ASX Release

Cleansing Notice –Exercise of Options

28 June 2016, Sydney, Australia: Viralytics Limited (ASX: VLA) (**Viralytics**) today issued 2,500,000 fully paid ordinary shares on the exercise of options with an exercise price of $0.70. The options were issued to the Company's Chairman, Chief Science Officer and a number of former directors following shareholder approval at the Company's 2011 Extraordinary General Meeting.

Viralytics has issued the shares without disclosure to investors under section 708A(5) Corporations Act 2001 (Cth) (**Corporations Act**).

Details of the securities issued

Class of securities:	Ordinary shares
ASX Code of the securities:	VLA
Date of the issue or expected issue of the securities:	28 June 2016
Total number of securities issued or expected to be issued:	2,500,000

As required by section 708A(6) of the Corporations Act, Viralytics advises:

(a) the shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act;

(b) this notice is being given under section 708A(5)(e) of the Corporations Act;

(c) as at the date of this notice, Viralytics has complied with:

(i) the provisions of chapter 2M of the Corporations Act as they apply to Viralytics; and

(ii) section 674 of the Corporations Act; and

(d) as at the date of this notice, there is no information that is 'excluded information' (within the meaning of sections 708A(7) and 708A(8) of the Corporations Act).

For and on behalf of the board of Viralytics.

S. Prince

Sarah Prince
Company Secretary

About VIRALYTICS and CAVATAK™

Viralytics is developing oncolytic immunotherapy treatments for a range of cancers. The company's lead investigational product, CAVATAK™, is currently being studied in Phase 1 and 2 clinical trials for the treatment of melanoma, as well as prostate, bladder and lung cancers. Intratumoral, intravenous and intravesicular delivery routes are under investigation. Two combination studies with checkpoint inhibitors are underway in advanced melanoma patients, as well as a combination study of CAVATAK and KEYTRUDA in late-stage lung and bladder cancer patients.

Further details on our clinical and pre-clinical data can be found at: http://www.viralytics.com/our-pipeline/clinical-trials/

CAVATAK is a proprietary formulation of the common cold Coxsackievirus Type A21 (CVA21) that preferentially binds to specific 'receptor' proteins highly expressed on multiple cancer types. CAVATAK acts to kill both local and metastatic cancer cells through cell lysis and the generation of an immune response against the cancer cells – a two-pronged mechanism of action known as oncolytic immunotherapy.

Based in Sydney Australia, the company is listed on the Australian Securities Exchange (ASX: VLA) while Viralytics' ADRs also trade under VRACY on the US OTCQX International market. For more information, please visit www.viralytics.com.

Viralytics Investor / Media Contact:

Dr Malcolm McColl
Managing Director
+61 2 9988 4000

Mr. Rudi Michelson
Monsoon Communications
+61 3 9620 3333