BIO-GENE MARCH 2018 QUARTERLY UPDATE

Bio-Gene Technology Limited (ASX: BGT, "Bio-Gene" or "the Company"), an agtech development company enabling the next generation of novel insecticides to address insecticide resistance, is pleased to provide an update on its activities during the quarter ended 31 March 2018.

Throughout the quarter and to date, Bio-Gene has been continuing its work to improve the value proposition of its lead molecules, Flavocide™ and Qcide™. The purpose of this work is to generate data that will create interest from a number of potential commercial partners, across various market segments and opportunities.

Since the IPO, we have increased the commitment to Qcide™, the naturally derived product. It has become more apparent that natural products are in demand as industry and consumers look towards naturally sourced technology to address the issues of pest control in a safe and sustainable way. While this technology has a natural fit in consumer applications, we are also seeing a lot of interest in natural alternatives in crop protection and animal health applications.

Following the direction outlined in our 2018 Goals & Objectives announcement made in December 2017, we have been focusing on:

1. Demonstrating the efficacy of our technology on a range of important pests

During the period we have announced successful results in both laboratory and field trials of Flavocide™ relating to a number of crop pests:

i. Serious rice pest the brown planthopper (Planthopper; *Nilaparvata lugens*). An estimated A$3.7 billion is spent on rice insecticides globally[1], with Planthopper accounting for a large proportion of this.

In the field trial, Flavocide™ was shown to:

- Be effective against both nymphs and adult Planthopper and was superior to the existing chemistry used, which acted as positive controls for this trial;
- Exhibit repellency effects that would potentially assist in preventing re-infestation and virus transmission within the crop; and
- Have no observable impact on beneficial species (e.g. predatory mirids and spiders) present in the crop over the course of the trial. This would indicate that Flavocide™ may be compatible with integrated pest management programs in rice.

Refer to ASX Announcement 26 March 2018 for further details.

ii. Major cereal crop pest the Russian wheat aphid (RWA; *Diuraphis noxia*). An estimated A$980m is spent on cereal crop insecticides globally* with aphids a primary target.

In the laboratory bioassay, Flavocide™ was shown to control RWA.

Refer to ASX Announcement 9 April 2018 for further details.

iii. Major crop pest the Green peach aphid (GPA; *Myzus persicae*). A global pest of broadacre and horticultural crops causing significant crop losses through direct damage as well as vectoring major virus plant diseases. An estimated A$31 billion is spent on insecticides globally with much of this directed towards control of sucking pests such as GPA.

In the laboratory bioassay, Flavocide™ was shown to control both susceptible and resistant strains of GPA.

Refer to ASX Announcement 26 April 2018 for further details.

These results against Planthopper, RWA and GPA are very encouraging. When seen together with recent positive results against cereal crop pest the red legged earth mite and the grain storage pest Lesser grain borer, demonstrate the potential of Flavocide™ to control multiple pests that impact major crops globally, and provides justification for further evaluation against these pest types. Most of these pests are highly resistant to commonly used insecticides, and therefore crop protection continues to become an important focus for Bio-Gene in pursuing further commercial partnerships.

Bio-Gene also announced summary results of initial pilot studies undertaken to demonstrate flavesone's activity against insecticide-resistant, and susceptible, larvae and adult *Aedes aegypti* mosquitoes, which are responsible for spreading Dengue fever and Zika virus, to provide an indication into the mode of action. Refer to ASX Announcement 31 January 2018 for further details.

By demonstrating positive results, these tests help us find the best leads for our technology, and to begin conversations with potential commercial partners as we move towards identifying and targeting market opportunities. We are continuing to test our technology across a number of pests in the crop protection, grain storage, public health and consumer application verticals and will be making further announcements as results become available.

