

04 March 2025

ASX Listing Compliance

By email: listingcompliancesydney@asx.com.au

Dear Sir/Madam

Response to ASX Aware letter dated 26 February 2025

I refer to your letter dated 26 February 2025 (“ASX Aware Letter”). Following are BIT’s responses to the ASX Aware Letter, using the numbering and defined terms contained in that letter:

In relation to the Announcement

1. **Please explain the basis for BIT indicating the Announcement was not market sensitive, noting the following:**
 - 1.1 **BIT’s references, in the Announcement, to possible voluntary administration or winding up BIT in the event that the minimum subscription amount under the share purchase plan is not achieved (see paragraph A(b) above); and**
 - 1.2 **the subsequent decrease in the price of BIT’s securities following the release of the Announcement (see paragraph C above).**

The Announcement was considered by the Company to be “market sensitive” as it contained information that would in expected to impact on BIT’s share price. Unfortunately, during lodgement of the Announcement the wrong box (market sensitive vs non market sensitive) was pressed. This was a human error.

2. **Noting that the directors of BIT will participate in the share purchase plan (see paragraph A(d) above), please provide further details on the quantum of each director’s intended participation in the share purchase plan.**

As set out in response to question 8 below, on 28 February 2025 the Company announced that the SPP was withdrawn and replaced with a rights issue (“Rights Issue”). As a result this question is no longer relevant.

The Rights Issue announcement and prospectus (announced on 3 March 2025) sets out the Directors’ participation in the Rights Issue.

3. **Does BIT consider that it has remained compliant with its Revised Continuous Disclosure Policy (see paragraph B above) in respect of the Announcement? If so, please advise the basis for that view.**

Yes, the Company considers that it remained compliant with its Revised Continuous Disclosure Policy in respect of the Announcement.

The board closely monitors expenditures and balances ongoing activities to ensure sufficient funds are available to meet objectives. Biotron’s past capital raising have been undertaken to fund a specific set of activities. The most recent (November 2022) was undertaken to fund the Phase 2 COVID clinical trial as well as the completion of two Phase 2 HIV-2 clinical trials. There was always a possibility that additional capital would be required to fund the next stage of development/activities now that the Phase 2 trials are completed, as was disclosed at the time, and which is standard in the industry and with a R&D company that does not have revenues.

Response aware letter pjn12536

On 27 November 2024 the Company announced it had contracted C14 Consulting Group to assist the Company with achieving a commercial outcome for its portfolio of antiviral drug development programs.

As is the nature of commercialisation of assets in the biotechnology/pharmaceutical industry, there was uncertainty regarding exactly how long it would take for C14 to find a potential partner, and subsequently, for the Company to transact and bring a deal to conclusion. The Company considered that it required at least 6 months' cash at hand to fund operations while giving C14 what was estimated to be sufficient time to find a partner.

As the Company did not have sufficient cash for 6 months' operations (the Company's financial position was set out in the 3C quarterly released 24 January 2025), the board considered the various ways to reduce costs and raise the necessary capital to ensure operations could continue while C14 continued its search for a partner.

Based on cashflows prepared by the managing director and the company secretary it was determined a capital raising of \$500,000 would provide the minimum amount of additional capital on top of existing funds and taking into consideration cost-saving measures implemented by the Company fund operations for the expected period, i.e. approximately 6 months, to allow C14 to find a partner. If this amount could not be raised, the Company may not have sufficient runway to commercialise its assets.

Once the Company determined that the minimum capital required was \$500,000 and that an SPP was the best path to raise the necessary capital, and with the approval of all board members, the Company immediately made the Announcement and undertook the SPP.

4. In light of the possible voluntary administration or winding up action foreshadowed by the BIT, please confirm whether BIT considers that it has made adequate and appropriate disclosures concerning its financial position prior to the release of the Announcement.

Yes. BIT confirms that it considers that it has made adequate and appropriate disclosures concerning its financial position prior to the release of the Announcement.

5. If the answer to question 4 is "yes", please advise the basis for that view, commenting specifically on whether BIT has made any announcement prior to the date of the Announcement which would allow investors to understand BIT's financial position.

BIT's Appendix 4C, released on 24 January 2025, sets out BIT's cash position and expenditures during the quarter. The expenditures were also set out in the Report on Activities for the Quarter Ended 31 December 2024. These released financial statements clearly show BIT's financial position.

6. Please explain the basis on which BIT has determined that voluntary administration or a winding up action are the only appropriate options in the event that the minimum subscription amount under the share purchase plan is not achieved, commenting specifically on whether BIT has taken any steps, or propose to take any steps, to raise capital via other funding arrangements. If so, please provide details.

BIT announced the SPP to raise sufficient capital to allow current commercialisation activities associated with monetising unrealized value held within its intellectual property to continue through to a conclusion. Since making the Announcement, BIT received enquiries that have allowed it to enter an underwriting agreement with Mahe Capital for \$750,000 and to announce the Rights Issue. As a result, the SPP was withdrawn.

Ongoing requirements – financial condition

7. Does BIT consider that its current financial condition is adequate to warrant continued quotation of its securities on ASX as required under Listing Rule 12.2? In answering this question, please explain the basis for this conclusion.

Yes. As announced on 28 February 2025, the Company is undertaking the Rights Issue, which is partially underwritten for \$750,000 by Mahe Capital. The Directors believe that this amount will be sufficient for BIT to continue operations and to warrant continued quotation of its securities on ASX.

Cleansing Notice

8. **Given that the SPP offer opened on Tuesday 25 February 2025 (see paragraph A(c) above), did BIT lodge a cleansing notice with ASX within a 24-hour period before the offer is made. If not, please explain the steps BIT has taken, or will take, to comply with ASIC's Regulatory Guide 125.37 (see paragraph J above).**

BIT did not lodge a cleansing notice as required by *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*. As a result and having entered an underwriting agreement with Mahe Capital for the Rights Issue, on 28 February 2025 BIT's directors resolved to withdraw the SPP and return application funds received (without interest) to shareholders as soon as reasonably practicable.

