

15 May 2025

By Email

Dear fellow shareholder

Re: Biotron Ltd – where to from here?

Thank you for taking the time to read this letter to help determine the future of Biotron Ltd.

I obtained your email address from the Biotron share register. I assure you that I will use it only for communicating about the future of the company.

Background

I have been practising as a commercial solicitor for over 50 years. In around 1998, I was speaking to a friend who was advising the John Curtin School of Medical Research on how to fund research projects. He gave me reports on wonderful new biomedical technology based on ion channels in cell walls. What I read showed me that they were heading towards drugs that could cure HIV, and other devastating diseases.

I conducted legal work in preparation for listing the company on the stock exchange. I subscribed for shares at the outset, which I later increased, and which I still hold. Many of my friends and family members also invested, based on my enthusiasm for the company and how it could improve the lives of millions of people.

What went wrong?

From the outset, the plan was to use the company's money to continue the research on a number of drugs being developed, to the point where they could be sold or joint ventured to international drug companies who would spend the huge sums required to take the drugs to market. The money so generated would feed back into further research on further life-saving medicines.

Ever since the company was incorporated in 1999, the only source of substantial funds for the company has been attracting further investment funds by making the same promises of generating funds. After 25 years, not a single such agreement has been made for

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commercialising the company's products. It is hard to avoid the conclusion that the management is more interested in research, than generating revenue for the company.

Obviously, it is becoming harder and harder to tell the same story to investors and convince them to put up further money. The prospectus for the latest share offer states:

Biotron's strategy is to systematically grow the value of the Company and work towards a commercial outcome for shareholders by the demonstration of positive data, from clinical trials and other supporting studies. Focus has been on the planned, stepwise clinical development of the Company's lead antiviral drug, BIT225.

That is the same story we have been hearing for 25 years. Unless something urgent is done to commercialise the products of the company, it is doomed to run out of money. The prospectus indicates that the company may run out of money in September or November.

Will Biotron survive?

The company appears to be spending shareholders' funds at over \$200,000 per month, even though it has stopped carrying out research. It has around \$1.6 million left.

I spoke to Dr Michelle Miller, the managing director, but was met with hostility. When I tried to discuss the extreme urgency of reaching an agreement to generate cash for the company, she kept repeating that these things "take time". I have since written to her, including the following.

As a shareholder, I do not have a right to commercially sensitive information of the company. However, can you please give an outline of the urgent steps being taken to generate money, and why you think that money will be generated in time to stop the company becoming insolvent.

I received no reply.

If there is still any possibility of doing a deal which will generate cash for the company, it should be done now at virtually any price.

However, if there is no realistic prospect of saving the company, I suggest that the company stop all non-essential expenditure now, and make its research freely available to whichever entity may wish to bring the drugs to market. I believe that the results of tens of millions of dollars of research into potentially life-saving drugs should not be allowed to be wasted.

I am only one minor shareholder. My purpose in writing to you and other shareholders is to gauge your views, and consider whether we need to take action as shareholders. Such action could include forming a steering committee of shareholders, or appointing shareholders or their representatives as directors.

I look forward to hearing from you.

Kind regards



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