

Prospectus

BIOXYNE LIMITED

ACN 084 464 193

For a non-renounceable pro rata offer to Eligible Shareholders of one New Share for every one Existing Share at an issue price of \$0.01 per New Share with 1 free attaching New Option (exercisable at \$0.01 on or before 15 December 2017) for every two New Shares issued to raise \$2,530,326 before issue costs (**Offer**).

The Offer is fully underwritten by Veritas Securities Limited.

ASX Code: BXN

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the securities offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in securities offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 3 May 2017 and was lodged with ASIC on that date. Application has been made to ASX for quotation of the New Shares offered under this Prospectus.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The New Shares offered under this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities or options to acquire securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the offer on the company and the rights and liabilities attaching to the securities offered. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus at any time prior to the Closing Date on the Company's website at www.bioxyne.com or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders and others will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.4 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Eligible Shareholders should read the privacy information located in section 8.15 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in section 12.

Enquiries

If you have any questions please call the Company Secretary on +61 2 9078 8180 at any time between 8:00am and 5:00pm (AEST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

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Corporate Directory

Directors

Anthony Ho (Chairman)
Patrick Ford (Non-Executive Director)
Dr. Peter French (Scientific Director)

Company Secretary

Guy Robertson

Registered and Business Office

Level 5, 50 Clarence Street
Sydney
NSW 2000
Tel: +61 2 9078 8180

Share Registry

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne
Victoria 3001

Tel: 1300 855 080

Underwriters

Veritas Securities Limited
Level 4 175 Macquarie Street
Sydney NSW 2000

Solicitors to the Offer

Mills Oakley
Level 2, 225 St Georges Terrace
Perth WA 6000

Website

www.bioxyne.com

Auditor*

RSM Australia Partners

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus

1 TIMETABLE TO THE OFFER

Lodgement of the Prospectus with ASIC and ASX	3 May 2017
Ex-date	8 May 2017
Record date to determine Entitlement (Record Date)	9 May 2017
Prospectus with Entitlement and Acceptance Form dispatched	10 May 2017
Offer opens for receipt of Applications	10 May 2017
Closing date for acceptances (Closing Date)	23 May 2017
Deferred settlement trading commences	24 May 2017
Notify ASX of Shortfall	26 May 2017
Issue of New Shares	30 May 2017
Deferred settlement trading ends	30 May 2017
Dispatch of shareholding statements	31 May 2017
Normal trading of New Shares expected to commence	31 May 2017

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.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

Shares currently on issue ¹	253,032,625
Options currently on issue ²	5,667,000
New Shares offered under this Prospectus at \$0.01 per New Share (approx.) ¹	253,032,625
New Options offered under this Prospectus exercisable at \$0.01 on or before 15 December 2017 (approx.) ³	126,511,313
Maximum amount raised under this Prospectus (before costs) ¹	\$2,530,326

Notes:

- 1 This assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date.
- 2 See section 5.5 for a list of the Company's Options on issue.
- 3 See section 9.2 for full terms and conditions of the New Options.

Dear fellow Shareholder,

On behalf of the Board of Directors, I take pleasure in presenting this Prospectus to you.

This Prospectus offers shareholders the opportunity to subscribe for one (1) New Share for every one (1) Share held at an issue price of 1.0 cent per Share together with one free attaching option for every two New Shares to raise approximately \$2.5 million. As outlined in our ASX announcement dated 19 April 2017 these funds will facilitate Bioxyne's expansion into direct sales following the acquisition of a New Zealand based product development and sales group; Global Treasure New Zealand Limited, New Zealand Nutritional Research Ltd and Pan Global Treasure Biotech Sdn Bhd.

The businesses acquired are led by Mr Nam Hoat Chua, the recently appointed Chief Executive Officer of Bioxyne Limited. Mr Chua has over 33 years' experience in the direct selling industry and as the previous Vice President Asia Pacific for New Image (a New Zealand nutritional foods company) successfully established direct sales offices in Malaysia, Indonesia, Vietnam, Thailand, Taiwan and the Philippines.

This is an exciting business opportunity for Bioxyne to partner with an existing company that has extensive experience in direct selling, to augment our clinically proven probiotic PCC®. Mr Chua has a wealth of experience in Asia with its high growth of the middle income demographic. This represents a significant market opportunity for sales of quality health and well-being products developed in, and sourced with world renowned ingredients from, Australia and New Zealand. A range of products featuring Bioxyne's patented probiotic PCC® strain of *Lactobacillus fermentum* PCC® is under development for this sales channel.

The rights issue is fully underwritten by Veritas Securities Limited with sub-underwriting support from Mr N H Chua and Waitara Trustees Limited. In addition, all directors have advised that they intend to take up their full entitlements in the rights issue. This demonstrates the commitment that these parties have in the potential of this new opportunity.

