



Further Proposed Acquisition in the Agribusiness Sector

Biron Apparel Limited ("Biron" or "Company") is pleased to announce it has signed a binding Heads of Agreement with Superion Property Pty Ltd ("Superion") and the shareholders of Superion for the acquisition of 100% of the issued capital of Superion.

As announced on 15 May 2015, Biron entered into a binding heads of agreement with an agribusiness company Elect Performance Group Pty Ltd ("Elect") trading as JC Tanloden and the shareholders of Elect to acquire 100% of the issued capital of Elect. Completion of the transaction will result in a change of the nature of Biron's activities as Biron will enter into the agribusiness sector. The proposed Superion transaction will be a suitable addition to the Elect acquisition to provide further exposure to the sector. The Directors consider that both Superion and Elect are well positioned together to take advantage of the commercial opportunities that exist in this sector.

The consideration for the purchase of 100% of the share capital of Superion is to be satisfied by the issue of 10,000,000 ordinary shares in Biron on a post consolidation basis.

Completion of the acquisition of Superion is conditional on the satisfaction or waiver of the following conditions:

1. all approvals of Shareholders as required by ASX or under the Corporations Act necessary to complete the acquisition of Superion being obtained;
2. receipt of conditional approval by ASX to reinstate the Shares to trading on ASX;
3. each warranty given by a Superion Vendor or by Biron in the Superion Agreement is, and remains, true and correct and not misleading or deceptive;
4. receipt of all necessary or desirable approvals of any governmental authority or third party consents in connection with the acquisition of Superion;
5. no material adverse effect having occurred under the Superion Agreement;
6. no Superion Vendor having breached the Superion Agreement; and
7. completion of the due diligence enquiries by the Superion Vendors.

The parties have agreed that the conditions precedent must be satisfied or waived by 31 December 2015 or such other date agreed by the parties.

The Superion Agreement also contains a number of clauses and representations and warranties from both Biron and the Superion Vendors that are considered standard for an agreement of this type.

Biron will complete a share consolidation and pre-emptive capital raising prior to the completion of the transaction. The minimum amount of capital to be raised by Biron to complete the transaction has been set at \$3.5 million and must comply with chapter 1 & 2 of the ASX listing rules. This amount is subject to change prior to completion and may change the capital structure.

Description of Superion Property Pty Ltd

Superion was incorporated on 6 November 2013 and currently does not have any operating businesses. Superion was established with the intention of completing agricultural property deals (purchases or lease) to carry out agriculture opportunities. One of the agricultural opportunities considered by Superion was animal feed production, which included growing, harvesting and processing of hay. Superion has identified a suitable property to potentially lease and build a hay (or other feed) processing plant that is close to unprocessed hay and to an export port. Superion has entered into a binding option to lease this land near Geraldton, Western Australia with the intention of building a processing plant in 2016, subject to the successful completion of the acquisitions, the proposed capital raising and the completion of a favourable feasibility study. The option to lease cannot be exercised until a number of conditions precedent have been satisfied or waived, including confirmation by the ASX that the Company is re-instated to trading on the ASX and its suspension lifted, before a formal lease agreement is entered into by the parties after re-instatement to trading of the Company.

Superion is also considering the lease of farming land, contract farming, share farming or entering joint ventures for the growing of hay to provide some of the cut hay into the new production plant. Superion is in negotiation and discussions with a number of potential farming operations in respect to the future plans.

Superion previously held a real estate licence in Victoria and is in the process of reapplying for a licence in Victoria along with applying for licences in WA and NSW. It is thought that these licences will allow better access to the purchase and leasing of farming land.

The director and management/vendors of Superion have several years' experience in the agriculture industry and working in Asian markets, and have an extensive agriculture contacts base.

Elect & Superion

The completion of the proposed acquisition of Elect and Superion by Biron will result in Biron changing the direction of its business by entering into the

agriculture sector. The acquisition of Superior may also assist the Company to achieve graphical growth, and provide it with the opportunity to grow in different regions of Australia. Elect will continue to grow its export hay business in Victoria, and using Elect's sales and marketing contacts and their operational experience, Superior will be assisted in building and acquiring further hay processing plants in other states.