2. Commercial Opportunities

Bio-Gene entered into an evaluation agreement with French animal health company Virbac in June 2017 to explore the use of Bio-Gene's Flavocide™ technology in potential applications for tick and buffalo fly control in cattle. The agreement provided for Virbac to undertake initial field testing studies using its formulations to trial the product. After some basic studies, Virbac has indicated it is unlikely to proceed with developing products with Flavocide™ at this stage. Bio-Gene has further testing against ticks underway with Purdue University which may yet prove to be of interest to other animal health companies.

In March – the Management team held a conference call for investors to explain recent developments and news from the Company. A recording of this call is available on the Bio-Gene website http://bio-gene.com.au/wp-content/uploads/2018/03/180326-Bio-Gene-Technology-Investor-Conference-Call.mp4.

3. Elucidating on the Mode of Action of Flavocide™

Work is ongoing to clarify the specifics of the insecticidal Mode of Action (MOA) of flavesone, with a view to applying for a new MoA class under the Insecticide Resistance Action Committee (IRAC). An update on the results of these ongoing studies is expected to be available during the coming quarter.

4. Building upon our toxicology data trials towards creating a registration package

Following the successful completion of the initial toxicology studies in acute and 7 day repeat dose testing of flavesone, Bio-Gene commenced longer term, 28-day oral and dermal toxicity studies. These studies have been ongoing during the period with results expected during the coming quarter.

5. Improving upon our manufacturing cost of our molecules

In mid-April Bio-Gene announced the extension of its Flavocide™ manufacturing development project with CSIRO to Stage 3 after successful results in the initial phases of the program. In the work performed to date, CSIRO was able to reduce the cost and complexity of manufacturing Flavocide™ as well as a key intermediate, where yield improvements were up to 60% greater than previously obtained. This work also discovered an alternative method of manufacturing Flavocide™ which apart from the economic benefits in production also gives Bio-Gene novel IP around the process.

Stage 3 builds upon the discoveries of the earlier work with the aim to continue to improve yield, purity, and cost of Flavocide™ and the key intermediate, as well as reduce waste material from the process. Refer to the ASX Announcement 17 April 2018 for further details.

Bio-Gene has also been finalising protocols to further improve our Qcide™ production through modifications to harvesting and extraction techniques, as well as implement tree improvement programs to optimise yield and quality of Qcide™ oil produced.

6. Improving upon our I.P. position

Through our research collaborators, we have been developing supporting data for the patent applications submitted in the middle of last year. With the work done by CSIRO, we also have a range of new I.P. surrounding the manufacturing process for Flavocide™.

7. Grants and non-dilutive funds

We have been successful in obtaining an Innovations Connections grant of $50,000 from the federal government to support the next phase of work to be carried out by the CSIRO on Flavocide manufacturing. We will continue to identify ways to attract non-dilutive funds to support our research and demonstrate value in our technology.

8. People and advisors

In February, we advised of the appointment of our first Scientific Advisory Board member, Professor Catherine Hill from Purdue University in Indiana, U.S.A. This marks a significant input to our scientific validation and network. Professor Hill visited Australia in February, and presented a general overview of the Public Health issues facing the planet, as well as the recent work conducted by Purdue University on mosquitoes. A video of her presentation is available on the Bio-gene website http://bio-gene.com.au/investor-relations/corporate-presentations/.

We were also pleased to advice of the appointment of Peter May to the position of Executive Director, Research and Development. Peter has been a director and consultant to Bio-Gene for some time, and this appointment gives us significant internal knowledge and credibility. Peter's major responsibility is coordinating the work of our many scientific collaborators to ensure we generate significant and timely scientific research data in support of the company's development and commercial strategies.

Refer to ASX Announcement 14 February 2018 for further details of both of these appointments.

In addition, Neil Anderson has also joined as a consultant to Bio-Gene on manufacturing and formulation development matters. Neil's vast experience in manufacturing plant management and auditing and chemistry development is a significant support as we identify a potential manufacturer for Flavocide™ in the near future.

9. Corporate

Loyalty Options

As reported last quarter, Bio-Gene announced it would issue one loyalty option for every five shares held to eligible shareholders at a record date of 7 March 2018. Bio-Gene lodged a prospectus for the options on 1 March 2018.

Each Loyalty Option is exercisable at $0.20, has an expiry date of 4 December 2018 and will, upon exercise, entitle the holder to one Share. In total, 25,056,730 Loyalty Options were issued pursuant to the Offer on 8 March 2018.

Release of Shares from escrow

During the quarter a total of 1,216,174 ordinary Bio-Gene shares were released from escrow. Bio-Gene has 127,724,471 ordinary shares on issue as of the end of the quarter of which 106,673,172 are quoted on the ASX.

Cash Balance

At the end of the first quarter, as outlined in the attached Appendix 4C, Bio-Gene held $7.2 million in cash.

The second calendar quarter of 2018 will prove to be a busy one for Bio-Gene as we continue our objectives of gaining valid scientific data to further value add to our technology. We will be using this data and knowledge to continue to discuss opportunities for our technology with a number of relevant potential commercial partners.

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About Bio-Gene Technology Ltd

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 (e.g. 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 and management solutions.

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Bio-Gene Technology Limited

ABN	**Quarter ended ("current quarter")**
32 070 735 950	31 March 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	4
1.2	Payments for		
	(a) research and development	(249)	(605)
	(b) management & employee expenses	(148)	(550)
	(c) directors' expenses	(47)	(131)
	(d) professional services	(95)	(167)
	(e) intellectual property	(6)	(34)
	(f) listing expenses (see note 4)	-	(299)
	(g) administration and corporate costs (see note 5)	50	(214)
1.3	Dividends received (see note 3)		
1.4	Interest received	45	71
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(450)**	**(1,925)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(5)	(10)
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		(226)
	(e) other non-current assets	(70)	(70)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(75)**	**(306)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares		7,107
3.2	Proceeds from issue of notes		
3.3	Proceeds from exercise of options		64
3.4	Transaction costs related to issues of shares, convertible notes or options	(4)	(642)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**(4)**	**6,529**

Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of quarter/year to date	7,687	2,860
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(450)	(1,925)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(75)	(306)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	6,529
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of quarter**	**7,158**	**7,158**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	18	13
5.2	Call deposits	240	174
5.3	Bank overdrafts		
5.4	Other (Term Deposits)	6,900	7,500
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**7,158**	**7,687**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	141
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	N/A

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors' fees and consulting fees paid to Directors and their related entities

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	N/A
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	N/A

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	N/A	N/A
8.2	Credit standby arrangements	N/A	N/A
8.3	Other (please specify)	N/A	N/A

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Research and development	477
9.2	Management & employee expenses	170
9.3	Directors' expenses	47
9.4	Professional services	115
9.5	Intellectual property	21
9.6	Listing expenses	-
9.7	Administration and corporate costs (see note 5)	128
9.8	Other (provide details if material)	-
9.9	**Total estimated cash outflows**	**958**

10.	**Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)**	**Acquisitions**	**Disposals**
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration	N/A	N/A
10.3	Consideration for acquisition or disposal	N/A	N/A
10.4	Total net assets	N/A	N/A
10.5	Nature of business	N/A	N/A

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2 This statement gives a true and fair view of the matters disclosed.

Sign here: . Date: 30 April 2018
Company Secretary

Print name: Roger McPherson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. In accordance with Accounting Standards, the Company has expensed the proportion of the capital raising costs incurred in relation to Prospectus preparation for the IPO on the basis of the shares on issue before and after the Listing. ASX Listing Fees have been expensed. A total of $299,505 has been expensed from the proceeds of the Listing.
5. Net movements in GST are included in this item. The Company received a GST refund just over $120,000 for the December 2017 quarter which is higher than normal due to the GST incurred on certain costs associated with the Listing.
6. Prior Quarter Corrections. Immaterial minor errors in previous quarter reports are corrected on a year to date basis. Movements disclosed for the current quarter have been correctly calculated.