payments made upon successful milestones in product development activity and royalties on sales. However, the quantum and timing of the revenue is uncertain and is not factored in the table.

1. Cash at bank at 30 June 2017 was $2.86 million. Assumed Cash at bank at date of listing due to normal business activity $1.75 million.
2. The Company undertakes a number of its research activities overseas as the necessary experience and facilities are not available in Australia. As a result the Company has lodged an advanced overseas finding with AusIndustry to seek approval to claim these costs as part of its R&D Tax Incentive. As this approval had not been received at the time of completion of this Prospectus the Directors have elected to only include an estimate of the anticipated revenue from the AusIndustry incentive claim in respect of its anticipated Australian based expenditure in the use of funds table. The Company has a history of receiving the R&D Tax Incentive in respect of its Australian activities. If the Company is

successful in its request to claim the overseas activities as well it will result in additional revenue which will be applied to accelerate the development of Flavocide™ as described in note 5, below.

3. The Company's policy is to hold its cash and cash equivalent deposits in "A" rated or better deposits. The Company generates interest from these deposits. Interest included in the Use of Funds is based on the budgeted cash position over the period at current interest rates.

4. In accordance with Accounting Standards the Company has expensed the proportion of the costs incurred in relation to Prospectus preparation and the ASX listing fees on the basis of the shares on issue before and after the Listing. Details of the costs of the Offers are set out in Section 12.8.

5. The Company's key focus is the development of its synthetic compound Flavocide™. In the event that the Company raises the Maximum Raising amount, the majority of these funds will be directed to the Flavocide™ development program. During the next two years the Company intends to advance this product focusing on the following key areas:

	$7 MILLION RAISING ($'000)	
	YEAR 1	YEAR 2
Registration Enabling Studies - Active Ingredient[i]	500	660
Efficacy Studies[ii]	910	780
Manufacturing & Manufacturing Development[iii]	460	260
Mode of Action Definition[iv]	150	-
Formulation & Stability Studies[v]	400	170
	2420	**1,870**

i. Registration Enabling Studies - Active Ingredient

The Company is following an accepted industry program of safety studies to evaluate the safety of Flavocide™ from the point of view of mammalian toxicity and environmental toxicity. These studies are an essential part of the process to allow the Company to obtain registration of Flavocide™.

ii. Efficacy Studies

The Company is planning to continue its current program of testing the efficacy of Flavocide™ in its key focus areas of mosquito control, grain storage pest control and crop protection. These studies include laboratory studies, greenhouse studies and field testing.

iii. Manufacturing & Manufacturing Development

In order to continue to conduct safety and efficacy studies the Company is manufacturing Flavocide™. In addition the Company is also undertaking a project to improve the manufacturing process for the synthetic compound - Flavocide™.

iv. Mode of Action

Work done to date has identified that Flavocide™ works by way of a novel mode of action. The Company is undertaking further investigation in respect of the mode of action of Flavocide™.

v. Formulation & Stability Studies

In order to have a commercial product which can be tailored for various market segments it is necessary to develop a range of specific and optimised formulations for Flavocide™. By way of example a pour-on liquid formulation that is appropriate for ectoparasite control in ruminants may be different to a spray formulation that is used for mosquito control.

6. The Company will also continue to work on the advancement of its natural compound Qcide™. The Company will continue to subcontract the growing of the Eucalyptus trees from which it sources the Qcide™ oil and identify potential opportunities to sell the oil as well as undertake a program of efficacy and formulation studies.

7. Intellectual property costs include anticipated ongoing expenses associated with maintaining and expanding its patent portfolio

8. The Company is required to pay $226,000 to MediBio Limited [ACN 008 130 336], a previous owner of intellectual property now held by the Company, following completion of the Listing. Refer to Section 12.1(n) for further details.

If the Maximum Oversubscription of $1,000,000 is received, an additional $76,000 will be spent on Capital Raising Costs. The balance of the additional funds will be used to accelerate the Flavocide™ development program.

The Directors believe that following completion of the Equity Offer the Company will have sufficient funds available from the cash proceeds of the Equity Offer to fulfil the purposes of the Equity Offer and meet the Company's stated business objectives.

10.7 THE BROKER OPTIONS OFFER

This Prospectus contains an offer of 2,000,000 Broker Options each to acquire one Share of the Company (having an exercise price of $0.20 (twenty cents) and expiring three years from the date of issue) to the Lead Manager or recipients determined by the Lead Manager or to AFSL holders or others determined by the Lead Manager (and/or their respective nominees) in connection with the Equity Offer. Only the Lead Manager and recipients determined by the Lead Manager are eligible to accept the Broker Options Offer and receive Broker Options.

The Broker Options will not be listed. Listing of the Broker Options is not being applied for and is not a condition of the Offers.

No funds will be raised through the issue of Broker Options. Funds received upon exercise of Broker Options (if exercised) will be applied to the Company's working capital requirements at the time.

10.8 CAPITAL STRUCTURE

The expected capital structure of the Company following completion of the Offers is summarised below.

	SHARES
Current Bio-Gene shares	91,224,471 (72.3%)
New Shares under the Equity Offer	35,000,000 (27.7%)
Total Shares	**126,224,471**
Options to be issued under the Broker Option Offer	2,000,000

At Listing, the Company's free float will be not less than 20%.

Bio-Gene does not have any options on issue at the date of this Prospectus.

The Company proposes issuing Loyalty Options about three months after Listing – see the following Section 10.9 for further details.

10.9 LOYALTY OPTIONS

After the successful completion of the Offers and Bio-Gene's listing on the ASX, the Company intends to issue eligible Shareholders who hold Shares at a record date about three months after the Company achieves Listing (which date will be announced by the Company) one free Loyalty Option for every five Shares held at the applicable record date. The proposed Loyalty Options will have an exercise price of $0.20 and an expiry date in or about November 2018. The issue of the Loyalty Options will be a bonus issue to be made to Shareholders whose address in the Company's register of members at the applicable record date is in Australia or (if eligible) New Zealand. The Company may, at its discretion, extend eligibility to other countries, but will not be obliged to do so.

The issue of Loyalty Options will be subject to the Listing Rules and compliance with any requirements of ASX for the issue. The issue will be made under a separate prospectus which will be lodged with ASIC and released to ASX and made available to eligible Shareholders. The Company intends to apply to the ASX for the listing of the Loyalty Options, subject to satisfaction of the requirements of the ASX Listing Rules applying to quotation of a secondary class of securities. Quotation of the Loyalty Options is not a condition of the offers in this Prospectus. Eligible Shareholders will be issued the number of Loyalty Options that they are entitled to without the need to complete an application form.

Shareholders who have sold Bio-Gene Shares before the record date will not be entitled to the free Loyalty Options in respect of those Shares.

10.10 MINIMUM RAISING AND LISTING CONDITIONS

No New Shares or Broker Options will be issued pursuant to the Offers unless applications for the full $7 million raising are received and the New Shares are admitted to Official Quotation (Listed) by ASX. If the $7 million raising amount is not reached before the expiration of four months after the date of this Prospectus, or if the New Shares are not admitted to Official Quotation before the expiration of three months after the date of issue of this Prospectus (or, in each case, any longer period as ASIC and ASX may permit), the Company will not issue any New Shares or Broker Options and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

11. HOW TO APPLY FOR NEW SHARES AND OPTIONS

11.1 APPLYING UNDER THE EQUITY OFFER

Applications for New Shares under the Equity Offer must be made either:

- Pursuant to the Broker Offer if you have received a firm allocation of New Shares from your broker and you are eligible to participate in the Equity Offer, by the date specified by your broker; or
- In relation to the General Offer, by returning an application form attached to or accompanying this Prospectus to the Share Registry, together with payment of the application amount, or by using the on-line application process in "Option A" in the attached application form at https://investor.automic.com.au/bio-gene.html prior to the Closing Date.

Further details in respect of each method of applying for New Shares under the Equity Offer are set out below.

Applications for New Shares under the Equity Offer must be for a minimum of 10,000 New Shares ($2,000) and thereafter in multiples of 2,500 New Shares ($500). Payment for New Shares must be made in full at the issue price of $0.20 per New Share:

- when applying for New Shares under the General Offer; or
- in accordance with your broker's instructions in the case of the Broker Offer.

The allocation of New Shares between the Broker Offer and the General Offer will be determined by the Company at its discretion in consultation with the Lead Manager.

(A) BROKER OFFER

If you have received a firm allocation of New Shares from your broker, your application will be treated as a Broker Offer application in respect of that allocation if you apply using the Equity Offer application form received form your broker, with your broker's details completed in the top right corner.

You should contact your broker to determine whether you can receive an allocation of New Shares from them under the Broker Offer.

If you have received an allocation of New Shares from your broker under the Broker Offer and wish to apply for those New Shares, you should contact you broker for information about how to submit your application form and for payment instructions.

Applicants under the Broker Offer must lodge their Equity Offer application form with the broker's details completed in the top right corner and application monies with the relevant broker in accordance with the relevant broker's directions to receive their firm allocation.

If you are an investor applying under the Broker Offer, you should complete and lodge your application form with the broker from whom you received your firm allocation. Application forms must be completed in accordance with the instructions given to you by your broker and the instructions set out in the Equity Offer application form.

Applicants under the Broker Offer must not send their Equity Offer application form or payment to the Share Registry. Application forms received directly by the Share Registry or without your broker's details completed in the top right corner may be treated as General Offer applications and not be entitled to the firm allocation made by your broker.

The Company, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your broker in connection with your application.

