

10 May 2018

ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

(4 pages by email)

Attention: Johanna O'Shea, Adviser, Listings Compliance (Sydney)

I refer to your letter dated 3 May 2018 and respond to your questions, using your numbering, as follows:

1. Yes. The Company does not have a revenue stream and, accordingly, expects to have a negative operating cash flow for the foreseeable future.

The Company is currently in the process of undertaking a post-trial analysis of the samples taken during the recently completed key phase 2 trial (BIT225-009) of BIT225 for HIV-1 infection. The purpose of the trial is to demonstrate that the addition of BIT225 to current anti-HIV drug treatment results in an additional, measurable benefit to patients. This is the key outcome that needs to be demonstrated to potential commercial partners.

As announced on 6 April 2018, to assess the efficacy of BIT225, in this clinical trial, the Company is utilising a recently developed novel diagnostic assay. This assay has greater potential to conclusively demonstrate that BIT225 can specifically target reservoir cells that remain infected in the presence of current anti-HIV-1 drugs.

In addition, the Company has demonstrated a broad reaching anti-viral platform technology. Several of the Company's compounds have demonstrated anti-viral activity against Hepatitis B virus (HBV), influenza, Dengue and others and may represent significant opportunity for an early stage collaboration with an appropriate pharma or biotech partner.

The Company remains focused on achieving a commercial outcome for its antiviral programs, until such time the operating cash flows will be negative and rely on cash flows from financing activities.

2. Yes. The Company today announced a partially underwritten renounceable rights issue to raise up to approximately \$1.47 million (before costs).

The offer of fully paid ordinary shares will be made to eligible shareholders on the basis of one (1) new share and one (1) attaching listed option for every four (4) existing shares held on the record date (16 May 2018) at an issue price of \$0.015 per share, which represents a 42% discount to the 1 month volume weighted average price (VWAP) of \$0.026.

Shareholders will be given the opportunity to apply for additional shares and attaching options in excess of their entitlement, however, allocations are not guaranteed. The issue is renounceable and shareholders will be able to guarantee an increase to entitlements by the purchase of additional rights.

The offer is partially underwritten by CPS Capital Group for \$800,000 and is subject only to conditions and terminating events which are typical for a transaction of this nature and are not considered onerous. Biotron believes that the underwritten amount will provide it with sufficient funds to both carry out its stated objectives and provide sufficient working capital.

3. Yes, refer to 2 above.
4. The Company confirms that it is in compliance with the ASX Listing Rule 3.1 and there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
5. The Company confirms that these responses have been authorised and approved in accordance with the published continuous disclosure policy.

The Company is not aware of any other information that it considers may be relevant to ASX forming an opinion on whether the Company is in compliance with ASX Listing Rule 12.2, based on the prospectivity and value potential of its anti-viral platform technology referred to above, together with the status of its current trial program.

Yours faithfully



Peter J. Nightingale
Company Secretary

pjn9383



3 May 2018

Mr Peter Nightingale
Company Secretary
Biotron Limited
Level 2
66 Hunter Street
Sydney NSW 2000

Dear Mr Nightingale,

Biotron Limited (the “Entity”): Appendix 4C Query

I refer to the Entity’s Appendix 4C quarterly report for the period ended 31 March 2018 lodged with ASX Market Announcements Platform and released on 24 April 2018 (the “Appendix 4C”).

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of \$886,000;
- cash at the end of the quarter of \$672,000; and
- estimated cash outflows for the next quarter of \$475,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Entity were to continue to expend cash at the rate indicated by the Appendix 4C, the Entity may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Entity to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Entity is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Entity’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9:00am AEST on 11 April 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Johanna.o'shea@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Entity's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

If you have any further enquiries in relation to this matter, please do not hesitate to contact me.

Kind regards,

[Sent electronically without signature]

Johanna O'Shea

Adviser, Listings Compliance (Sydney)