

Australian Securities Exchange
C/- Ms Kimberley Brown
Senior Adviser
ASX Compliance Pty Ltd
Exchange Centre
Level 6
20 Bridge Street
Sydney, NSW 2000

6 August 2013

Dear Kimberley,

RE: BXN Response to ASX Enquiry Regarding June 2013 Quarter Appendix 4C

I refer to your letter of 1 August 2013 regarding the Appendix 4C for the period ended 30 June 2013.

The following responses follow the same order of the questions in your recent letter.

1. As reported in the 30 June 2013 Appendix 4C, payments to suppliers included non-recurring transaction costs attributed to the terminated acquisition of Vitality Devices Pty Limited of \$311,521. As from 1 June the cash outgoings of the Company have also been reduced with Directors' fees resolved by the Board to be paid by shares only until further notice, and for these shares to be issued as and when approved by shareholders in a general meeting. The Company has further reduced its operating costs with the closure of its clinical laboratory at Newcastle and clinical support, when required, would be sourced from third party consultants.
2. The Company does not expect the cash outflow for future quarters to be at the same level as the June 2013 quarter. The Company has in hand a sales order for further sales of its Probiotic product of USD \$233,784 which at a current day approximates AUD \$260,000 which will be received in August 2013 and there is also the possibility of smaller additional orders to be received this quarter. Additionally sales invoiced prior to 30 June 2013 but not received on a cash basis in the June 2013 quarter of US \$97,200 which was subsequently received during July 2013. The Company also expects to receive a Research and Development grant of around \$240,000 in the September 2013 quarter from the Australian Taxation Office. Together with cash on hand as at 30 June 2013 of \$204,000, the reduced cash outflows and the anticipated cash inflows, the Company would be able to fund its operations for the months ahead.
3. As previously announced to the ASX, following the termination of the proposed acquisition of Vitality Devices Pty Limited, the Company is continuing with its review of opportunities to widen its operational base. It is expected that any future proposed corporate transaction would include a capital raising.

4. The Company confirms it is in compliance with Listing Rules, and in particular with Listing Rule 3.1
5. The Company further confirms that it is in compliance with listing rule 12.2 and believes that the actions taken by the Board to reduce the future cash outflow, the non-recurrence of one off items together with the continuation of its sales and distribution business warrants the continued quotation of its securities.

Should you have any questions or would like to discuss the above, please don't hesitate to contact me.

Yours Sincerely,



Jarrod White
Company Secretary



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NSW 1215

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1 August 2013

Mr Jarrod White
Company Secretary
Bioxyne Limited
Traverse Accountants
Level 4
25 Lime Street
SYDNEY NSW 2000

By Email:

Dear Jarrod

BIOXYNE LIMITED (THE "COMPANY")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 June 2013, released to ASX Limited ("ASX") on 31 July 2013 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$400,000.
2. Net negative operating cash flows for the quarter of \$447,000.
3. Cash at end of quarter of \$204,000.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rules 3.1 – 3.1B".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by email to **kimberley.brown@asx.com.au** or on **facsimile number (02) 9241 7620**. It should not be sent to the Market Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than close of business **5 p.m. A.E.S.T. on Tuesday, 6 August 2013**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact.

Yours sincerely,

[Sent electronically without signature]

Kimberley Brown
Senior Adviser, Listings Compliance (Sydney)