The Company, in consultation with the Lead Manager, reserves the right to reject any application which is submitted by a person who they believe is ineligible to participate in the Broker Offer.

PAYMENT METHODS

Applicants under the Broker Offer must pay the application amount of the New Shares applied for under the Broker Offer to their broker in accordance with instructions provided by their broker.

ALLOCATION POLICY UNDER THE BROKER OFFER

New Shares that have been allocated to brokers for allocation to their Australian resident clients will be issued to the applicants nominated by those brokers. It will be a matter for each broker as to how they allocate firm New Shares among their clients, and they (and not the Company or the Lead Manager) will be responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant New Shares.

(B) GENERAL OFFER

Applications under the Equity Offer (other than applications made under the Broker Offer) may be made, and will only be accepted, in one of the following forms:

- an online Equity Offer application form completed using the process in "Option A" in the attached application form, at https://investor.automic.com.au/bio-gene.html;

- on the Equity Offer application form attached to or accompanying this Prospectus; or
- on a paper copy of the relevant electronic Equity Offer application form which accompanied an electronic version of this Prospectus, which can be found and downloaded at the Company's website at: bio-gene.com.au/investor-relations/prospectus/.

Eligible overseas residents (see Section 11.12) cannot apply online and must complete the Equity Offer application form attached to or accompanying this Prospectus.

Instructions for completion and lodging the Equity Offer application form and paying the application amount are set out in the Equity Offer application form attached to or accompanying this Prospectus. Unless you have made arrangements with your broker or the Lead Manager, or are completing your application online, the completed Equity Offer application form and payment should be sent to:

BIO-GENE TECHNOLOGY LIMITED
C/O AUTOMIC REGISTRY SERVICES
PO BOX 2226,
STRAWBERRY HILLS NSW 2012

For hand-delivered applications (please do not use this address for mailing purposes), deliver to:

BIO-GENE TECHNOLOGY LIMITED
C/O AUTOMIC REGISTRY SERVICES
LEVEL 3, 50 HOLT STREET
SURRY HILLS NSW 2010

If you are an Australian resident and paying electronically by BPAY® or electronic funds transfer (EFT) you will need to complete an online application form using the process in "Option A" in the attached application form, at https://investor.automic.com.au/bio-gene.html and make payment in accordance with instructions on that website.

Eligible overseas residents (see Section 11.12) may pay by electronic funds transfer and by emailing a completed Application Form in accordance with instructions on the Equity Offer application form where arrangements are made with the Company, Lead Manager or Share Registry. Applications by overseas residents may not be accepted, as set out in Section 11.12.

If paying by cheque, the cheque must be drawn on an Australian Branch of an Australian bank in Australian currency, made payable to Bio-Gene Technology Limited and crossed "Not Negotiable". The completed Equity Offer application form together with the accompanying cheque must be mailed or delivered to the addresses above. Do not send cash.

Applications under the General Offer which are not made online, can only be settled by BPAY® or electronic funds transfer (EFT) by prior arrangement with the Company, Lead Manager or Share Registry, and in accordance with the instructions in the Equity Offer application form. Allow time for requests to be received and responded to, and for transfers or payments to be processed.

ACCEPTANCE OF THE OFFERS GENERALLY

It is your responsibility to ensure that application forms and payments are mailed in time to allow for delivery before the Closing Date. It is also your responsibility to ensure sufficient funds are available upon presentation of cheques. Some banks impose daily or other limits, or processing cut off times, on BPAY® or EFT payments. It is your responsibility to ensure that the entire amount you wish to pay is able to be transferred so that it is received before the Equity Offer closes.

If returning your application to your broker please allow sufficient time for your broker to receive and process your application and payment.

The Company, the Lead Manager and the Share Registry take no responsibility for lost or delayed mail, or misprocessed applications and payments, or errors or delays by brokers. The Company, in consultation with the Lead Manager may, but is not obliged to, accept late applications or payments.

To the extent permitted by law, an application under the Offers is irrevocable. If the amount received as application monies is less than the amount payable for the New Shares applied for, the Company may (but is not obliged to) treat the application as being for the number of New Shares represented by the amount received and issue few New Shares than were applied for. The Company, in consultation with the Lead Manager, may correct or fill in an application form and/or treat as valid and give effect to an application form notwithstanding any error or that information is incomplete.

The Company, in consultant with the Lead Manager, may reject or not accept an application in part or in whole or to allocate a fewer number of New Shares than applied for. If applications in excess of $8 million are received, the Board reserves the right not to accept (in whole or in part) or to scale back applications at its discretion in consultation with the Lead Manager. If an application is rejected or not accepted in full or in part or is scaled back, the relevant amount will be refunded to the applicant as soon as practicable after completion of the Equity Offer without interest.

There is no guarantee that applicants will receive any number of shares applied for. Where the number of New Shares allotted is fewer than the number applied for, surplus application monies will be refunded to the applicant without interest.

There is no maximum number of New Shares that may be applied for under the Offer, provided an applicant

alone or with its associates (as that term is defined in the Corporations Act) must not acquire an interest in more than 20% of the issued voting shares of the Company unless permitted by the Corporations Act without further action by the Company.

11.2 ASX APPLICATION

An application will be made to ASX not later than seven days after the date of this Prospectus for the Company to be admitted to the Official List of ASX, and for Official Quotation of the Company's fully paid ordinary Shares including the New Shares offered under the Equity Offer. The ASX and its officers take no responsibility for the contents of this Prospectus or the merits of investment to which it relates. Acceptance of the application by ASX or the fact that the ASX may admit the Company to the Official List or any of its securities to Official Quotation is not to be taken as an indication of the merits of the Company, the Offers or the Company's securities.

If permission is not granted for the Official Quotation of New Shares offered under this Prospectus on ASX within three months after the Prospectus Date (or such longer period as ASIC and ASX may permit), all application monies will be refunded (without interest) to the applicant in accordance with the requirements of and within the time prescribed by the Corporations Act.

Existing Shares upon which restriction (escrow) obligations are imposed by ASX will not be quoted until the applicable escrow period ends. Refer to the following Section 11.3 regarding potential imposition of escrow on existing Shares by ASX. The admission of those Shares to quotation before the end of the applicable escrow period is not a condition of the Offers, and it is expressly not stated or implied that permission will be sought or granted for the Official Quotation of those Shares within three months or any other period after the Prospectus Date.

No application to List the Broker Options has or will be made. Listing of the Broker Options is not a condition of the Offers.

11.3 ESCROW (RESTRICTION)

None of the New Shares offered under this Prospectus will be subject to restriction (escrow).

Anticipated ASX restriction (escrow) of existing Shares

ASX may restrict (escrow) existing Shares. The Company is not presently aware of the final details of what, if any, restriction obligations will be imposed on existing Shares, and will not know the extent of restriction obligations of existing Shares until determined by ASX. All the existing Shares, totalling approximately 72.3% of the total Shares on issue at Listing at the $7 million raising level (approximately 69.5% at if the Maximum Oversubscription amount is received and accepted), may be subject to escrow determined by ASX. However, subject to that proviso it is expected that approximately 37.7% of the Shares on issue at Listing at the $7 million raising level (approximately 36.2% if the Maximum Oversubscription amount is received and accepted) will be treated as restricted securities (escrowed) by ASX. The restriction (escrow) periods applicable to these Shares will depend on whether they were issued to or are held by related or non-related parties. Escrowed Shares issued to and held by non-related parties would be escrowed for up to 12 months from Listing, depending when the Shares were issued. Escrowed Shares issued to or held by related parties would be escrowed for 2 years from Listing.

The options offered under the Broker Options Offer would be expected to be fully escrowed for 2 years from Listing. Shares issued if options are exercised during the escrow period would be escrowed for the remainder of the escrow period that applied to the options.

The Company will announce details of what, if any, escrow (restrictions) ASX requires to be applied to existing Shares and to the options before Official Quotation commences.

Voluntary Escrow of existing Shares

The Company has entered voluntary escrow agreements with certain holders of existing Shares of the Company in respect of some of their Shares. Approximately 11.4% of the Shares on issue at Listing at the $7 million raising level (or approximately 11.0% if the Maximum Oversubscription amount is received and accepted) will be voluntarily escrowed for 6 months from Listing.

Some of these Shares may also be subject to escrow determined by ASX as referred to above. On the basis of the estimate of ASX escrow referred to above, an additional 2.2% of the Shares on issue at Listing at the $7 million raising level (an additional approximately 2.1% if the Maximum Oversubscription amount is received and accepted), being totals of approximately 39.9% and 38.3%, respectively, would be escrowed at Listing. The end date of the escrow of those Shares would be after the 6 month voluntary escrow period if the escrow period required by ASX (which may be up to 2 years from Listing) does not expire within 6 months of Listing. The Company will announce details whether any voluntary escrow is in addition to or longer than escrow restrictions ASX requires to be applied to existing Shares before Official Quotation commences.

Escrow generally

The Company draws attention to the risks described in Section 4.2(p) regarding the potential effect of escrow on liquidity and of the release of Shares or options from escrow.

11.4 BROKER OPTIONS OFFER

The Broker Options Offer is only made to and is capable of acceptance by the Lead Manager or to AFSL holders or others determined by the Lead Manager (and/or their respective nominees) in connection with the Equity Offer to whom a personalised Broker Options Offer application form attached to or accompanying a copy of this Prospectus is given. Recipients of a personalised Broker Options Offer application form must complete the form and return it to the Company or as specified in the Broker Options Offer application form by the time specified in the Broker Options Offer application form. Instructions for completing and returning the Broker Options Offer application form are set out in the Broker Options Offer application form. Each proposed recipient of Broker Options will be required to execute an escrow agreement in the form specified by ASX. Broker Options may be withheld and not issued until an executed escrow agreement is received.

The Company will apply for quotation of Shares issued on exercise of the Broker Options, subject to any then remaining escrow period.

Note that the Loyalty Options are not offered under this Prospectus, and will be offered separately after the record date. See Section 10.9 for further detail.

11.5 ALL OFFERS

By making an application, you declare that you were given access to a copy of this Prospectus together with the applicable application form. The Corporations Act prohibits any person from passing an application form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

11.6 ASX WAIVERS AND ASIC MODIFICATIONS OR EXEMPTIONS

As at the date of this Prospectus the Company has not applied to ASX for any waivers of the Listing Rules or to ASIC for any modification of or exemptions from the Corporations Act or other legislation.

11.7 ISSUANCE OF NEW SHARES

Subject to the conditions of the Offers being fulfilled, allotment of the New Shares offered under this Prospectus and despatch of initial holding statements are expected to take place as soon as practicable after the Closing Date.

It is the responsibility of each person who seeks to trade in shares on ASX to confirm their holding before trading in shares. Any person who sells Shares before receiving a holding statement does so at their own risk. The Company and the Share Registry disclaim all liability, whether in negligence or otherwise, if a person sells Shares before receiving a holding statement, even if that person obtained holding details of holding through their Broker.

All dates are subject to change – see Section 10.4 for further information.

11.8 EQUITY OFFER NOT UNDERWRITTEN

The Equity Offer is not underwritten.

11.9 COMMISSIONS PAYABLE

No brokerage, commission or stamp duty is payable by applicants on acquisition of New Shares under the Equity Offer.

The Company will pay an aggregate fee to the Lead Manager of 7.5% (ex GST) of the total amount raised by it under this Prospectus. Other amounts payable to the Lead Manager are set out in Section 12.1(a).

11.10 CHESS

The Company will agree to participate in the Clearing House Electronic Sub-Register System (CHESS). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS 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 holding statements (similar to a bank account statement) that set out the number of New Shares issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of shares or options 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. Security holders may request a holding statement at any other time, however a charge may be made for such additional statements.

11.11 TAXATION CONSIDERATIONS

The taxation consequences of an investment in the Company depends upon an investor's particular circumstances. Investors should make their own enquiries about the taxation consequences of investment in the Company. If you are in doubt as to the course you should follow you should consult your accountant, stockbroker, lawyer or other professional advisor.

11.12 FOREIGN INVESTORS

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

No action has been taken to register or qualify the New Shares or otherwise permit a public offering of the New Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisors as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the Company to allot and issue the New Shares to you pursuant to this Prospectus. The return of a completed application form will be taken by the Company to constitute a representation and warranty by you that you are a person whom the Company's securities can be offered and issued lawfully, that all relevant laws have been complied with and that all relevant approvals have been obtained.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand). The New Shares are not being offered or sold in New Zealand, or allotted with a view to being offered for sale in New Zealand, and no person in New Zealand may accept a placement of New Shares unless otherwise permitted by law.

12. ADDITIONAL INFORMATION

12.1 MATERIAL CONTRACTS

Set out below is a summary of the material contracts entered into by the Company:

(A) LEAD MANAGER MANDATE

On 3 October 2017, the Company engaged Henslow Pty Ltd (Henslow) to act exclusively as Corporate Advisor and Lead Manager in relation to the Company's initial public offer (IPO) pursuant to the terms of an Engagement Letter. The Engagement Letter remains in effect for an initial period of 9 months or, if the capital raising is conducted in the last three months of the initial 9-month period, for a further 6 months' from when the capital raising is conducted.

As Corporate Advisor and Lead Manager, Henslow will provide the Company with corporate and financial advice (including the organisation and management of marketing programs and roadshows), assist in undertaking, arranging and managing any capital raisings, advising and assisting with overall project management of the IPO, assisting with the drafting of documents and providing general administrative services (such as receipt of application proceeds and payment of expenses as directed). The Letter provides for Henslow being an active participant in the Company's due diligence program and receiving all correspondence between the Company and ASX or ASIC relating to the capital raising.

For acting as corporate advisor, Henslow is to receive a monthly retainer of $5,000 (plus GST) for a period of 9 months or successful completion of the IPO, whichever occurs sooner.

Henslow may receive the following subject to and conditional upon successful completion of the IPO:

- capital raising fees of 6% of funds raised, being a management fee of 2% for acting as Lead Manager and a commission of 4%;
- a corporate fee of a further 1.5% of the funds raised; and
- 2,000,000 Broker Options the subject of the Broker Option Offer, which may be issued to Henslow or to Australian financial service licence ("AFSL") holders or others determined by Henslow (and/or their respective nominees). As a result, Henslow may not receive all the Broker Options. Further details of the Broker Options are contained in section 12.4.

In the event the Company achieves Listing, the Company will retain Henslow as exclusive corporate advisor with a monthly retainer fee of $10,000 payable for a period of 9 months (which may be extended for a further 6 months if agreed between the parties).

Henslow is also entitled to be reimbursed for all out of pocket expenses incurred in connection with performance of its role under the Engagement Letter.

Either party may terminate the Engagement Letter without cause upon one months' written notice being provided to the other party, or with cause where a force majeure occurs and runs for 14 consecutive days (immediately terminated upon notice) or the other party materially or persistently breaches the terms of the Engagement Letter or becomes insolvent. Henslow will be entitled to fees as provided for in the Letter, including any success fee, if the same or similar transaction is completed by the Company within 9 months of termination of the Engagement Letter. The Company, in the event the same or similar transaction is proposed to be undertaken within 12 months of termination, shall engage Henslow as corporate advisor. In the event Henslow is not so engaged the Company shall pay to Henslow fees in accordance with those calculated pursuant to the terms of the Engagement Letter.

The Engagement Letter otherwise contains terms consistent with similar arrangements, including clauses relating to confidentiality, the provision of information from the Company to Henslow for the conduct of its role and a limitation of liability and indemnity in favour of Henslow.

(B) EXECUTIVE SERVICES AGREEMENT – ROBERT KLUPACS

On 23 August 2017, the Company entered into an agreement with Magdajano Pty Ltd [ACN 600 103 606] (Service Provider) to procure Mr Robert Klupacs, a Director of the Company, to continue to act as the Company's Chief Executive Officer (CEO) through the provision of executive services that promote the fulfilment of the Company's business objectives.

The executive services agreement documents the arrangement between the Company, the Service Provider and Mr Klupacs that has been in effect since 1 January 2017. The engagement of the Service Provider ends on 31 December 2017 unless terminated earlier pursuant to the terms of the executive services agreement.

Details of the amount payable by the Company to the Service Provider are contained in section 8.3.2. The Service Provider is to procure Mr Klupacs devote an average of three days per week to providing the executive services as CEO to the Company. Mr Klupacs is to report to the Board (or as otherwise directed by the

Board) in the completion of the role of CEO under the executive services agreement.

The Company may immediately terminate the executive services agreement if the Service Provider and/or Mr Klupacs, in the Company's opinion, commit an act of wilful dishonesty, fraud, wilful disobedience, gross misconduct or makes any false representation to the Company, fails to comply with a lawful and reasonable direction of the Board (where such failure is not rectified within 14 days), becomes bankrupt or insolvent or is convicted of a criminal offence involving fraud or dishonesty.

The Company may also terminate the executive services agreement where Mr Klupacs resigns as a Director of the Company (other than by rotation in accordance with the Constitution, Corporations Act and/or the Listing Rules), is prohibited by law from acting as a Director or becomes unable to perform his duties, of unsound mind (in the Board's reasonable opinion). Either the Company or the Service Provider may terminate the executive services agreement upon three months written notice to the other.

Unless otherwise agreed with the Company, Mr Klupacs has agreed that, upon termination of the executive services agreement, he will resign as a Director of the Company. It has been agreed that upon expiry of the executive services agreement on 31 December 2017 Mr Klupacs will become a Non-executive Director and will not be required to resign.

The parties agree the Service Provider has been engaged as an independent contractor. The Service Provider is responsible (and indemnifies the Company) for payment of all liabilities, obligations and/or provisions relating to employee entitlements, superannuation and taxes and the Company may request evidence of compliance with same. The Service Provider must keep Mr Klupacs insured under all relevant legislation relating to employees.

The Service Provider and Mr Klupacs are bound by non-competition provision prohibiting them (jointly and severally) from, without the written consent of the Board, being employed, engaged, concerned or interested in any other company or business in competition with the Company or any related body(ies) corporate of the Company (as the case may be). Mr Klupacs may hold external directorships and both the Service Provider and/or Mr Klupacs may provide consultancy services to other companies provided such positions are not with competitors of the Company or inhibit or unduly interrupt Mr Klupacs from undertaking the role of CEO under the executive services agreement.

The executive services agreement otherwise contains terms typical for agreements of this nature, including provisions relating to the use and obligations of the Service Provider and Mr Klupacs in relation to confidential information, the executive services agreement being governed by the laws of Victoria, Australia, and an acknowledgement by the Service Provider and Mr Klupacs that the Company has adopted policies and practices (including corporate governance policies) that Mr Klupacs has agreed to familiarise himself with, observe and give effect whilst completing the role of CEO.

Following expiration of the term of the consulting agreement, Mr Klupacs will transition into a Non-executive Director of the Company (effective from 1 January 2018).

(C) ENGAGEMENT OF RICHARD JAGGER – EXECUTIVE DIRECTOR

Consulting agreement

Richard Jagger was appointed as a non-executive Director of the Company on 26 April 2017. On or about 29 May 2017, the Company and Mr Jagger entered into a consultancy agreement under which Mr Jagger would become an Executive Director of the Company and hold the position of Head of Commercial Development. Mr Jagger's consultancy agreement was varied pursuant to the terms of a further letter from the Company executed on or about 23 August 2017.

Mr Jagger, in his capacity as an Executive Director and Head of Commercial Development, is to assist in development of the Company's strategy, identify possible partnering opportunities, assess new acquisition opportunities and engage in Shareholder and investor relations. Mr Jagger's consultancy agreement remains in effect until 31 December 2017.

Details of the remuneration received by Mr Jagger pursuant to his engagement as an Executive Director and Head of Commercial Development are contained in section 8.3.2.

It is intended that the consulting agreement will be replaced by an executive services agreement with terms as set out below.

Mr Jagger was issued securities under the Company's Loan Share Plan. Any future participation by Mr Jagger in the Loan Share Plan will, following Listing, require Shareholder approval as provided for in the Listing Rules. Details of Mr Jagger's interests in the securities of the Company are contained in section 8.3.1.

The consultancy agreement contains terms typical for arrangements of this nature including provisions relating to confidentiality, intellectual property and Mr Jagger being engaged by the Company as an independent contractor. Either party may terminate the consulting agreement upon the provision of one months' notice in writing to the other party.

Following expiration of the term of the consulting agreement, Mr Jagger will transition into the position of CEO of the Company (effective from 1 January 2018), with such appointment to be on the terms set out below.

Executive Services Agreement – CEO and Managing Director (commences 1 January 2018)

On 20 September 2017, the Company entered an executive services agreement with Mr Jagger, which commences on 1 January 2018 (or such earlier date agreed between Mr Jagger and the Company).

Under the executive services agreement, Mr Jagger will act as the Company's CEO and Managing Director by providing executive services that promote fulfilment of the Company's business objectives. Set out below are the key terms of the executive services agreement which will apply on and from 1 January 2018 (or such earlier date as agreed between the parties).

Upon commencement of the executive services agreement, all other arrangements between the Company and Mr Jagger (including his consulting agreement) are replaced by the executive services agreement. With the executive services agreement, upon commencement, being the entire arrangement between the Company and Mr Jagger.

Mr Jagger is to receive $256,000 per annum (inclusive of applicable superannuation) for acting as CEO and Managing Director. Mr Jagger is entitled to be reimbursed for all reasonable expenses incurred in performance of his role as CEO and Managing Director, subject to the provision of receipts and observance of policies and procedures adopted by the Company. Mr Jagger will be able to, subject to the Corporations Act and the Listing Rules, participate in incentive scheme(s) of the Company including, but not limited to, the Loan Share Plan (the terms of which are summarised in Section 12.5).

Mr Jagger is to devote an average of four days per week to providing the executive services as CEO and Managing Director, with provision for additional days of work as required (such additional days to be remunerated through a pro-rata payment where applicable). Mr Jagger is to report to the Chair of the Board (or as directed by the Board) in completing the role of CEO and Managing Director under the executive services agreement.

Mr Jagger is to receive various entitlements under the Fair Work Act 2009 (Cth) including annual leave, sick/carers leave and paid compassionate leave (such entitlements calculated on a pro-rata basis having regard to Mr Jagger being engaged for four days per week). The Company has also agreed to obtain and maintain appropriate insurances for Mr Jagger in his position as CEO and Managing Director, including Directors' and Officers' insurance.

The executive services agreement contains non-competition provisions prohibiting Mr Jagger from, without the written consent of the Board, being employed, engaged, concerned or interested in any other company or business in competition with the Company or any related body(ies) corporate of the Company (as the case may be). Mr Jagger may hold other directorships or consultancy positions with other companies provided such positions are not with competitors of the Company or inhibit or unduly interrupt Mr Jagger from undertaking the role of CEO and Managing Director under the executive services agreement.

The Company may immediately terminate the executive services agreement where Mr Jagger, in the Company's opinion, commits an act of wilful dishonesty, fraud, wilful disobedience, gross misconduct or makes any false representation to the Company, fails to comply with a lawful and reasonable direction of the Board (which such failure is not rectified within 14 days), becomes bankrupt, is convicted of a criminal offence involving fraud or dishonest, resigns as a Director (other than by rotation in accordance with the Constitution, Corporations Act and/or the Listing Rules), is prohibited by law from acting as a Director or becomes unable to perform his duties, of unsound mind (in the Board's reasonable opinion). Either party may also terminate the executive services agreement upon four months written notice to the other.

Mr Jagger has agreed that, upon termination of the executive services agreement for any reason, he will resign as a Director of the Company. Mr Jagger shall be entitled to receive all amounts due and payable to him for the period up to and including the date of termination, inclusive of all statutory entitlements such as annual leave.

For a period of one year from termination, Mr Jagger must not seek to interfere with any contractual relationships between the Company and third-parties, induce or attempt to induce any Director, manager or employee of the Company to terminate their employment or breach their agreement with the Company or solicitor or seek to persuade any person who dealt with the Company during Mr Jagger's engagement or is in the process of negotiating with the Company to cease negotiations or to reduce the amount of business they do with the Company.

The executive services agreement otherwise contains terms typical for agreements of this nature, including provisions relating to the use and obligations of Mr Jagger in relation to confidential information, the executive services agreement being governed by the laws of Victoria, Australia, and an acknowledgement by Mr Jagger that the Company has adopted policies and practices (including corporate governance policies) that Mr Jagger has agreed to familiarise himself with, observe and give effect whilst completing the role of CEO and Managing Director.

(D) NON-EXECUTIVE DIRECTOR ENGAGEMENT LETTERS

Donald Brumley, Kevin Rumble and Peter May have each been engaged (either directly or indirectly through a corporate entity) as non-executive Directors of the Company. Donald Brumley's engagement as a non-

executive Director includes his engagement to act as Chairman of the Board.

The respective remuneration of Messrs Brumley, Rumble and May is set out in section 8.3.2. The non-executive Directors are also entitled to be reimbursed reasonable out of pocket expenses.

Each non-executive Director was issued shares under the Company's Loan Share Plan (the terms of which are summarised in section 12.5). Further participation in the Loan Share Plan by the non-executive Directors will, following Listing, require shareholder approval as provided for in the Listing Rules. Details of the non-executive Director's interests in the securities of the Company are contained in section 8.3.1.

Each of the non-executive Directors are engaged on terms typical for arrangements of this kind, including provisions relating to confidentiality, intellectual property and an acknowledgement and confirmation of the Director's duties owed to the Company.

Consulting agreements – Peter May and Kevin Rumble

Mr May and Mr Rumble have also been engaged by the Company to perform services considered by the Board to be outside of the scope of the ordinary duties of a non-executive Director, for which each of the non-executive Directors receives additional remuneration.

Mr May and Mr Rumble have each entered into a consulting agreement with the Company (together Consulting Agreements) for provision of additional services. The Consulting Agreements run until 30 November 2017 or the end of the month in which the Company achieves Listing, whichever is earlier. Each Consulting Agreement provides for an additional term as agreed between the parties.

Either party may terminate the consulting agreement upon one months' written notice to the other. The consulting agreements otherwise provide for Mr May and Mr Rumble being engaged as independent contractors, provisions relating to confidentiality and an acknowledgement that all intellectual property created under the Consulting Agreements is owned by the Company.

As outlined in Section 8.3.2, Mr Rumble and Mr May (or his nominee) receive a base amount of $3,000 (for 3 days per month) and $2,000 (for 2 days per month) per month respectively and also invoice the Company for additional days worked at the rate of $1,000 per day.

The additional services provided by Mr May and Mr Rumble are as set out below:

Peter May

Assistance with evaluation and testing of the Company's proposed products, including participation in discussions and assisting third-parties in the conduct of various projects as directed by the CEO.

Kevin Rumble

Assistance with interacting with eucalyptus growers, development and use of Qcide™ in commercial and consumer scenarios, storing Qcide™ at his premises and ensuring distributions of appropriate quantities of Qcide™ to collaborators around the world (as required).

(E) CONSULTING AGREEMENT – ROGER MCPHERSON

Roger McPherson has been engaged by the Company as an independent contractor pursuant to the terms of a written consulting agreement dated 20 April 2017 to oversee all company secretarial and finance functions. Mr McPherson has also been appointed as Chief Financial Officer and Company Secretary in connection with the performance of the role under the consulting agreement.

The consulting agreement is in effect until 31 December 2017 and may be extended for an additional term as agreed in writing between the Company and Mr McPherson. Mr McPherson is to receive $7,500 per month (exclusive of GST), with provision for additional days of work as required (such additional days to be remunerated through a pro-rata payment where applicable). Mr McPherson will devote an average of 1.5 days per week to providing the services under the consulting agreement.

Mr McPherson was issued shares under the Company's Loan Share Plan (the details of which are summarised in section 12.5).

The consulting agreement may be terminated by either the Company or Mr McPherson upon one months' written notice to the other party. Mr McPherson has agreed to resign as Chief Financial Officer and Company Secretary upon termination of the consulting agreement.

The consulting agreement otherwise contains terms typical for agreements of this nature, including provisions relating to ownership of intellectual property, limitation on disclosure of confidential information, warranties from Mr McPherson and an indemnity from the Company in favour of Mr McPherson against any claim arising from provision of services under the consulting agreement.

(F) DEEDS OF ACCESS, INDEMNITY AND INSURANCE

The Company has entered a Deed of Access, Indemnity and Insurance (Deed) with each of its current Directors and Company Secretary (Officers). Each Deed has effect from its execution and ceases upon the latter of 7 years after the Officer ceases to act or the date on which any claims to which the indemnity relates are either settled, resolved by final and binding decision or are barred by statute.

Under the terms of the Deed, the Company will indemnify an Officer to the extent permitted by law against any liability arising as a result of the Officer acting as an officer of the Company.

Where the Company indemnifies an Officer, the Company will be entitled to conduct the defence of any claim under its sole management and control and at its sole cost. Where the Company conducts a defence, the Officer must render all reasonable assistance and co-operate with the Company.

In the event a Court determined the Officer is not entitled to an indemnity, the Officer receives a payment under a contract of insurance maintained by the Company or the Company pays an amount in excess of the amount payable under the indemnity, the Officer must repay such amount in excess of the indemnity payable. The Officer may request a loan, on commercial terms to be agreed between the Company and the Officer, to fund costs of defending a claim where an indemnity does not apply.

The Deeds otherwise contains provisions typical for arrangements of this kind, including the Officer's entitlement to obtain Board papers, the Company taking out Directors and Officers insurance, confidentiality of information and the Deed applying to the extent permitted by law.

(G) PROSPECTUS LIABILITY INSURANCE

The Company proposes obtaining to take out prospectus liability insurance. This potential insurance is available in two iterations, the choice of which will be determined by the Board having regard to among other things the cost at which and terms upon which each may be able to be obtained:

1. Combined with the Directors' and Officers' (D&O) insurance. This would be a twelve month renewable policy which would include cover for claims against the Company, its Directors & officers arising from issue of this Prospectus. The limit of the policy would be shared between prospectus liability & conventional D&O risks.

2. Stand-alone Public Offering of Securities Insurance (POSI). A seven year policy for claims against the Company, its Directors & officers arising from issue of this Prospectus.

Each type of potential cover will be subject to specific terms and exclusions. The details of the terms, exclusions and costs are not currently known. The Company has supplied the Prospectus to its insurance broker who is investigating options for this cover. It is intended that this cover will be taken out prior to the offer opening. An estimate of the cost of the cover, based on the Company's present understanding of the likely range of costs, is included in the estimated costs of the issue, described in more detail in Section 12.8.

(H) PURDUE UNIVERSITY TESTING AGREEMENT

On 3 March 2017, the Company entered into an agreement (Testing Agreement) with Purdue University, a university based in Indiana, USA (Purdue). Under the Testing Agreement, Purdue is to evaluate the Company's flavesone formulation against species of mosquitos, ticks and cockroaches (Project). The Testing Agreement is in place from 1 March 2017 through to 28 February 2018, which may be extended for additional period as agreed between the parties.

The Project shall be carried out under the supervision of Dr Catherine Hill, a Professor of Entomology and Vector Biology at Purdue. In the event Dr Hill changes institution, the Project will, as agreed between the Company and Purdue, continue either under the supervision of another suitably qualified individual at Purdue or under Dr Hill's supervision at a new institution. If, within 90 days, the parties do not agree on how the Project will continue then either party may terminate the Testing Agreement.

The Project is anticipated to provide a summary of data collected as a result of the Project to the Company within 60 days of the end of the term. The Company retains ownership of all testing data provided to it by Purdue pursuant to the Testing Agreement.

Either party may terminate the Testing Agreement without cause upon 60 days' notice. In the event of termination, the Company must pay Purdue any costs accrued as at the date of termination, including any non-cancellable obligations.

The Testing Agreement includes an indemnity in favour of Purdue against any claim arising out of Purdue's use of any equipment and/or materials supplied by the Company for the purposes of the Project, at the Company's instruction or the Company's use of any testing data delivered under the Testing Agreement.

(I) VIRBAC MATERIAL TRANSFER AND OPTION LICENCE AGREEMENT

On 9 June 2017, the Company engaged Virbac, a company domiciled in France, to undertake formulation development, safety assessment and animal efficacy trials of Flavocide™ for the purposes of evaluating the biological properties of Flavocide™. The term of the engagement is 30 months from the date Virbac takes delivery of Flavocide™ from the Company.

In connection with the testing and evaluation of Flavocide™ by Virbac, the Company grants to Virbac an exclusive option to negotiate in good faith the terms and conditions of a development and exclusive licence agreement for the development, manufacture and sale of Flavocide™ (Licence Option).

Testing and evaluation

The Company is to initially provide Virbac with agreed quantities of Flavocide™, a safety data sheet and all other relevant information to allow Virbac to conduct the evaluation of Flavocide™. If Virbac requires more Flavocide™, the Company will provide further quantities up to a specified amount at agreed pricing between the Company and Virbac.

A Project Steering Committee (comprising two representatives of the Company and two of Virbac) will oversee and direct the evaluation and testing of Flavocide™. Virbac will provide the Company with monthly updates (both verbally and in writing) through the Project Steering Committee as to the progress on the testing and evaluation of Flavocide™.

Any invention made whilst testing and evaluating Flavocide™ shall, following notification to the Company, be the property of Virbac and Virbac shall have the right to file patent applications in respect of the invention. No intellectual property rights arise in favour of Virbac in relation to Flavocide™ other than in respect of any invention as described above.

In the event Virbac does not exercise the Licence Option, Virbac shall assign any patent applications and/or granted patents in relation to any invention for the total sum of $1. If Virbac exercises the Licence Option to negotiate a licence agreement but the Company does not accept Virbac's terms, the parties shall discuss the conditions of the assignment of any such invention (if any). If the parties enter into a licence agreement any patent and/or patent applications will be incorporated into the licence.

Licence Option

The indicative terms of a licence agreement following exercise of the Licence Option are set out in a non-binding terms sheet forming an annexure to the terms of engagement. As at the date of this Prospectus, Virbac has not indicated whether it intends to exercise the Licence Option in the future, if at all. The Licence Option is in effect for the term of the engagement plus an additional two months.

General

The Material Transfer Agreement otherwise contains terms typical for arrangements of this nature including provisions relating to confidentiality, the Company making no warranty as to the merchantability, suitability or otherwise of Flavocide™ and Virbac acknowledging the Flavocide™ provided to it remains the sole property of the Company that is to be returned or destroyed following expiration of the term under the Material Transfer Agreement.

(J) CONTRACTOR AGREEMENT – QUEENSLAND DEPARTMENT OF AGRICULTURE AND FISHERIES

On 7 June 2017, the Company entered into an agreement with the Queensland Department of Agriculture and Fisheries (QDAF) for testing of the effective dose rate of Flavocide™ against a chemical susceptible stored product pest followed by a further test against a resistant strain of grain storage pest. This agreement was varied pursuant to a deed of variation executed by the parties on 10 October 2016 (the agreement and deed of variation are referred to collectively herein as the Contractor Agreement).

The investigation under the Contractor Agreement has been completed, however this date has been extended for QDAF to provide the final report on the results. The final report is proposed to contain details of the results obtained from the investigation, as well as the testing protocol, the raw data obtained and a description of the statistical methods and analysis used.

The Company retains all rights and title in any materials provided in accordance with the terms of the Contractor Agreement. All rights and title created as a result of work undertaken under the Contractor Agreement vests in the Company upon creation. The Company grants to QDAF a non-exclusive, non-transferable, royalty-free licence to use, communicate, reproduce, publish, adapt and modify materials provided, with such licence only being for the purposes of completing the investigation under the Contractor Agreement and for QDAF's internal, non-commercial purposes.

QDAF may terminate the Contractor Agreement for convenience upon reasonable written notice to the Company. In the event QDAF terminates the Contractor Agreement for convenience, the Company is entitled to the reasonable costs incurred as a result of termination and those the Company cannot recoup or avoid which would not otherwise have been incurred but for the termination by QDAF.

Either party may terminate the Contractor Agreement where the other party breaches a term of the Contractor Agreement that is not capable of remedy or, if capable of remedy, fails to remedy such breach within 30 days' of notice of such breach and the requirement to remedy, becomes subject to any form of external administration, enters into an arrangement with its creditors or takes advantage of laws in force in connection with insolvent debtors or is voluntarily or involuntarily wound up.

The Contractor Agreement otherwise contains terms typical for arrangements of this nature, including provisions relating to the confidentiality of information, the law in force in Queensland applying to the Contractor Agreement and mutual warranties with respect to having the power, authority and ability and having obtained all consents, licences and authorisations to enter into and perform their obligations pursuant to the Contractor Agreement.

(K) MASTER SERVICES AGREEMENT – CESAR

On 1 September 2017, the Company entered into a Master Services Agreement with Cesar Pty Ltd [ACN 123 867 587] (Cesar) for the provision of R&D services, consultancy and experimental service support by undertaking projects at the Company's request. The Master Services Agreement is in effect for a minimum of three years from signing, with provision for the parties to mutually agree an extension.

The Master Services Agreement provides a framework within which the Company can request Cesar undertake one or more projects. Cesar will, following receipt of a

request, provide a quote for the proposed project/s. If the quote is acceptable, the Company will provide a purchase order to Cesar. If there is a later variation to the purchase order, the parties may agree on such variation in writing. Cesar will not undertake further work on the relevant project until the variation is agreed.

