



ASX ANNOUNCEMENT

23 December 2013

Issue of Redeemable Convertible Note and Receipt of Funds

Genetic Technologies Limited (ASX: GTG; NASDAQ: GENE) is pleased to advise that the Redeemable Convertible Note (the “Note”) described in the Company’s ASX announcement dated 10 September 2013, which was subsequently approved by the Company’s shareholders at an Extraordinary General Meeting that was concluded on 29 November 2013, has now been issued.

The Note, which has a face value of USD 5 million, was issued to Ironridge BioPharma Co., a division of institutional investor, Ironridge Global IV, Ltd. (“Ironridge”).

Cleared funds amounting to AUD 5,627,462, before the payment of associated costs, have now been received from Ironridge in respect of the Note.

A Registration Statement on Form F-3 in respect of the securities covered by the Note has now been filed in the US and an ASX Appendix 3B in respect of the ordinary shares covered by the Note is attached.

GTG Chairman, Dr. Mal Brandon commented on the announcement saying that “GTG is pleased to have finalised this transaction with Ironridge. The funds raised from the Note, together with the net proceeds from the recently completed private placement and share purchase plan, adequately positions GTG with funds to expand its US operations and continue the growth of its flagship test BREVAGen™. In addition, the funds will be used to complete studies that will add new ethnicities to increase the size of the available market and improve reimbursement performance”.

“According to Booz Allen’s latest Market Trends in Genetic Services report, the genetic testing market is growing rapidly”, said Mr. John Kirkland, Managing Director of Ironridge Global Partners. “Clinical applications remain somewhat limited, while demand from physicians and patients is increasing. For example, United Health’s survey on Personalized Medicine: Trends and Prospects for the New Science of Genetic Testing and Molecular Diagnostics found that three out of four physicians believe at least some patients in their practice would benefit from genetic testing, but had not yet been tested. We have been following Genetic Technologies for several years and are impressed with the substantial progress they have made in this emerging industry. We are grateful to be able to fund further growth and development.”

FOR INFORMATION REGARDING THIS ANNOUNCEMENT PLEASE CONTACT

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About Genetic Technologies Limited

Genetic Technologies is an established diagnostics company with more than 20 years of experience in commercializing genetic testing, non-coding DNA and product patenting. The Company has operations in Australia and the U.S. and is dual-listed on the ASX (Code: [GTG](#)) and NASDAQ (Ticker: GENE). Genetic Technologies is focused on the commercialization of its patent portfolio through an active out-licensing program and the global expansion of its oncology and cancer management diagnostics assets. Its U.S. subsidiary, Phenogen Sciences Inc., offers novel predictive testing and assessment tools to help physicians proactively manage women's health. Phenogen's lead product, BREVAGen™, is a first in class, clinically validated risk assessment test for non-familial breast cancer.

For more information, please visit <http://www.gtglabs.com> and <http://www.phenogensciences.com>

Safe Harbor Statement

Any statements in this press release that relate to the Company's expectations are forward-looking statements, within the meaning of the [Private Securities Litigation Reform Act](#). The Private Securities Litigation Reform Act of 1995 (PSLRA) implemented several significant substantive changes affecting certain cases brought under the federal securities laws, including changes related to pleading, discovery, liability, class representation and awards fees. Since this information may involve risks and uncertainties and are subject to change at any time, the Company's actual results may differ materially from expected results. Additional risks associated with Genetic Technologies' business can be found in its periodic filings with the SEC.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

GENETIC TECHNOLOGIES LIMITED

ABN

17 009 212 238

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Convertible Note options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 87,500,000 ordinary shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | As outlined in the Notice for the Extraordinary General Meeting at which the options were approved dated 19 September 2013 |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

4	Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Any ordinary shares issued on exercise of the options with rank equally with all existing ordinary shares
5	Issue price or consideration	In respect of 50,000,000 ordinary shares covered by the Convertible Note, USD 5,000,000. In respect of the balance of 37,500,000, a further USD 5,000,000 would be paid on drawdown
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To provide the Company with additional working capital to further accelerate the roll-out of its principal breast cancer risk assessment test BREVAGenTM in the United States
6a	Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Not applicable
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Not applicable
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable
6f	Number of securities issued under an exception in rule 7.2	Not applicable

+ See chapter 19 for defined terms.

6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	77,917,925
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	Not applicable
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number
		+Class
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	572,694,121
		Ordinary shares
		Number
		+Class
		500,000
		Options at \$0.045, exp. 8/5/2015 (GTGAI)
		2,625,000
		Options at \$0.19, exp. 31/3/2016 (GTGAW)
		1,000,000
		Options at \$0.20, exp. 31/7/2016 (GTGAM)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	1,750,000
		Options at \$0.12, exp. 20/2/2017 (GTGAK)
		2,650,000
		Options at \$0.14, exp. 29/8/2017 (GTGAO)
		250,000
		Options at \$0.10, exp. 1/12/17 (GTGAQ)
		750,000
		Options at \$0.10, exp. 25/1/18 (GTGAS)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	1,250,000
		Options at \$0.105, exp. 11/7/18 (GTGAY)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Despatch date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
 (tick one)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

- 38 Number of securities for which ⁺quotation is sought
- 39 Class of ⁺securities for which quotation is sought
- 40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another security, clearly identify that other security)
- 42 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 38)
- | Number | ⁺ Class |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |

⁺ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: _____
Acting Chief Executive Officer

Date: **23 December 2013**

Print name: **Thomas G. Howitt**

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for ⁺eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	474,971,819
Add the following: - Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid ordinary securities that became fully paid in that 12 month period	19,777,857 70,999,999
Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	565,749,675
Step 2: Calculate 15% of “A”	
“B”	0.15 [Note: this value cannot be changed]
Multiply “A” by 0.15	84,862,451

+ See chapter 19 for defined terms.

Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
“C”	6,944,526
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	84,862,451
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	6,944,526
Total [“A” x 0.15] – “C”	77,917,925 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	
“E”	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“ A ” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E” 	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.