On behalf of the Directors, I recommend this Offer to you and look forward to your support and ongoing participation as a shareholder.

Yours faithfully,

Anthony Ho
Chairman

4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information
What is the Offer?	One New Share for every one Existing Share held on the Record Date at an issue price of \$0.01 with 1 free attaching New Option (exercisable at \$0.01 on or before 15 December 2017) for every two New Shares issued. Application has been made for the New Shares to be quoted on ASX. The Offer will raise \$2,530,326 (before costs).	Section 5.1
Am I an Eligible Shareholder?	The Offer is only made to Eligible Shareholders, who are those Eligible Shareholders that: (a) are the registered holders of Shares as at 7:00pm (AEST) on the Record Date; and (b) have a registered address in Australia or New Zealand.	Section 8.4
How will the proceeds of the Offer be used?	The Company intends to use the funds raised from the Offer broadly as follows: • Product development \$500,000; • Geographic expansion \$1,000,000; • Marketing \$750,000; • General working capital \$95,326; • Costs of the Offer \$185,000.	Section 5.3
What are the key risks of a subscription under the Offer?	An investment in the Company has risks that you should consider before making a decision to invest. These risks include (but are not limited to): • While Bioxyne has existing revenue streams from its wholesale and retail (online) businesses and has been profitable in its last two years of operations it has limited financial resources for growth opportunities and there is a risk that it may need to raise additional funds in the future. • The Company may not be able to develop and commercialise a product range of sufficient width to	Section 6

Question	Response	Where to find more information
	gain market share/sales or support direct sales teams. The Company has recently acquired the NZ Business. Whilst the Company undertook due diligence and obtained appropriate warranties, there are risks associated with any acquisition, including for example unknown liabilities. Please carefully consider these and other risks and the information contained in section 6 of this Prospectus before deciding whether or not to apply for New Shares.	
Is the Offer underwritten?	Yes, the offer is fully underwritten. The underwriting is conditional upon certain conditions and terminating events customarily found in underwriting agreements for issuers in the Company's circumstances. Certain shareholders have agreed to take up their Entitlement for an aggregate of \$708,683.	Section 8.5
Can I apply for Shortfall Securities?	Any New Shares under the Offer that are not applied for by the Closing Date will become Shortfall Securities. The Shortfall Securities will be allocated: - firstly, to Mr Chua for up to 76,666,667 New Shares; and then to - Waitara Trustees Limited and the Underwriter on an 80:20 basis.	Section 8.6
Is the Offer subject to any conditions?	The Offer is not subject to any minimum subscription.	Section 8.2
What will be the effect of the Offer on control of the Company?	The effect of the Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders. If the Underwriter, sub-underwriters and Committed Eligible Shareholders (who have advised the Company that they will take up their Entitlement of collectively 28.01% of the New Shares offered) perform their obligations, no person will increase their voting power to 20% or more under the Offer or Shortfall Offer.	Section 5.6
How do I apply for New Shares?	Applications for New Shares can be made by Eligible Shareholders completing the relevant sections of the personalised Entitlement and Acceptance Form and sending it to the Share Registry together with a cheque in	Section 7.2

Question	Response	Where to find more information
	the amount of Entitlement applied for or by making a payment by BPAY.	
Can I sell my Entitlements?	No, the Offer is non-renounceable meaning Entitlement may not be transferred.	
How can I obtain further advice?	Contact the Company Secretary on +61 2 9078 8180 at any time during business hours until the Closing Date. Alternatively, consult your broker or other professional adviser.	

5 PURPOSE AND EFFECT OF THE OFFER

5.1 Introduction

The Company is seeking to raise \$2,530,326, before issue costs, by offering Eligible Shareholders one New Share for every one Existing Share held as at the Record Date at a price of \$0.01 per Share, with one free attaching New Option (exercisable at \$0.01 per Share with expiry 15 December 2017) for every two New Shares issued.

The Offer is fully underwritten by Veritas Securities Limited.

5.2 Acquisition of New Zealand business

On 19 April 2017, the Company announced that it had acquired a New Zealand based product development and sales group, Global Treasure New Zealand Limited, New Zealand Nutritional Research Ltd and Pan Global Treasure Biotech Sdn Bhd (**NZ Business**), from Mr N H Chua and Mr K S Chia.

The NZ Business has an established and developing portfolio of products across three categories:

- (a) Functional Foods (including BK18 and Allura) - BK18 is a dairy based breakfast replacement with immunity boosters for the whole family; Allura is a weight loss meal replacement with collagen for skin tone improvement.
- (b) Dietary supplements (including ArthroFlex) - softgels and topical cream designed to complement the functional food brands.
- (c) Anti-Ageing Skincare (including BEssence) - a moisturizing anti-ageing formulation for fine lines and wrinkles.

The business was established in 2015, with revenues for the 2016 financial year of \$597,253 and a profit before tax of \$38,932.

The NZ Business produces these products for its direct sales channels in South East Asia, New Zealand and Australia. The acquisition allows the Company to bring its existing products to Asian markets through the NZ Business' direct sales channel.

The material terms of the acquisition were as follows:

- (a) Consideration consists of 18,000,000 Shares issued at a deemed price of \$0.019 per Share (\$342,000) to acquire 100% of the issued share capital of the 3 companies which together comprise the NZ Business.
- (b) Mr Chua was issued 4,500,000 Shares as a sign on fee as incoming Chief Executive Officer.
- (c) The agreement contained warranties typical for a transaction of this nature, including as to each company's assets and liabilities.

Following the acquisition, the Company proposes to:

- (a) continue with its wholesale industrial sales business into USA;
- (b) as previously announced, expand the wholesale consumer sales business through a move into pharmacy channels;
- (c) expand product range with the acquisition of the NZ Business; and

- (d) expand wholesale consumer sales through direct sales channel with a focus on Asia Pacific.

In conjunction with the acquisition, the Company also raised approximately \$530,000 through a placement of 28,106,524 Shares at an issue price of \$0.019 to unrelated parties. Funds raised under the placement will be used to facilitate the immediate expansion and development of the NZ Business.

Following completion of the rights issue, Mr Chua will become Managing Director of the Company and Mr Maxwell Parkin will become a Non-Executive Director.

The Company was not required to seek Shareholder approval or re-comply with any Listing Rule as a result of the acquisition or related capital raisings.

5.3 Purpose of the Offer

The purpose of the Offer is to raise funds which will be applied as follows:

Use of funds (approximately) ¹	Full Subscription
Product development	500,000
Geographic expansion	1,000,000
Marketing	750,000
General working capital ²	95,326
Costs of the Offer ³	185,000
Total use of funds	\$2,530,326

Notes:

- 1 This table is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right, in the event sales results are not satisfactory, to vary the way funds are applied.
- 2 General working capital includes (but is not limited to) corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs. Further, general working capital may be applied to evaluating new product opportunities that may complement the existing products of the Company.
- 3 See section 10.5 for further details relating to the estimated expenses of the Offer, including fundraising expenses.

5.4 Statement of financial position

Set out in section 13 is the Consolidated Statement of Financial Position (un-audited) of the Company and the Consolidated Pro-Forma Statement of Financial Position, as at 31 March 2017 and prepared on the basis of the following adjustments and assumptions;

- (a) the Offer was effective on 31 March 2017;

- (b) a total of 50,606,524 Shares were issued to acquire the NZ Businesses, undertake the placement and to Mr Chua as a sign on fee;
- (c) no further Shares are issued (including by way of exercise of Options) other than the Shares offered under this Prospectus;
- (d) full take up of the Offer; and
- (e) costs of the Offer are \$185,000.

The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the annual financial report for year ended 30 June 2016.

5.5 Effect of the Offer on the Company's securities

Assuming that no further Shares are issued (including by way of exercise of Options) prior to the Record Date, at the close of the Offer, the capital structure of the Company will be:

Shares	Full Subscription	
	Number	%
Existing Shares	253,032,625	50.0
New Shares offered under this Prospectus	253,032,625	50.0
Total Shares	506,065,250	100.0
Options¹		
Listed Options exercisable at \$0.021 each on or before 10 December 2017		917,000
Class A Options exercisable at \$0.0234 each on or before 24 November 2019		2,750,000
Employee Options exercisable at \$0.0234 each on or before 24 November 2019		2,000,000
Total Options currently on issue		5,667,000
New Options exercisable at \$0.01 each on or before 15 December 2017		126,516,313
New Options to be issued to the Underwriter in accordance with section 10.3		4,000,000
Total Options		136,183,313

¹The Company has an obligation to issue a further 2,000,000 Class A Options with an exercise price of \$0.0234 and with an expiry date of 24 November 2019 to two Directors, subject to shareholder approval.

5.6 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlement in full.

The Underwriter has agreed to fully underwrite the Offer. Mr Chua and Waitara Trustees Limited have agreed to partially sub-underwrite the Offer. In determining the effect of the underwriting arrangements on control and the maximum voting power of those in the underwriting, the following is relevant:

- (a) Eligible Shareholders who together are the registered holders of 28.01% of the Company's issued Shares have committed in writing to the Company to take up their Entitlement (**Committed Eligible Shareholders**).
- (b) Mr Chua's voting power in the Company is currently 4.15%.
- (c) The Underwriter currently has no relevant interest in Shares of the Company. Mr Patrick Ford, a Director, is a shareholder of the Underwriter, although he does not control it and therefore the Underwriter is not a related party of the Company.
- (d) The Underwriter and sub-underwriters have agreed that Shortfall Securities will be allocated:
 - (i) firstly to Mr Chua for 76,666,667 Shortfall Securities; and then
 - (ii) to Waitara Trustees Limited (an entity associated with Lorraine Cole, a New Zealand resident) and the Underwriter (or its nominee) for the remaining Shortfall Securities on an 80:20 basis (i.e. for every 5 Shortfall Securities, Waitara will subscribe for 4 Shares and the Underwriter will subscribe for 1 Share).