The Company may be required to provide material for Cesar to undertake projects. All title, rights and interests in such materials are retained by the Company. Cesar will, within 30 days of completion of a project or a specified scientific milestone, furnish the Company with a written report describing the work, results and data obtained by Cesar in the course of undertaking the project up to the date of completion of the project or achievement of the specified scientific milestone.

The Company retains ownership of all data, information and/or intellectual property or rights provided to Cesar under the Master Services Agreement. The Company will further own all inventions, trade secrets, know-how and other rights (whether patentable or not) arising from Cesar undertaking a project pursuant to the Master Services Agreement, with the exception of matters relating to the testing practices, procedures, methodology or equipment used by Cesar. The Company retains ownership of all experimental data and information created by Cesar whilst undertaking projects.

The Company may terminate the Master Services Agreement without cause upon the provision of one month's written notice to Cesar. Either party may terminate the Master Services Agreement where the other party breaches the Master Services Agreement and fails to remedy such breach within 28 days of notice, files for bankruptcy and/or insolvency and such proceeding is not terminated within 120 days, makes an assignment for the benefit of creditors, applies for or consents to the appointment of an administrator or makes an order or passes or proposes a resolution for winding up.

In the event of termination by the Company, the Company shall pay Cesar for services performed up to the date of termination at the rate previously agreed. In the event of termination by Cesar, Cesar shall provide the Company the services that are ongoing and paid for by the Company.

The Master Services Agreement otherwise contains terms typical for arrangements of this kind, including provisions relating to the confidentiality of information, mutual indemnifications by the parties and the Master Services Agreement being governed by the law in force in the state of Victoria.

Current projects under Master Services Agreement

The Company has engaged Cesar to undertake two stages of a project for the assessment of Flavocide™ against agricultural crop pests and beneficial arthropods.

- Stage one: Generating Flavocide™ dose response curves and LD50 data for susceptible and resistant populations of agricultural crop pests and the toxicity to beneficial arthropods through conducting a total of 5 experiments.
- Stage two: Testing Flavocide™ for synergy with commercial standards for susceptible and resistant populations of agricultural crop pests through conducting a total of 12 experiments.

(L) EUROFINS AGREEMENT

On 28 September 2017, the Company entered into an agreement with Eurofins Agroscience Services Pty Ltd [ACN 000 970 614] (Eurofins) for a study to evaluate the efficacy of samples of FlavocideTM against various insect pests in a range of field crops. The agreement remains in effect until completion of the study and provision of a final report from Eurofins setting out the results of its evaluation. The final report is proposed to be provided on or about 30 June 2018.

The study is proposed to be conducted by Eurofins (or its subsidiaries and/or affiliates as the case may be) across five separate trials against different crop pests. Eurofins will prepare a detailed study plan for consideration by the Company prior to the commencement of any trials or field testing.

The services provided by Eurofins include overall management of matters related to the study (including preparation of any plans or reports), providing regular progress updates to the Company and the destruction or return of any remaining materials following completion of the study.

The Company must ensure materials required for conduct of the study are delivered in a condition that allows Eurofins to perform the study technically and legally. Upon delivery, samples become the property of Eurofins to the extent necessary for the performance of the study. The Company may arrange with Eurofins for the storage of samples, at which time Eurofins will take commercially reasonable steps to store samples according to professional practice.

Title in the analysis results, products, equipment, software or similar supplied by Eurofins to the Company in connection with the study remain with Eurofins until such time as all invoices due are paid in full, upon which time absolute title passes to the Company. Eurofins retains the right to store data files (as copies or originals) to fulfil legal requirements (i.e. Good Laboratory Practice (GLP) or Good Experimental Practice (GEP) archiving).

The Company may object to results of the study within 30 days of receipt of the results. If the Company objects, Eurofins has the right to repeat the affected phase of the study for the same conditions. If the results remain the same, additional costs incurred in the repeat testing are payable by the Company. Where a study is rejected by authorities for non-compliance with regulations or guidelines not in force when Eurofins was instructed to

complete the study, Eurofins may agree to repeat the study but shall be entitled to charge additional costs.

In the event the Company cancels its engagement of Eurofins, the value of work already completed and other cancellation charges apply to the Company. Cancellation fees payable vary depending on the stage of progress of the study at the time of cancellation.

This agreement otherwise contains terms typical to arrangements of this kind including provisions relating to confidentiality of information, a limitation of liability in favour of Eurofins (subject to certain exceptions) and the agreement being governed by the law in force in Victoria, Australia.

(M) CSIRO KICK-START PROGRAM RESEARCH AGREEMENT

On 27 February 2017, the Company entered into an agreement with the CSIRO for the investigation of methods for improving the synthesis of flavesone and an intermediate in the manufacturing of flavesone. The investigation ended 21 July 2017; however this date has been extended for CSIRO to provide the report referred to below.

The purposes of CSIRO's investigation, in addition to improving synthesis of flavesone and the intermediate, is to evaluate and improve yield and cost of the synthesis of flavesone and investigate an alternate synthetic pathway for producing the intermediate.

In addition to the above purposes, CSIRO will endeavour to provide a review of the open and patent literature around synthesis and production of flavesone and the intermediate and provide a report to the Company describing the synthesis of flavesone and the intermediate.

All intellectual property arising from the investigation will be assigned to the Company following full payment of the costs of the investigation. As consideration for assignment of intellectual property, the Company grants CSIRO a non-exclusive, worldwide, irrevocable, non-terminable and fee and royalty free licence to exploit, reproduce and adapt intellectual property arising from investigation, provided such activity by CSIRO is not within the field of use (being all agricultural chemical applications, including for use in crop protection, animal health and public health sectors).

The agreement may be terminated by either party where the other breaches the agreement and fails to remedy such breach within 30 days of receipt of notice of the breach, becomes insolvent or where any representation made by the Company is untrue or subsequently becomes untrue.

The agreement contains terms relating to confidentiality of information, the performance of the investigation (including personnel and equipment), publication and publicity of any matter connected with the investigation and the agreement being governed by the laws in effect in the State of Victoria.

(N) INTELLECTUAL PROPERTY ASSIGNMENT DEED

On 9 November 2009, the Company entered into an Intellectual Property Assignment Deed (Assignment Deed) with BioProspect Limited (which later changed its name to Medibio Limited) (Medibio) and the University of Western Sydney [ABN 53 014 069 881] (which later changed its name to Western Sydney University) (WSU).

The purpose of the Assignment Deed was to assign to the Company the patents and applications for patents formulated as an extension of the claims contained in Patent Application PCT/AU2002/000569 and as described in the Intellectual Property Report in Section 7. The trademark for Qcide™ was also assigned. The Assignment Deed replaced a licencing arrangement between the Company and Medibio.

The Company will, upon Listing, be required to make the payment to Medibio as set out in Section 10.6.

The Company may also be obliged to pay UWS up to a total of $150,000 as a result of entering into licences with third parties.

No further amounts are payable pursuant to the Assignment Deed and the Company has satisfied all of its other obligations (including as varied) pursuant to the terms of the Assignment Deed.

12.2 LITIGATION

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

12.3 RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES UNDER THE OFFER

The New Shares offered under this Prospectus will be fully paid Ordinary Shares in the issued capital of the Company and will, upon issue, rank equally with all other New Shares then on issue.

The rights and liabilities attaching to New Shares are regulated by Bio-Gene's Constitution, the Corporations Act, the ASX Listing Rules, the ASX Settlement Rules and common law. The Company's Constitution has been lodged with ASIC. The Constitution contains provisions of the kind common for public companies in Australia and is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may request a copy of the Constitution during the application period of this Prospectus, which the Company will provide free of charge. A copy of the Constitution can also be downloaded from the Company's website at bio-gene.com.au/about-us/governance.

12.4 BROKER OPTION TERMS

The Broker Options offered under the Broker Options Offer will entitle the holder to subscribe for fully paid ordinary shares of the Company ("Shares") on the following terms and conditions:

- Each Broker Option gives the optionholder the right to subscribe for one Share. To obtain the right given by each Broker Option, the optionholder must exercise the Broker Option in accordance with these terms and conditions.
- The Broker Options will expire at 5:00pm (AEST in Melbourne, Victoria) on the date three years after the date of issue of the Broker Options ("the **Expiry Date**"). Any Broker Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- The amount payable upon exercise of each Broker Option will be $0.20 ("the **Exercise Price**").
- The Broker Options can only be exercised if permitted by any restriction conditions imposed by ASX.
- Subject to the above, the Broker Options may be exercised in whole or in part, and if exercised in part, multiples of 2,000 must be exercised on each occasion.
- Subject to the above, optionholders may exercise their Broker Options by lodging with the Company, before the Expiry Date:
    - a written notice of exercise of Broker Options specifying the number of Broker Options being exercised; and
    - a cheque or electronic funds transfer for the Exercise Price for the number of Broker Options being exercised;
- An Exercise Notice is only effective if validly exercised in accordance with the above and when the Company has received the full amount of the Exercise Price in cleared funds.
- Within 10 business days of receipt of the Exercise Notice accompanied by the Exercise Price (or such lesser period as the Listing Rules or Operating Rules of ASX require), the Company will allot the number of Shares required under these terms and conditions in respect of the number of Broker Options specified in the Exercise Notice.
- The Broker Options are not transferable without the prior written approval of the Company (which may be granted at the Company's absolute discretion, and which if granted may be subject to such conditions as the Company in its absolute discretion determines), and in all case any transfer will be subject to any restriction conditions imposed by ASX or any restrictions under applicable Australian securities laws.
- A Broker Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Broker Option can be exercised.
- Shares issued upon the exercise of Broker Options will be fully paid ordinary shares ranking pari passu in all respects with other ordinary shares including having the same voting and other rights as the existing ordinary shares of the Company, subject to any restriction conditions imposed by ASX.
- If admitted to the official list of ASX at the time, subject to any restriction conditions imposed by ASX, the Company will apply for quotation of all Shares allotted pursuant to the exercise of the Broker Options on ASX within 10 business days after the date of allotment of those Shares.
- If at any time the issued capital of the Company is reconstructed (including by consolidation or subdivision, or by a reduction or return of capital), the number of Broker Options or the Exercise Price of the Broker Options or both shall be reconstructed and the rights of the optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.
- There are no participating rights or entitlements inherent in the Broker Options and the optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least two (2) business days after the issue is announced.

Note that the Broker Options offered under this Prospectus are not the Loyalty Options. The Loyalty Options will have different terms which will be set out in the Loyalty Options prospectus described in Section 10.9.

12.5 INCENTIVE PLAN

The Company has adopted the following incentive plan:

LOAN SHARE PLAN

The Company has established the Loan Share Plan (Plan) for the issue of shares to eligible employees determined by the Board (each an Eligible Person). The administration and terms of the Plan are contained in the Plan rules (Rules).

Shareholders approved the adoption of the Plan at the Company's Annual General Meeting held on 6 September 2017.

As at the date of this Prospectus, 9,108,000 securities have been issued under the Plan. There is no current proposal to issue further shares under the Plan. Following Listing, any issues of shares or agreements to issue shares under the Plan will be announced to ASX. Following Listing, the Company will seek Shareholder approval for issues under the Plan to persons of influence as required by the Listing Rules.

The Purpose of the Plan is to:

- enable Eligible Persons of the Company and/or its subsidiaries (if any) to participate in the Plan;
- motivate and retain existing Eligible Persons;
- attract high quality individuals to the Company to act as Eligible Persons; and
- enable Eligible Persons to share the rewards of any capital growth in the Company.

Shares offered under the Plan may not be offered at a discount to market value for tax purposes.

- The Company has discretion pursuant to the Rules to offer loans to eligible persons to fund the acquisition price of shares issued under the Plan. Unless otherwise determined, loans provided under the Plan will:
- be interest free;
- be part-repaid by any capital distributions or after-tax amount received by way of dividends on the shares financed by the loan;
- unless determined otherwise, the loan period ends on the earlier of 10 years from the date it is provided, the date of a change in control in the Company, when the underlying shares are disposed of in accordance with the Rules, on termination of employment of the Eligible Person or the date the parties otherwise agree in writing; and
- give rise to a security interest in favour of the Company in the shares financed by the loan.

Shares issued under the Plan must be dealt with in accordance with the Rules and the Company's Security Trading Policy and rank equally with the existing ordinary shares in the Company.

Shares offered under the Plan may be subject to certain vesting, forfeiture and/or disposal restrictions (collectively referred to as Conditions) as determined by the Board in its sole discretion and specified in the offer document sent to the Eligible Person. The Board has sole discretion to waive or deem any Condition/s satisfied or otherwise.

Shares may be forfeited if any Condition/s is not or cannot be satisfied or, while the shares are unvested, a Participant commits fraud, gross misconduct or a serious breach of obligations relating to the Company's affairs or upon the occurrence of any other Condition set by the Board. If shares are forfeited under the Rules, any proceeds from sale of the shares are used to discharge any outstanding loan. A Participant is not entitled to any excess proceeds.

Shares subject to any Condition/s are deemed restricted shares for the purposes of the Plan. Shares cannot be dealt with unless and until any applicable Condition/s have been satisfied and any loan is discharged. The recipient of shares under the Plan may request the Company discharge a loan through sale of the underlying shares, with proceeds being first applied to discharge of the loan.

The Plan provides that the Company can buy-back (and subsequently cancel) shares issued under the Plan generally and also specifically in cases of a change in control in the Company, the surrender or forfeiture of shares and to discharge loans made by the Company under the Plan which have become repayable. Save for limited exceptions, shares acquired by the Company under a buy-back must be acquired at market value.

Pursuant to the Rules, the Company may use a specific purpose trust and trustee to facilitate the operation of the Plan and implement any procedures (including a holding lock through the Share Registry) to enforce any Condition/s and to monitor compliance with the Company's securities trading policies. Eligible Persons irrevocably appoints the Company Secretary as their attorney to do all things necessary to give effect to the Rules, and provides an indemnity to the attorney.

Where the operation of any clause under the Plan requires Shareholder or regulatory approval under any law or regulation (including under the Corporations Act and/or the Listing Rules) then those clauses are not in operation, and shall not be relied upon by the Company for the purposes of the Plan, until such time as the required Shareholder or regulatory approval is obtained. The Plan includes a clause which states that where the Rules are inconsistent with the Listing Rules, the Listing Rules will apply.

The Board may amend the Rules at any time (including with retrospective effect) subject to such amendment not materially reducing the existing entitlements nor imposing additional obligations with respect to shares already issued under the Plan without the consent of recipients.

12.6 TOP 20 SHAREHOLDERS

The top 20 Shareholders of Bio-Gene as at the date of this Prospectus are set out in the table below. The table also sets out the percentage of issued Shares of the Company that will be held at completion of the Offers at the $7 million raising level. If the Maximum Oversubscription is received and accepted, the respective percentages of the top 20 holders will reduce to approximately 34.99% in total. The number of Shares shown as held by existing Shareholders in the table below does not include any New Shares existing Shareholders may apply for and receive under the Equity Offer.

EXISTING TOP 20 SHAREHOLDERS

RANK	HOLDER NAME	HOLDING	% OF CURRENTLY ISSUED SHARES	% AT $7 MILLION RAISING
1	Rumble Nominees Pty Ltd	6,651,373	7.29%	5.27%
2	J P Morgan Nominees Australia Limited	6,010,870	6.59%	4.76%
3	Luminate Pty Ltd<Vic A/C>	3,267,000	3.58%	2.59%
4	Magdajano Pty Ltd	2,870,000	3.15%	2.27%
5	Sapphire Lane Pty Ltd	2,600,000	2.85%	2.06%
6	Inverness Capital Pty Ltd	2,445,384	2.68%	1.94%
7	Andrew Ford	2,192,000	2.40%	1.74%
8	David Gregory Greer	2,140,000	2.35%	1.70%
9	Kevin Nolan Rumble	2,020,000	2.21%	1.60%
10	Mr Andrew Buxton	2,000,000	2.19%	1.58%
11	Alan William Stirling & Christine Margaret Stirling <Stirling Super Fund A/C>	1,644,800	1.80%	1.30%
12	Dead Knick Pty Ltd	1,525,000	1.67%	1.21%
13	Arision Pty Limited <Jare Superfund A/C>	1,500,000	1.64%	1.19%
14	Xeen Pty Ltd <French Super Fund A/C>	1,499,750	1.64%	1.19%
15	Donohoe Holdings Pty Ltd <Measured Account>	1,435,404	1.57%	1.14%
16	Max Kay & Norma Kay <The Normax Super Fund A/C>	1,392,640	1.53%	1.10%
17	John W King Nominees Pty Ltd	1,362,500	1.49%	1.08%
18	Summerday Investments Pty Ltd <E&A Dieren Super Fund A/C>	1,180,000	1.29%	0.93%
19	Alr Investments Pty Ltd <Alr Super Fund A/C>	1,086,957	1.19%	0.86%
19	Chifley Portfolios Pty Ltd <David Hannon Retirement A/C>	1,086,957	1.19%	0.86%
TOTAL TOP 20		**45,910,635**	**50.33%**	**36.37%**

12.7 CONSENTS

Each of the parties listed below (each a **Consenting Party**) has given its written consent and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to being named in this Prospectus in the form and context in which it is named and, where applicable, to the inclusion in this Prospectus of its report specified below and/or statements by it (and to references to or statements based on its report and/or statements) in the form and context in which its report or statements and references to or statements based on its report and/or statements appear:

- Henslow Pty Ltd as Lead Manager and Corporate Advisor;
- JT&P Corporate Advisers Pty Ltd as Investigating Accountant, and to the inclusion of its Investigating Accountant's Report in this Prospectus;
- JTP Assurance as auditor;
- Griffith Hack as the author of the Intellectual Property Report and to inclusion of its Intellectual Property Report in this Prospectus;
- Quinert Rodda and Associates Pty Ltd as legal advisors in relation to the Offers; and
- Automic Pty Ltd (trading as Automic Registry Services) as the Share Registry.

12.8 COST OF THE OFFER

The estimated costs of the Offers (excluding GST) are set out below:

$	$7 MILLION RAISING
ASX and ASIC Filing Fees	88,245
Legal Fees	144,000
Independent Experts Reports	21,000
Share Registry Costs	2,000
Broker Placement Fees	525,000
Other costs including Prospectus drafting, production and insurance	125,000
Total	**905,245**

If the Maximum Oversubscription is accepted the Company will incur additional broker placement fees of $75,000 and additional ASX Listing fees of $1,000.

In addition to the costs of the offer outlined above which will be settled in cash, the Company is will also issue 2,000,000 Broker Options to the Lead Manager or recipients determined by the Lead Manager or to AFSL holders or others determined by the Lead Manager (and/or their respective nominees) in connection with the Equity Offer, as part of the fee for the capital raising associated with the Equity Offer. At the date of this Prospectus these Broker Options have a valuation of $114,000. The valuation of the Broker Options issued is determined by using an industry standard option pricing model taking into account the terms and conditions upon which the instruments were issued.

