

Ms Johanna O'Shea
Adviser, Listings Compliance (Sydney)
ASX Compliance Pty Limited
20 Bridge Street
SYDNEY NSW 2000

(5 pages by email)

Dear Ms O'Shea

I refer to your letter dated 8 May 2018 querying the increase in Biotron Limited's ('the Company') share price from a close of \$0.023 on 2 May 2018 to a high of \$0.031 on 8 May 2018 and provide the following response:

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

No.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

N/A.

3. Is there any other explanation that the Company may have for the recent trading in the securities of the Company?

No. The Company notes that it 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 acknowledges that the ASX price query letter was received before a trading halt request was made on 8 May 2018. At that time, the Company was in the process of negotiating terms for the recently announced Renounceable Rights Issue offer with CPS Capital Group Pty Limited, the underwriter for the offer. The Company went into trading halt to complete negotiations on the terms of the offer. The Company does not believe that the information regarding the Rights Issue can explain the share price increase.

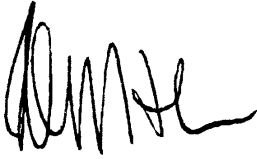
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company confirms that it is in compliance with the Listing Rules and in particular, Listing Rule 3.1.

5. Please confirm that the Company's response to the above questions 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?

The Company confirms that, the above questions have been authorised and approved in accordance with its published continuous disclosure policy.

Yours sincerely

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

Peter J. Nightingale
Company Secretary

pjn9390

8 May 2018

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

By email:

Dear Mr Nightingale,

Biotron Limited (the “BIT”): price query

We note the change in the price of BIT’s securities from a close of \$0.023 on 2 May 2018 to a high of \$0.031 at the time of writing today.

We also note the increase in the volume of BIT’s securities traded over the last five trading days.

In light of this, ASX asks BIT to respond separately to each of the following questions and requests for information:

1. Is BIT aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is BIT relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in BIT’s securities would suggest to ASX that such information may have ceased to be confidential and therefore BIT may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that BIT may have for the recent trading in its securities?
4. Please confirm that BIT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

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5. 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, 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 3:00 pm AEDT on 8 May 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in BIT'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, BIT'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 or by facsimile (02) 9241 7620. 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 Rules 3.1 and 3.1A

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 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.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in BIT'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.

Kind regards

Johanna O'Shea

Adviser, Listings Compliance (Sydney)

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