Assuming the Underwriter and sub-underwriters each perform, their voting power in various scenarios following the Offer will be as follows:

Take-up	Mr Chua		Waitara Trustees Limited		Underwriter		Others	
	Number	%	Number	%	Number	%	Number	%
Current	10,500,000	4.15	0	0	0	0.00	242,522,625	95.85
0% ¹	87,166,667	17.22	141,084,766	27.88	35,271,192	6.97	242,522,625	47.92
28.01% ²	97,666,667	19.30	84,390,145	16.67	21,097,536	4.17	302,890,902	59.86
40%	97,666,667	19.30	55,077,526	10.88	13,769,382	2.72	339,531,675	67.09
60%	97,666,667	19.30	16,273,906	3.21	4,068,477	0.80	388,036,200	76.68
80%	71,604,525	14.15	0	0.00	0	0.00	434,440,725	85.85
100%	21,000,000	4.15	0	0.00	0	0.00	485,045,250	95.85

¹ This assumes no Committed Eligible Shareholders take up their Entitlement. As noted above, these Eligible Shareholders have committed in writing to the Company to take up their Entitlement, and the Company considers that the risk they will not to be remote.

² This assumes the Committed Eligible Shareholders take up their Entitlement, but no other Eligible Shareholders do. The Company considers that the likelihood of this occurring to be low.

The underwriting is not conditional upon a sub-underwriter performing, and as a result in the event that:

- (a) neither the sub-underwriters nor Committed Eligible Shareholders perform, the Underwriter will have a relevant interest in 253,032,625 Shares and its maximum voting power will be 50% (assuming no Eligible Shareholders, including Committed Eligible Shareholders, take up their Entitlement);
- (b) the Committed Eligible Shareholders and Mr Chua perform but Waitara Trustees Limited does not and no other Eligible Shareholder takes up their Entitlement, Mr Chua and Veritas' voting power will be 19.30% and 20.84% respectively; and
- (c) the Committed Eligible Shareholders and Waitara Trustees perform but Mr Chua does not, Waitara Trustees Limited and Veritas' voting power will be 16.67% and 19.32% respectively.

5.7 Future intentions

The Underwriter, Mr Chua and Waitara Trustees Limited have each separately informed the Company that, based on the facts and circumstances presently known to them, they do not currently intend to make any changes to the direction or objectives of the Company, and that they:

- (a) do not currently intend to make any significant changes to the existing (include the NZ Businesses) businesses of the Company, as announced to ASX;
- (b) do not currently intend to inject further capital into the Company;
- (c) intend to support the Company's decisions regarding the future employment of its present employees;
- (d) do not currently intend to transfer any property between the Company and themselves or any of their associates;
- (e) do not currently intend to redeploy fixed assets of the Company; and
- (f) do not currently intend to change the Company's existing financial or dividend policies.

These intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

5.8 Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect assuming no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	10,000,000	3.95	10,000,000	10,000,000	1.98
2	5,000,000	1.98	5,000,000	5,000,000	0.99
3	2,500,000	0.99	2,500,000	2,500,000	0.49
4	1,000,000	0.40	1,000,000	1,000,000	0.20

6 RISK FACTORS

The New Shares offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below and together with information contained elsewhere in this Prospectus and to consult with their professional advisers before deciding whether to apply for the New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Risk specific to the Offer

Shareholders who do not take up their Entitlement will have their holding in the Company diluted. Details of dilution are set out in section 5.8 above.

6.2 Company and industry risks

The risks outlined below are specific to the Company's operations and to the industry in which the Company operates.

(a) Future capital needs and additional funding

While Bioxyne has existing revenue streams from its wholesale and retail (online) businesses and has been profitable in its last two years of operations it has limited financial resources for growth opportunities and may need to raise additional funds in the future.

In certain circumstances, the Company's ability to successfully operate may be subject to its ability to raise funds which will be subject to factors beyond the control of Bioxyne and its Directors (including without limitation cyclical factors affecting the economy, financial and share markets generally).

(b) Acquisition risk

Whilst the Company has undertaken due diligence in respect of the NZ Business, there is a risk that the acquisition will be unsuccessful or that the acquired companies may contain unrecorded liabilities. If the acquisition is not successful or contains unrecorded liabilities, this will have a material adverse effect on the Company.

Any new business acquisition may change the risk profile of the Company. Investors should re-assess their investment in the Company in light of the acquisition.