12.9 DIVIDEND POLICY

Due to its stage of development and the nature of its activities, the Company does not anticipate paying dividends in the foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

12.10 CONTINUOUS DISCLOSURE

Following listing, the Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX.

In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

12.11 GOVERNING LAW

The Offers and the contracts formed on acceptance of an application form are governed by the laws applicable in Victoria, Australia. Each person who applies for New Shares pursuant to this Prospectus submits to the non-exclusive jurisdiction of the courts of Victoria, Australia, and the relevant appellate courts.

12.12 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, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with ASIC.

13 GLOSSARY

AFS means Australian financial services.

AFSL means an Australian financial service licence.

AGCHEM means agri-chemical.

AGTECH means agri-technology.

APVMA means Australian Pesticides and Veterinary Medicines Authority.

ASX means ASX Limited [ACN 008 624 691].

AUD means Australian dollars.

AUSINDUSTRY means a division of the Department of Industry, Innovation and Science, an Australian Federal Government Department.

BIO-GENE means Bio-Gene Technology Limited [ABN 32 071 735 950].

BOARD means the board of Directors of the Company, as it is constituted from time to time.

BROKER OFFER means the invitation to clients of brokers who have received a firm allocation of Shares from their broker as part of the Offer.

BROKER OPTIONS means the options each to acquire one Shares of the Company (having an exercise price of $0.20 and expiring three years from the date of issue) offered under this Prospectus, the terms of which are set out in Section 12.4.

BROKER OPTIONS OFFER means the offer of Broker Options made under this Prospectus.

COMPANY means Bio-Gene Technology Limited [ABN 32 071 735 950].

CLOSING DATE means 10 November 2017 or such other date as determined by the Board in consultation with the Lead Manager.

CORPORATIONS ACT means the Corporations Act 2001 (Cth), as amended from time to time.

DIRECTORS means the Directors of the Company, from time to time.

EQUITY OFFER means the offer to investors to purchase new shares in the company.

EXPOSURE PERIOD means the seven-day period after the date of lodgement of this Prospectus, which may be extended by ASIC by up to a further seven days.

GENERAL OFFER means the invitation to all eligible investors as part of the Equity Offer.

GST means Goods and Services Tax.

IPO means this initial public offer of the Company's Shares.

IRAC means the Insecticide Resistance Action Committee.

LEAD MANAGER means Henslow Pty Ltd [ABN 38 605 393 137] [AFSL 483 168].

LISTING means admission to the Official List of ASX.

LISTING RULES means the listing rules of ASX.

LOYALTY OPTIONS mean options proposed to be issued about three months after Listing as described in Section 10.9

MAXIMUM OVERSUBSCRIPTION means the maximum additional amount which may, subject to acceptance by the Directors, be raised under the Equity Offer, being $1,000,000.

MOA means mode of action.

NGO means a non-governmental organisation

NEW SHARE means a Share offer pursuant to this Prospectus.

OFFERS means the Equity Offer and the Broker Options Offer.

OFFER PRICE means the offer price of New Shares under the Equity Offer, being $0.20 per New Share.

OFFICIAL LIST means the official list of ASX.
OFFICIAL QUOTATION means official quotation by ASX in accordance with the ASX Listing Rules.
PERSONAL INFORMATION means any personal information contained in an application.
PROSPECTUS means this Prospectus.
R&D TAX INCENTIVE means a tax offset program for some of a company's cost of doing eligible research and development (R&D) activities, which program jointly administered by AusIndustry and the Australian Taxation Office.
RECOMMENDATIONS means the ASX Corporate Governance Principles and Recommendations (Third Edition).
SECTION means a section of this Prospectus.
SHARE means a fully paid ordinary fully paid share in the issued capital of Bio-Gene.
SHARE REGISTRY means Automic Pty Ltd trading as Automic Registry Services [ACN 152 260 814].
SHAREHOLDERS means the shareholders of the Company, from time to time.
WHO means the World Health Organisation.

14. CORPORATE DIRECTORY

DIRECTORS

Donald (Don) Brumley (Chairman)
Robert Klupacs
Richard Jagger
Kevin Rumble
Peter May

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Roger McPherson

PROPOSED ASX CODE:

BGT

LEAD MANAGER AND CORPORATE ADVISOR

Henslow Pty Ltd
Level 7, 333 Collins Street
Melbourne VIC 3000

INVESTIGATING ACCOUNTANT

JT&P Corporate Advisers Pty Ltd
10th Floor, 446 Collins Street
Melbourne, VIC, 3000

INTELLECTUAL PROPERTY REPORT

Griffith Hack
Level 10, 161 Collins Street,
Melbourne VIC 3000

REGISTERED OFFICE

Suite 1, Level 6, 50 Queen Street
Melbourne, VIC, 3000

Telephone: 03 9628 4178
Website: www.bio-gene.com.au

SHARE REGISTRY

Automic Pty Ltd trading as
Automic Registry Services

Level 3, 50 Holt Street
Surry Hills NSW 2010

Return Applications to:
Bio-Gene Technology Limited
c/o Automic Registry Services
PO Box 2226,
Strawberry Hills NSW 2012

Telephone: 1300 288 664

LEGAL ADVISERS IN RESPECT OF THE OFFER

Quinert Rodda & Associates Pty Ltd
Level 6, 50 Queen Street
Melbourne, VIC, 3000

AUDITOR

JTP Assurance
10th Floor, 446 Collins Street
Melbourne, VIC, 3000

BIO-GENE TECHNOLOGY LTD

BIO-GENE TECHNOLOGY LIMITED | ABN 32 071 735 950

Applicants who received this Offer from their broker must return their Application Form and Application Monies back to their broker

Broker Code

Adviser Code

Equity Offer Application options:

Option A: Apply Online and Pay Electronically (Recommended)

Apply online at: https://investor.automic.com.au/bio-gene.html

- ✓ **Pay electronically:** Applying online allows you to pay electronically, for Australian residents through BPAY® or Electronic Funds Transfer (EFT).
- ✓ **Get in first, it's fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **It's secure and confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your application has been successfully processed.

To apply online, simply scan the barcode to the right with your tablet or mobile device or you can enter the url above into your browser.

Option B: Standard Application and Pay by Cheque

Enter your details below (clearly in capital letters using pen), attach cheque and return in accordance with the instructions on the reverse.

1. Number of Shares applied for , ,

Application payment (multiply box 1 by $0.20 per share) A$, , .

Applications must be for a minimum of 10,000 Shares (A$2,000), and thereafter in multiples of 2,500 Shares (A$500)

2. Applicant name(s) and postal address: refer to naming standards for correct form of registrable title(s) overleaf

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

Postal address

Unit / Street Number / Street name or PO Box

Suburb/Town

State

Postcode

Country and ZIP Code (if outside Australia)

3. Contact details

Telephone Number ( )

Contact Name (PLEASE PRINT)

Email Address

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. CHESS Holders Only – Holder Identification Number (HIN)

X

Note: if the name and address details in sections 2 do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

5. TFN/ABN/Exemption Code

Applicant 1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box

C = Company; P = Partnership; T = Trust; S = Super Fund

AUTOMIC

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Health Club A/C>	Food Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

This is an Application Form for Ordinary Fully Paid Shares ('Shares') in Bio-Gene Technology Limited (ACN 071 735 950) (Company), made under the terms set out in the Prospectus dated 5 October 2017. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus.

The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable) and an Application Form, on request and without charge.

1. **Shares applied for & payment amount** - Enter the number of Shares you wish to apply for. Your application must be for a minimum of 10,000 Shares (A$2,000). Applications for greater than 10,000 shares must be in multiples of 2,500 Shares (A$500). Next, enter the amount of the Application Monies payable. To calculate this amount, multiply the number of Shares applied for by the offer price, which is A$0.20 per share.

2. **Applicant name(s) and postal address** - Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. You should refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.

3. **Contact Details** - Please provide your contact details for us to contact you between 9:00am AEDT and 5:00pm AEDT should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You change to your communication preferences at any time by logging in to the Investor Portal accessible at https://investor.automic.com.au/#/home

4. **CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" (SRN) will be allocated to you.

5. **TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.

6. **Payment** - Payments for applications made through this application form can only be made by cheque. Payment can be made by both BPAY and EFT but only by making an online application, which can be accessed by following the web address provided on the front of the application form. **Do not forward cash with this Application Form as it will not be accepted.**

   Your cheque must be made payable to "Bio-Gene Technology Limited" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

LODGEMENT INSTRUCTIONS

The Offer opens at 9.00am (AEDT) on 20 October 2017 and is expected to close at 5.00pm (AEDT) on 10 November 2017. The Company and the Lead Manager may elect to extend the Offer or any part of it, may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible.

Completed Application Forms and cheques must be:

Posted to:
Bio-Gene Technology Limited
C/- Automic
PO Box 2226
STRAWBERRY HILLS NSW 2012

Delivered to:
Bio-Gene Technology Limited
C/- Automic
Level 3, 50 Holt Street
SURRY HILLS NSW 2010
Hand delivery during business hours only - 9am to 5pm (AEDT)

Your Application Form must be received by Automic no later than 5.00pm (AEDT) 10 November 2017

If you have any enquiries in respect of this Application, please contact Automic by either phone on 1300 288 664 or at hello@automic.com.au.

BIO-GENE
TECHNOLOGY
LTD

SUITE 1, LEVEL 6, 50 QUEEN STREET
MELBOURNE VIC 3000 AUSTRALIA