

11 May 2018

The Manager Companies  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

(5 pages by email)

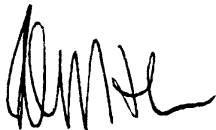
Dear Madam,

**LETTER TO ELIGIBLE AND INELIGIBLE SHAREHOLDERS**

The Company advises that the following two letters has been sent in relation to the Renounceable Rights Issue announced on 10 May 2018:

- a) Letter to shareholders of Biotron Limited who have registered addresses in Australia and New Zealand as at the Record Date of 7:00pm (AEST) on 16 May 2018, and are eligible to participate in the Rights Issue (Eligible Shareholders); and
- b) Letter to shareholders of Biotron Limited who have registered addresses outside Australia and New Zealand as at the Record Date of 7:00pm (AEST) on 16 May 2018, and are not entitled to participate in the Rights Issue (Ineligible Shareholders).

Yours sincerely



Peter J. Nightingale  
Company Secretary

pjn9400

10 May 2018

Dear Shareholder,

### RENOUNCEABLE RIGHTS ISSUE

On 10 May 2018 Biotron Limited (Company) announced a renounceable pro rata offer to shareholders with a registered address in Australia or New Zealand (Eligible Shareholders) of approximately 98,078,690 fully paid ordinary shares on the basis of 1 New Share together with 1 attaching Option for every 4 Existing Shares held as at 7:00pm (AEST) on 16 May 2018 (Record Date), at an issue price of \$0.015 per new share (Rights Issue) to raise up to approximately \$1,471,180 (before costs).

The Rights Issue is partially underwritten by CPS Capital Group Limited for \$800,000.

The Directors have indicated they intent to participate in some or all of their entitlement under the Offer.

The Directors intend to apply the proceeds from the Offer as follows:

Use of Funds	Underwritten Amount (\$)	Full Subscription (\$)
Expansion of HBV preclinical program	100,000	250,000
Screening against additional antiviral targets	-	100,000
Commercialisation activities	120,000	200,000
General working capital	427,257	766,410
Costs of the Offer	152,743	154,770
<b>Total</b>	<b>800,000</b>	<b>1,471,180</b>

The Company expects the Rights Issue to be conducted in accordance with the following timetable:

Ex date – Shares trade ex-entitlement ( <b>Ex Date</b> )	15 May 2018
Rights trading commences	
Record date to determine Entitlement ( <b>Record Date</b> )	16 May 2018
Prospectus with Entitlement and Acceptance Form dispatched	21 May 2018
Offer opens for receipt of Applications	
Rights trading ends	30 May 2018
Deferred settlement trading starts	31 May 2018

Closing date for acceptances	6 June 2018
Notify ASX of under-subscriptions	12 June 2018
Issue of New Shares Deferred settlement trading ends	14 June 2018
Dispatch of shareholding statements	14 June 2018
Normal trading of New Shares expected to commence	15 June 2018

The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

The new shares issued pursuant to the Rights Issue will rank equally with existing fully paid ordinary shares in the Company. Application has been made for the quotation of the new shares.

The attaching Options issued pursuant to the Rights Issue have an exercise price of 5 cent and an expiry date of 12 December 2019. Application has been made for the quotation of the new Options.

The Rights Issue will be offered under a prospectus lodged with ASIC on 10 May 2018, a copy of which will be sent to Eligible Shareholders. Eligible Shareholders should consider the prospectus carefully in deciding whether to acquire new shares and attaching new options offered under the Rights Issue, and will need to complete the personalised entitlement and acceptance form accompanying the prospectus to take up their entitlements. Eligible Shareholders may also apply for additional shares in excess of their entitlement.

The capital structure of the Company before and after completion of the Rights Issue is set out below:

	<b>Shares</b>	<b>Options - Listed</b>	<b>Options - Unlisted</b>
Securities on issue at the date of the announcement of the Rights Issue	392,314,760	78,445,019	5,000,000
Securities offered under this Rights Issue	98,078,690	98,078,690	-
<b>Total securities on issue following the Rights Issue<sup>1</sup></b>	<b>490,393,450</b>	<b>176,523,709</b>	<b>5,000,000</b>

<sup>1</sup>This assumes no shares will be issued or options exercised before the Record Date.

CPS Capital Group Pty Limited will be granted 6 million options under the same terms as those offered under the Rights Issue, paid a lead manager fee of \$60,000, a management fee of 1% of total amount raised, an underwriting fee of 5% of the Underwritten Amount (\$40,000) and a placement fee of 5% of any Shortfall placed.

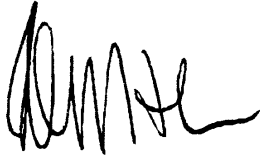
Should you have any questions regarding the Rights Issue you may contact the Company on +61 2 9300 3344 or consult your stockbroker or professional adviser.

A copy of the prospectus may be viewed on the ASX Limited website at [www.asx.com.au](http://www.asx.com.au), or alternatively at the Company's website at [www.biotron.com.au](http://www.biotron.com.au).

Personalised Entitlement and Acceptance form can be viewed online from 21 May 2018 at [www.investorcentre.com](http://www.investorcentre.com).

We look forward to your participation in the Rights Issue.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Nightingale', with a stylized, cursive script.

Peter J. Nightingale  
Company Secretary

pjn9395

10 May 2018

Dear Shareholder,

**RENOUNCEABLE RIGHTS ISSUE – NOTIFICATION TO INELIGIBLE SHAREHOLDERS**

On 10 May 2018 Biotron Limited (Company) announced a renounceable rights issue to raise approximately \$1,471,180 (before costs) by offering eligible shareholders 1 New Share together with 1 attaching Option for every 4 Existing Shares held at the record date of 7.00 pm (AEST) on 16 May 2018 at an issue price of \$0.015 per share (Rights Issue).

The Company has decided that it is unreasonable to make offers under the Rights Issue to shareholders with a registered address outside Australia or New Zealand (Ineligible Shareholders), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the Shares under the Rights Issue to those shareholders.

Unfortunately, since you are an Ineligible Shareholder, no offer is being made to you and the Prospectus prepared by the Company in relation to the Rights Issue will not be sent to you.

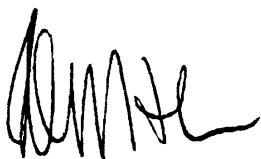
In accordance with ASX Listing Rule 7.7(c), the Company has appointed CPS Capital Group Pty Limited as nominee to arrange for the sale of the entitlements that would have been given to you and to account to you for the net proceeds of the sale, if any.

This letter is neither an offer to issue new shares to you, nor an invitation for you to apply for new shares.

You do not have to take any further action in relation to the Rights Issue.

Should you have any questions regarding the Rights Issue you may contact the Company on +61 2 9300 3344.

Yours faithfully



Peter J. Nightingale  
Company Secretary