(c) Business strategy execution risk

The Company's growth and financial performance is dependent on the Company's ability to successfully execute its business strategies (including of its newly acquired New Zealand Business), commercialise its formulation range and gain market share/sales.

There can be no assurance that Bioxyne can successfully achieve any or all of its initiatives.

(d) Limited history in nutritional health and food products market

Bioxyne is a relatively new entrant into the market of nutritional health and food products. While Bioxyne has been a wholesaler of its patented probiotic PCC® for a number of years it has only recently launched its consumer probiotics Progastrim and ProTract on the Australian market through on line sales and a move into pharmacy.

While direct sales is an expansion of its wholesale sales business the Company has no significant experience in this sector.

Bioxyne therefore faces the risks common to a growing company including:

- (i) Commercial product development
- (ii) Increasing its product/brand recognition in the market
- (iii) Dealing with the regulatory environment in Asian countries
- (iv) Establishing and managing an extensive direct sales force
- (v) Logistics of supplying product effectively throughout the Asia Pacific.

(e) Loss of key customers

A substantial portion of the Company's revenue for the year ended 30 June 2016 was generated from Nu Skin Enterprises, Inc., its major customer in the United States. The loss of this key customer or the loss of business from this key customer may have a material adverse effect on the Company.

(f) Dependence on service providers

Bioxyne as a sales, marketing and product development company is heavily reliant on third party manufacturers, suppliers, distributors, logistics and clearance providers and sales channels.

Bioxyne operates a number of its key activities through contractual relationships with independent contractors. These contracts carry a risk that the third parties do not adequately or fully comply with their respective contractual rights and obligations. Such failure could lead to damage to the Company's brand, customer profile and profitability.

(g) Key personnel

The responsibility of overseeing the day-to-day operations and the Company's strategic management depends substantially on its senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Bioxyne engages a number of key members of its management team as consultants. The loss of these people's services may impede its product development and commercialisation objectives.

The successful growth of Bioxyne will require the services of additional personnel. There can be no assurance that Bioxyne will be able to attract appropriate personnel which would impact on the Company's success.

6.3 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market biotechnology and life sciences sector may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Liquidity risk

The market for the Company's shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(c) Economic risk

Changes in Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings. The Company's possible revenues and price of its securities can be affected by these factors which are beyond the control of the Company and its Directors.

7 ACTIONS AVAILABLE TO ELIGIBLE SHAREHOLDERS

7.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 7.2);
- (b) allow all or part of your Entitlement to lapse (see section 7.3).

7.2 Subscribe for all or part of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares you are entitled to subscribe for.

You may settle by BPay for the total amount payable in respect of the New Shares accepted.

If paying by cheque, please ensure that the completed Application Form reaches the Company's share registry by 5:00pm (AEST) on 23 May 2017.

7.3 Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Securities.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

7.4 Payment methods

BPAY

If you are paying by BPAY, please refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5:00pm AEST on the Closing Date. You do not need to return the Entitlement and Acceptance Form.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 5:00pm AEST on the Closing Date.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings please ensure that you only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer

Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

The Company will not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

Cheque

If you are paying by cheque, the Entitlement and Acceptance Form must be received by the Company at the following address by no later than 5:00pm (AEST) on the Closing Date:

By Post To:

Bioxyne Limited
c/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne
Victoria 3001

7.5 Entitlement and Acceptance Form is binding

Receipt of a completed and lodged Entitlement and Acceptance Form together with a payment in respect of an Application by BPAY or EFT transfer, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and

- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

8 DETAILS OF THE OFFER

8.1 Shares offered for subscription

By this Prospectus the Company makes a non-renounceable pro rata offer to Eligible Shareholders of one New Share for every one Existing Share held as at the Record Date at a price of \$0.01 per New Share, with 1 free attaching New Option (exercisable at \$0.01 on or before 15 December 2017) for every two New Shares issued, to raise \$2,530,326 before issue costs. Fractional entitlements will be rounded up to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 7.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares are summarised in section 9.

8.2 Minimum subscription

There is no minimum subscription as the issue is fully underwritten.

8.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

8.4 Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 7:00pm (AEST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

8.5 Underwriters

The Offer is fully underwritten by Veritas Securities Limited (**Veritas**). Veritas has entered into sub underwriting agreements with Mr N H Chua to underwrite the first 76,666,667 shares of the shortfall and Waitara Trustees Limited to underwrite 80% of the remaining shortfall.

Mr Patrick Ford, a Director of the Company, is a shareholder in Veritas.

Details of underwriting fees are set out in section 10.3.

Mr Chua is a proposed Director of the Company. The financial benefits given for sub-underwriting are customarily found in sub-underwriting agreements conducted at arm's length, so that shareholder approval is not required under Chapter 2E of the Corporations Act for the sub-underwriting.

