

2 December 2013

The Companies Office
Australian Securities Limited
Sydney

Bioxyne divests its COPD related HI-164OV research program for up to \$1.56 million

Bioxyne Limited (ASX code: BXN or the Company) advises that it has entered into a non-binding Heads of Agreement (HOA) to sell its HI-164 Oral Vaccine project together with all of its Intellectual Properties (IP) to Mariposa Health Limited (MHL) (the Proposed Transaction). MHL will acquire all the shares that the Company holds in its subsidiary company Hunter Immunology Pty Limited (HIPL). HIPL holds all the Intellectual Property of the Company's HI-164OV.

Consideration for the sale and purchase comprises the following mix of cash and equity.

- a. Cash on completion of \$175,000
- b. Assumption of a debt in HIPL of \$60,000
- c. Equity in MHL to the notional value of not less than \$325,000 at a deemed price of 16.5 cents per share (equivalent to 5% shareholding in MHL on a diluted basis)
- d. Deferred consideration of \$1 million on commercialisation of HI-164OV by MHL subject to agreed clinical and financial milestones within the next 5 years.
- e. On successful commercialisation of HI-164OV, an ongoing Royalty ranging from 2% to 6.5% of gross revenue, depending on the prospective structure of the commercialisation.

The HOA provides for a non-refundable deposit of \$17,500 and a 120 days Exclusivity period for completion of the Proposed Transaction.

On completion of the Proposed Transaction, the Company's IP holding costs would also be reduced. BXN will continue with its sales and distribution of probiotics products and research and development of its Intellectual Property in (a) Golden Staph and (b) Candida.

For personal use only

Mariposa Health Limited holds a number of COPD related research and development programs. The Proposed Transaction would augment MHL portfolio of COPD related research programs. MHL is founded by Dr. Phillip Comans.

Commenting on the Proposed Transaction, Bioxyne Chairman Tony Ho said, “We are pleased that the transaction allows shareholders of BXN to continue and to maintain an ongoing interest in HI-164OV, while facilitating its further development. BXN shareholders would also participate and share in the upsides when HI-164OV is successfully commercialised by Mariposa Health”.

For more information contact:

Tony Ho

+61 417 345 839

Non-executive chairman

For personal use only