Neither the vendors of Elect or Superior are associated or have being associated prior to this proposed transaction.

Biron is looking at expansion into the larger Western Australian agribusiness and hay market. The expansion will help meet some of the growing market demands and also reduce some of the agricultural risks.

The agribusiness market that Elect presently operates in is continuing to expand, where generally global hay demand outstrips supply.

- Australia presently exports over 700,000 tons (valued in excess of A\$200 million) of oaten hay each year, with Western Australia (WA) the largest exporter, exporting an average 48% of Australia's oaten hay, (Approx. 300 000 tons valued in excess of A\$90 million). Victoria presently exports approx. 17% of Australian oaten hay.
- Exports of hay and straw have shown significant growth during the past 15 years. These exports are primarily to Japan, Taiwan and Korea however in the past 5 years China and the UAE have being increasing their imports of Australian hay.
- About 400,000 - 500,000 tons of oaten hay are exported to Japan from Australia each year and is the major export market.
- Most hay exported to Asian markets is used for the dairy sector but is also used for beef cows and horses. Hay exported to the Middle East is primarily used to feed these same animals as well as camels, sheep and goats.

Change of Activities

The completion of the Superior and Elect transaction will constitute a change to the principal activities of Biron, and accordingly Biron will be required to, among other things:

1. Comply with the requirements of chapter 11 of the ASX listing Rules;
2. Obtain shareholder approval for the proposed transaction; and
3. Issue a prospectus and otherwise satisfy the listing requirements of Chapter 1 and 2 of the ASX Listing Rules as though Biron was undertaking an initial public offering.

Consolidation of Shares

As part of the change of activities and the application of Chapter 1 and 2 of the ASX Listing Rules, Biron will undertake a consolidation of its issued capital.

As the securities of Biron have not been traded for a numerous years it is proposed the share capital of Biron be consolidated on a 50:1 basis. A pro forma post-completion capital structure of Biron is attached below which illustrates the impact of the proposed transaction and consolidation. If the capital raised changes then the pro forma capital structure will also change.

Financial Position of Merger Entity

Auditors have completed an audit of Superion and Elect. This financial information will be disclosed in the Prospectus.

The pro-forma balance sheet will be in the Notice of meeting to approve the transaction, and in the Independent experts report that will accompany the notice of meeting.

Board Composition

Biron, once the transaction is completed, will appoint a new board with the relevant experience, expertise and competences for the management of an ASX listed public company with this category of business and will be able to drive the new Biron forward.

Pro Forma Capital Structure

Biron Apparel Limited

Share currently on Issue (Pre Consolidation)	413,294,170
Proposed Consolidation 50:1	8,265,883
Shares on Issue Post Consolidation	8,265,883
Pre-Emptive Capital Raising Shares (500,000 at 10 cents and 4,300,000 at 12.5 cents)	4,800,000
Vendor Shares (Elect)	20,000,000
Vendor Shares (Superion)	10,000,000
Proposed Shares on Issue Post Transaction	43,065,883

Ownership Structure Post Transaction

Initial Shareholders	30%
Vendors (Elect)	47%
Vendors (Superion)	23%
Total	100%

Capital Raising Shares

Shares Issued from Capital raising (\$3.5m @ 20 cents) 17,500,000

Proposed Shares Issued Post Capital Raising 60,565,883

Ownership Structure Post Capital Raising

Initial Shareholders	14%
Vendors (Elect)	33%
Vendors (Superion)	17%
New Shareholders	36%
Total	100%

The above tables are prepared on the basis that the minimum number of shares are issued pursuant to the proposed capital raising.

Proposed Timetable

Item	Subject	Date
1.	Dispatch of Notice of Meeting	20 October 2015
2.	Lodgement of Prospectus with ASIC and ASX and opening date of capital raising	5 November 2015
3.	Shareholder Meeting	19 November 2015
4.	Closing Date of capital raising	23 November 2015
5.	Completion of consolidation	3 December 2015
6.	Completion of acquisition of Elect and Superion	10 December 2015
7.	Re-instatement of Biron to trading on the ASX	21 December 2015

The above timetable is indicative only and is subject to changes without notice.

For further information contact

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