The underwriting of the Offer is conditional upon satisfaction or waiver by the Underwriter of certain conditions that are ordinarily found in an agreement of this type, including that:

- (a) ASX approvals, including the timetable for the Offer are received;

- (b) ASX not having indicated to the Company or the Underwriter that it will not grant permission for the official quotation of the New Shares on or before 9.30 am on the settlement date;
- (c) the Company lodging the Prospectus with ASIC and ASX on the lodgment date, in a form acceptable to the Underwriter;
- (d) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;
- (e) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (f) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where any of the following events has a material adverse effect or could give rise to a liability of the Underwriter under the Corporations Act or otherwise:
 - (i) the ASX XKO 35201010 Biotechnology Index or the NASDAQ Biotechnology Index or the S&P 500 Index is for a period of least one day more than 10% below that index as at the close of normal trading on the trading date immediately before the date of the Underwriting Agreement;
 - (ii) an event occurs which gives rise to a material adverse change in the assets, liabilities, financial position, performance, prospects or standing of the Company including any change in the earnings, future prospects, or forecasts of the Company or any change in the nature of the business conducted;
 - (iii) an adverse change or disruption to the existing financial markets, political or economic conditions of Australia, New Zealand, the United Kingdom, the United States of America, Japan, North Korea, South Korea, Russia or the People's Republic of China, or a national emergency is declared in any of those countries, or a significant terrorist act is perpetrated anywhere in the world.

8.6 Shortfall

Any New Securities not applied for under the Offer will become Shortfall Securities and will be dealt with in accordance with the allocation policy set out elsewhere in this Prospectus. The Directors reserve the right to issue Shortfall Securities at their discretion within 3 months after the Closing Date (**Shortfall Offer**).

Any Shortfall Securities will be limited to the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Offer.

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so. The Underwriter will place the Shortfall Securities at its discretion and Shortfall Securities will not be offered to Shareholders.

The Underwriter will allocate Shortfall Securities as follows:

- firstly, to Mr Chua for up to 76,666,666 Shortfall Securities;
- then to Waitara Trustees Limited for up to 80% of the remaining Shortfall Securities.

No Shareholders holding will increase beyond 19.9% as a result of the placement of Shortfall Securities.

8.7 Offer outside Australia and New Zealand

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia and New Zealand.

8.8 Treatment of Ineligible Shareholders

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations in those jurisdictions, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than as set out in this section.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

8.9 Beneficial holders, nominees, trustees and custodians

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

8.10 Issue of New Shares and application money

New Shares will be issued only after ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 30 May 2017 and normal trading of the New Shares on ASX is expected to commence on 31 May 2017.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the New Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

8.11 Quotation

The Company has applied for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

8.12 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 month high	3 month low	Last closing price
Price (cents)	2.5	1.8	1.8
Date	21 March 2017	15 February 2017	28 April 2017

8.13 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes.

Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.14 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

8.15 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

8.16 Enquiries

Any queries regarding the Offer should be directed to Guy Robertson, Company Secretary on +61 2 9078 8180.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

9 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

9.1 Rights and liability attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Subject to the rights of any preference shareholders (of which there are currently none) the directors may from time to time declare and pay such dividend as they think appropriate.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Liquidation rights

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) Variation of rights

Subject to the Listing Rules, the rights attached to the Shares may be varied with the consent in writing of shareholders holding three-quarters of the Shares or by a special resolution passed at a separate meeting of the holders of the Shares in accordance with the Corporations Act.

(h) Election of directors

There must be at least 3 Directors or such greater number of Directors not exceeding 12 as the directors think fit, in office at all times at least 2 of whom must ordinarily reside in Australia. At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

As the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

9.2 Terms of New Options

The following is a summary of the terms and conditions of the New Options:

(a) Each New Option entitles the holder to acquire one Share.

- (b) The New Options are exercisable at any time on or prior to 5:00pm AEST on or before 15 December 2017 by completing an Option exercise form and delivering it together with the payment for the number of Shares in respect of which the New Options are exercised to the registered office of the Company or to the Share Registry.
- (c) The exercise price of the New Options is \$0.01.
- (d) The New Options will be freely transferable in whole or in part at any time prior to expiry.
- (e) Shares issued on exercise of a New Option will be issued not more than seven days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of a New Option will rank equally with the then issued ordinary shares of the Company in all respect. Official quotation of those Shares on the ASX will be sought.
- (f) The minimum number of Options that may be exercisable at one time must not be less than 50,000 (being a total exercise price of \$500). If an Option holder holds less than the minimum number of Options, the Option holder must exercise all Options.
- (g) There are no participating rights or entitlements conferred on the Options and the Option holder will not be entitled to participate with respect to the Options in new issues offered to shareholders of the Company during their currency without exercising the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, it will provide Option holders with notice prior to the record date to exercise the Options, in accordance with the requirements of the ASX Listing Rules. This will give the Option holder the opportunity to exercise the Options prior to the date for determining entitlements and to participate in any such issue as a shareholder.
- (h) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
- (i) If there is a bonus issue to Shareholders, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (j) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Option may be reduced in accordance with ASX Listing Rule 6.22.
- (k) The Company will advise Option holders at least 20 Business Days before the impending expiry of their Options and will advise the due date for payment, the amount of money payable on exercise, the consequences of non-payment and such other details as the Listing Rules then prescribe, so as to enable Option holders to determine whether or not to exercise their Options.
- (l) The New Options will be recorded on the Company's register of Option holders maintained at the Share Registry. The register will be open for inspection by a new Option holder free of charge. Shares to be allotted on the exercise of New Options will be recorded on the Company's share register.

- (m) The Option holder, if appearing on the Company's register of Option holders at the relevant date, will be entitled to receive and will be sent all reports and accounts required to be provided to Shareholders in general meeting and all notices of general meetings and will have the right to attend but shall have no right to vote at such meetings.

10 ADDITIONAL INFORMATION

10.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial report of the Company for the financial year ended 30 June 2016 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2016 being the last financial report for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;

- (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
- (iii) any continuous disclosure notices given by the Company after the lodgement of the financial report referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

The Company has lodged the following announcements with ASX since its 2016 annual financial report on 29 September 2016:

Date	Description of Announcement
27/04/2017	Quarterly Activities and Cash Flow Report March 2017
21/04/2017	Cleansing Statement
21/04/2017	Appendix 3B
19/04/2017	Letter to Optionholders
19/04/2017	Listing Rule 7.1A Information
19/04/2017	Appendix 3B
19/04/2017	Acquires NZ Product Company for Direct Sales Asia Pacific
13/04/2017	Trading Halt
27/02/2017	Appendix 4D and Half Year Report
21/02/2017	Bioxyne to Access Chinese Market for Online Sales via JD.com
08/02/2017	Response to ASX Appendix 3Y Letter
03/02/2017	Issue of Options, Appendix 3B, Appendix 3Y X 2
25/01/2017	Quarterly Activities and Cash Flow Report Dec 2016
13/01/2017	Change of Director's Interest Notice
29/12/2016	Details of Company Address
24/11/2016	Results of Meeting
23/11/2016	AGM Notice - Amendment to Resolutions
21/11/2016	AGM - Amendment to Resolutions
18/11/2016	Final Director's Interest Notice

18/11/2016	Director Resignation
02/11/2016	Launch of Two Products Containing PCC Onto Australian Market
26/10/2016	Quarterly Activities Report and Appendix 4C
24/10/2016	Notice of Annual General Meeting/Proxy Form
17/10/2016	Recruitment for Clinical Trial of Proprietary Probiotic PCC

Publicly available information about the Company's is available at www.asx.com.au.

10.2 Directors' interests

As at the date of this Prospectus the Directors and proposed Directors have a relevant interest in securities of the Company and remuneration as set out below.

Director	Current holding		Entitlement
	Shares	Options ¹	New Shares
Mr Anthony Ho	10,090,000	1,500,000	10,090,000
Mr Patrick Ford	9,150,000	1,250,000	9,150,000
Dr Peter French ²	405,210	Nil	405,210
Mr Nam Hoat Chua ³	10,500,000	Nil	10,500,000
Mr Maxwell Parkin ⁴	4,500,000	Nil	4,500,000

¹Options have an exercise price of \$0.0234 per share with an expiry date of 24 November 2019.

²The Company has an obligation to issue Dr French with 1,000,000 options with exercise price \$0.0234 with an expiry date of 24 November 2018, subject to shareholder approval.

³The Company has agreed to appoint Mr Nam Hoat Chua as Managing Director following the Offer. Mr Chua currently holds 10,500,000 Shares and has agreed to sub-underwrite the Offer for 76,666,667 Shortfall Securities.

⁴The Company has agreed to appoint Mr Maxwell Parkin a Director following the Offer.

Remuneration paid to Directors in the two years prior to the date of this Prospectus		
Director	2015/2016 ¹	2014/2015 ¹
Mr Anthony Ho	\$80,700	\$94,271
Mr Patrick Ford	\$58,800	\$47,014
Dr Peter French ²	\$49,275	\$43,409
Mr Nam Hoat Chua ³	Nil	Nil

¹ Inclusive of short-term benefits, superannuation and share based payments.

² Dr French was appointed Scientific Director on 15 February 2016, with a remuneration of \$90,000 per annum.

³ Mr Chua will receive an annual salary of \$240,000 per annum and a grant of 40,000,000 performance rights, subject to achieving hurdles over a three year period. The performance rights plan and the grant of these performance rights will be subject to shareholder and regulatory approval.

The Company has agreed to pay the Chairman \$65,700 per year and the non-executive Directors \$43,800 per year each.

The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

The Deeds were entered into as part consideration for the Directors agreeing to hold office as directors of the Company.

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors as they from time to time agree and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

10.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Mills Oakley has acted as solicitors to the Offer. In respect of this work, the Company will pay approximately \$12,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Mills Oakley has not received fees for services to the Company in the 2 years prior to the date of this Prospectus.

Veritas has acted as underwriter in relation to the Offer. In respect of this work, the Underwriter will receive a fee of 6% on the amount underwritten. In addition the Underwriter will receive 4,000,000 unlisted options on the same terms as the New Options.

Mr Chua and Waitara Trustees Limited will sub-underwrite the Offer as set out in section 8.5.

Neither the Underwriter or sub underwriters have received fees from the Company in the 2 years prior to the date of this Prospectus.

10.4 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Statement/Role
Mills Oakley	Lawyers
Veritas Securities Limited	Underwriter

Waitara Trustees Limited	Sub-underwriter
Mr N H Chua	Sub-underwriter, Proposed Director
Mr Maxwell Parkin	Proposed Director
RSM Australia Partners	Auditor
Computershare Investor Services Pty Limited	Share Registry

10.5 Expenses of the Offer

The total estimated expenses of the Offer are as set out below:

Cost ¹	(approximately) (\$)
Fundraising expenses	152,000
Legal fees	12,000
ASIC, printing, postage and other expenses	15,000
Registry	6,000
Total	185,000

¹ These expenses have or will be paid by the Company.

10.6 Litigation

Other than as disclosed elsewhere in this Prospectus, as at the date of this Prospectus, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any legal proceedings pending or threatened against the Company.

11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director and proposed Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 3 May 2017



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Signed for and on behalf of

Bioxyne Limited by

Julian Atkinson (under a power of attorney)

12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$, A\$ or Dollars	Australian dollars unless otherwise stated.
AEST	Australian Eastern Standard Time.
Applicant	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
Application	a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Ltd.
Board	the board of Directors.
Business Day	Monday to Friday inclusive, except any day that ASX declares is not a business day.
Closing Date	the date set out in section 1.
Committed Eligible Shareholders	Shareholders who have signed a commitment letter to take up their Entitlement in full.
Company or Bioxyne	Bioxyne Limited (ACN 084 464 193).
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Deeds	the indemnity, insurance and access deeds between the Company and each of the Directors.
Director	a director of the Company.
Eligible Shareholders	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form accompanying this Prospectus.
Entitlement or Rights	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
Existing Share	a Share issued as at 7:00pm (AEST) on the Record Date.
Full Subscription	\$2,530,326 before costs.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.

Listing Rules	the listing rules of the ASX.
New Options	Options offered under this Prospectus.
New Shares	Shares offered under this Prospectus.
Offer	an offer made under this Prospectus to subscribe for New Shares.
Official List	the official list of the ASX.
Option	an option to purchase a Share.
Prospectus	this Prospectus and includes the electronic prospectus.
Record Date	the date set out in section 1.
Share	a fully paid ordinary share in the Company.
Share Registry	Computershare Investor Services Pty Limited.
Shareholder	the registered holder of Shares in the Company.
Shortfall Offer	the offer of Shortfall Securities under this Prospectus.
Shortfall Securities	New Shares for which valid Applications have not been received by the Closing Date under the Offer.
Underwriter or Veritas	Veritas Securities Limited (ACN 117 124 535).
Underwriting Agreement	means the underwriting agreement for the rights issue between the Company and the Underwriter dated 18 April 2017.
US Person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended.

13 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Mar-17 (un-audited)	Acquisition	Placement and sign on fee	Rights Issue	Pro Forma 31-Mar-17
	\$				
ASSETS					
Current Assets					
Cash and cash equivalents	964,655		501,982	2,345,326	3,811,963
Trade and other receivables	286,517				286,517
Current tax receivables	240,807				240,807
Inventories	29,521				29,521
Total Current Assets	1,521,500	0	501,982	2,345,326	4,368,808
Non-Current Assets					
Plant and equipment	3,920				3,920
Goodwill		342,000			342,000
Other financial assets	325,000				325,000
Total Non-Current Assets	328,920	342,000	0	0	670,920
Total Assets	1,850,420	342,000	501,982	2,345,326	5,039,728
LIABILITIES					
Current Liabilities					
Trade and other payables	388,440				388,440
Total Current Liabilities	388,440	0	0	0	388,440
Total Liabilities	388,440	0	0	0	388,440
Net Assets	1,461,980	342,000	501,982	2,345,326	4,651,288
EQUITY					
Contributed equity	57,478,121	427,500	501,982	2,345,326	60,752,929
Reserves	8,798				8,798
Accumulated losses	-56,024,939	-85,500			-56,110,439
Total Equity	1,461,980	342,000	501,982	2,345,326	4,651,288