General

9. **Please confirm that BIT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

Confirmed

10. **Please confirm that BIT'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 BIT with delegated authority from the board to respond to ASX on disclosure matters.**

Confirmed

Yours sincerely



Michelle Miller
Managing Director

pjn12536



26 February 2025

Reference: 106659

Mr Peter Nightingale
Company Secretary
Biotron Limited
Suite 3.3, 56 Delhi Rd, North Ryde NSW 2113

By email: pnightingale@biotron.com.au

Dear Mr Nightingale

Biotron Limited ('BIT'): ASX Query Letter

ASX refers to the following:

- A. BIT's announcement titled "Share Purchase Plan", marked as "not market sensitive" and released on the ASX Market Announcements Platform ('MAP') at 9:18AM on 21 February 2025 (the 'Announcement') disclosing the following (relevantly):
- a. *"[BIT] announces that it will be offering existing eligible shareholders the opportunity to participate in a Share Purchase Plan (SPP).

The SPP enables Eligible Shareholders to acquire up to \$30,000 worth of new Biotron shares at an issue price of \$0.01 per share, being no more than the closing price and the volume-weighted average market price of the Company's shares for the five business days on which the Company's shares traded preceding 20 February 2025."*
 - b. *"The minimum raising that will be accepted under the SPP is 50,000,000 shares to raise \$500,000. In the event that this minimum subscription amount is not achieved, application monies will be refunded in full (without interest) and the Directors will seek to appoint a Voluntary Administrator or wind the Company up whilst solvent."*
 - c. *"SPP Offer Opens [on] Tuesday 25 February 2025."*
 - d. *"Directors will be participating in the SPP in part or in full."*
- B. BIT's announcement titled "Revised Continuous Disclosure Policy" released on MAP at 10:01AM on 15 November 2024 (the 'Revised Policy') disclosing that "ASX has directed Biotron to take action under ASX Listing Rule 18.8(k) and update its Continuous Disclosure Policy and Procedures", due to the following concerns ASX has in relation to BIT (relevantly):
- a. *"[BIT] failed to comply with Listing Rule 3.1 when it failed to immediately disclose its entrance into the \$500,000 loan facility; and*
 - b. *[ASX] is not satisfied that Biotron demonstrated in the Company's 25 September 2024 response to the ASX Aware Letter an appropriate understanding of what constitutes market-sensitive information for the purposes of the ASX Listing Rules and the disclosure obligations that apply in respect of such information."*
- C. The change in the price of BIT's securities from \$0.011 immediately prior to the release of the Announcement to a low of \$0.008 following the release of the Announcement, reflecting a decline of 27.3%.
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX 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.

E. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”

F. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled “When does an entity become aware of information?”

G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

H. The concept of “confidentiality” detailed in section 5.8 of *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”

I. Listing Rule 12.2 which states:

“An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.”

J. ASIC’s Regulatory Guide 125: Share and interest purchase plans (‘RG125’) which states:

“RG125.37 - Where an offer under a purchase plan is made as a standalone offer (i.e. it is not offered in conjunction with a placement), a cleansing notice must be lodged with ASX within a 24-hour period before the offer is made.”

Request for information

Having regard to the above, ASX asks BIT to respond separately to each of the following questions:

In relation to the Announcement

1. Please explain the basis for BIT indicating the Announcement was not market sensitive, noting the following:

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- 1.1 BIT's references, in the Announcement, to possible voluntary administration or winding up BIT in the event that the minimum subscription amount under the share purchase plan is not achieved (see paragraph A(b) above); and
 - 1.2 the subsequent decrease in the price of BIT's securities following the release of the Announcement (see paragraph C above).
 2. Noting that the directors of BIT will participate in the share purchase plan (see paragraph A(d) above), please provide further details on the quantum of each director's intended participation in the share purchase plan.
 3. Does BIT consider that it has remained compliant with its Revised Continuous Disclosure Policy (see paragraph B above) in respect of the Announcement? If so, please advise the basis for that view.
 4. In light of the possible voluntary administration or winding up action foreshadowed by the BIT, please confirm whether BIT considers that it has made adequate and appropriate disclosures concerning its financial position prior to the release of the Announcement.
 5. If the answer to question 4 is "yes", please advise the basis for that view, commenting specifically on whether BIT has made any announcement prior to the date of the Announcement which would allow investors to understand BIT's financial position.
 6. Please explain the basis on which BIT has determined that voluntary administration or a winding up action are the only appropriate options in the event that the minimum subscription amount under the share purchase plan is not achieved, commenting specifically on whether BIT has taken any steps, or propose to take any steps, to raise capital via other funding arrangements. If so, please provide details.

Ongoing requirements – financial condition

7. Does BIT consider that its current financial condition is adequate to warrant continued quotation of its securities on ASX as required under Listing Rule 12.2? In answering this question, please explain the basis for this conclusion.

Cleansing Notice

8. Given that the SPP offer opened on Tuesday 25 February 2025 (see paragraph A(c) above), did BIT lodge a cleansing notice with ASX within a 24-hour period before the offer is made. If not, please explain the steps BIT has taken, or will take, to comply with ASIC's Regulatory Guide 125.37 (see paragraph J above).

General

9. Please confirm that BIT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
10. Please confirm that BIT'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 BIT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEDT Friday, 28 February 2025**.

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, BIT's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require BIT to request a trading halt immediately if trading in BIT's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us 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.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in BIT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to BIT'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 BIT'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.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance