

BIO-GENE JUNE 2019 QUARTERLY UPDATE

Bio-Gene Technology Limited (ASX: BGT, 'Bio-Gene' or 'the Company') today announced an update on its activities for the quarter ending 30 June 2019 and to date.

During the past few months, our principal focus has been on advancing discussions with an increasing number of international companies as potential commercial partners and relating to several different applications.

In addition to these commercial and R&D evaluation discussions, the Company delivered on several development initiatives:

- Published results that confirmed Flavocide™ potential as a protectant insecticide in grain storage
- Developed a flying insect killer formulation for Qcide™ in combination with pyrethrins
- Completed the product chemistry data package on Qcide's oil in water emulsion formulation
- Results from acute toxicity testing of Qcide oil, demonstrated a favourable safety profile
- Demonstrated improved techniques for Qcide extraction in the latest harvest
- Undertook additional testing at Purdue University on resistant mosquitoes in order to broaden dataset

Bio-Gene's discussions with potential commercial partners are progressing well. These potential partners have signed Material Transfer Agreements (MTAs), under which we have provided Flavocide and Qcide for their internal evaluation. Together we have agreed on specific testing protocols and target pests, ensuring we can discuss on-going results with the various R&D divisions and protect our Intellectual Property throughout the process.

During the past few months we have identified and engaged with additional companies that could also lead to commercialisation opportunities.

Bio-Gene Chief Executive Officer and Managing Director, Richard Jagger said: "We are very encouraged by the number of potential partners that we are in discussions with, the scale of these organisations and the investments that they are making in testing our compounds. Testing is being undertaken across Crop Protection, Grain Storage, Vector control and Consumer Health. We remain confident that these evaluation programs will lead to the development of commercial applications and we look forward to updating the market at the appropriate time."

In June we published our most recent results relating to the scope of work designed to determine the residual efficacy of Flavocide, initially against both susceptible and resistant strains of the major pest 'Lesser Grain Borer'. Pleasingly, the results showed that Flavocide provided 100% residual control of any offspring of the adult Lesser Grain Borer, over a three-month period, confirming Flavocide's potential as a protectant insecticide in grain storage.

Mr Jagger added: "These results are highly encouraging as they demonstrate the promise of incorporating Flavocide into grain protection pest management programs, thereby further strengthening the commercial viability of our product. We expect these results will support our ongoing partnership discussions in relation to grain storage applications," he said.

During the quarter we delivered on several initiatives relating to Qcide. The first was the completion of the product chemistry data package on Qcide. This data package will form the basis of data requirements for the registration of the end use product. The second was the development of a Qcide and pyrethrins flying insect formulation to facilitate testing as a flying-insect-killer (FIK) product as a comparison to existing commercial formulations. The third milestone was the completion of acute toxicity testing of Qcide oil that demonstrated a favourable safety profile. Additionally, we completed another eucalyptus harvest in conjunction with James Cook University in which

we demonstrated further improved extraction techniques relating to the oil potential of the trees, as well as the extraction techniques of the oil post-harvest.

We continued the testing on resistant mosquitoes at Purdue University with a specific focus on a resistant strain of mosquito which carries Malaria. We will update the market when the results are available.

In June we received \$386,160 in rebates relating to our R&D spend in Australia during FY2018. At the end of the quarter, Bio-Gene held \$4.5 million in cash which, based on current plans, provides the Company with sufficient cash for at least 12 months.

- ENDS -

For further information, please contact:

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About Bio-Gene Technology Limited

Bio-Gene is an Australian AgTech company enabling the next generation of novel insecticides to address the global problems of insecticide resistance and toxicity. Bio-Gene's novel platform technology is based on a naturally occurring class of chemicals known as beta-triketones.

Beta-triketone compounds have demonstrated insecticidal activity (e.g. kill or knock down insects) via a novel mode of action in testing performed to date. This platform may provide multiple potential new solutions for insecticide manufacturers in applications across animal health, crop protection and storage, public health, and consumer applications.

The Company's aim is to develop and commercialise a broad portfolio of targeted insect control and management solutions.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Bio-Gene Technology Limited

ABN

32 071 735 950

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3	3
1.2 Payments for		
(a) research and development	(335)	(1,585)
(b) commercialisation expenses	(36)	(218)
(c) management administration expenses	(32)	(166)
(d) directors' expenses	(48)	(190)
(e) professional services	(93)	(216)
(f) intellectual property	(17)	(67)
(g) administration and corporate costs (see note 4)	(35)	(290)
1.3 Dividends received (see note 3)		
1.4 Interest received	29	142
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	386	386
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(178)	(2,201)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)	(4)	(4)
2.6 Net cash from / (used in) investing activities	(4)	(7)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of notes		
3.3 Proceeds from exercise of options	-	1
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	0	1

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	4,681	6,706
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(178)	(2,201)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(4)	(7)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	1
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of quarter	4,499	4,499

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	22	18
5.2 Call deposits	177	163
5.3 Bank overdrafts	-	-
5.4 Other (Term Deposits)	4,300	4,500
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,499	4,681

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	157
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	N/A
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors' fees and consulting fees paid to Directors and their related entities.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	N/A
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	N/A
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	N/A	N/A
8.2	Credit standby arrangements	N/A	N/A
8.3	Other (please specify)	N/A	N/A
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	500
9.2	Commercialisation expenses	100
9.3	Management administration expenses	70
9.4	Directors' expenses	50
9.5	Professional services	150
9.6	Intellectual property	20
9.7	Administration and corporate costs (see note 4)	100
9.8	Other (provide details if material)	-
9.9	Total estimated cash outflows	990

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration	N/A	N/A
10.3	Consideration for acquisition or disposal	N/A	N/A
10.4	Total net assets	N/A	N/A
10.5	Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Company Secretary

Date: 30 July 2019

Print name: Roger McPherson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. Net movements in GST are included in this item.
5. Prior Quarter Corrections. Immaterial minor errors and reallocations of expenses from previous quarter reports are corrected on a year to date basis. Movements disclosed for the current quarter have been correctly calculated.