

9 April 2001

The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

(By facsimile 1 300 300 021)

Dear Madam,

RE: APPENDIX 4C - QUARTERLY REPORT

In accordance with Listing Rule 4.7B, I attach the Biotron Limited's ('Biotron' or 'the Company') Quarterly Cash Flows Report for the quarter ended 31 March 2001.

As this is Biotron's first quarterly report, the Directors are pleased to take this opportunity to provide the following update of the Company's activities.

Successful Completion of Initial Public Offering

During the quarter, the Company successfully completed its initial capital raising pursuant to its prospectus dated 8 December 2000, resulting in the official quotation of the Company's securities by the Australian Stock Exchange Limited ('ASX') on 24 January 2001.

The Company raised \$12 million by the issue of 24 million ordinary shares at an issue price of \$0.50 per share, together with one free bonus option for every four ordinary shares, exercisable at \$0.60 at any time on or before 30 June 2002.

Completion of the financing of the Company and the ASX listing has positioned the Company to implement its business plan to develop, exploit and commercialise six major biomedical projects which result from many years of research at the John Curtin School of Medical Research, a leading research institute within the Australian National University ('ANU').

Establishment of Operations

In the 66 days since the Company was listed by the ASX, significant goals have been achieved. Whilst many of these goals may be considered as routine for a company with established operations, because Biotron is, essentially, a start-up company, albeit with advanced research activities, the following achievements are significant in establishing the foundations of the Company's future.

- Biotron has established its research facilities on the campus of the ANU and a corporate office in Sydney.
- Three state of the art research laboratories have been equipped and are now operational.
- Many prospective employees have been interviewed, with approximately half of the immediately critical positions having been filled with employees to the standard demanded by Biotron and the remaining positions being rapidly filled.

During this brief period of substantial establishment activity, the Company has continued to progress the Company's research activities in accordance with its business plan as disclosed in the prospectus.

Finance

As can be seen from the attached quarterly report, at 31 March 2001, the Company held \$10.8 million in cash. This amount of cash is in accordance with the Company's projections based on its business plan and as disclosed in the Company's prospectus.

Conclusion

The Directors are pleased with the progress of the Company in the 66 days since its listing on the ASX on 24 January 2001. Operations are progressing in accordance with the Company's established milestones and in accordance with the development schedule set out in the Company's prospectus.

Yours faithfully

Peter J. Nightingale
Company Secretary

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