

11 November 2015

The Companies Office
Australian Securities Exchange Limited
Sydney

Mariposa Health Inc. Update

Bioxyne Limited (the Company) has received a shareholder advice from Mariposa Health Inc. ("**Mariposa**") that it has now completed an agreement to on-license its oral vaccine to bacterial *H. influenza*, known as HI-164 OV, to the Chinese pharmaceutical company, Shanxi Kangbao Biological Products Company of Shanxi Province, P.R. China.

The agreement provides Shanxi Kangbao with the exclusive rights to develop, manufacture and market HI-164 OV for the territories of P.R. China, Macau, Hong Kong and Taiwan.

Shanxi Kangbao will pay all development costs within China and we will co-operate with technology transfer and subsequently share development information.

The terms of the agreement include the receipt by Mariposa of an up-front fee followed by milestone payments during product development totalling CNY 40million (approx. USD 6.2m), followed by royalties upon sales. HI-164 OV is being developed for Chronic Obstructive Pulmonary Disease (COPD), a chronic lung disease. The Company understands that the upfront portion of the fee was received by Mariposa.

The Company is pleased to report Mariposa's progress on the licensing agreement as it increases the potential value of Bioxyne's contingent consideration received in the sale of the Hunter Immunology Pty Ltd subsidiary.

Under the terms of the sale of Hunter Immunology as announced on 24 February 2014, to Mariposa:

- Total consideration included a deferred consideration of \$1million, payable on achievement of agreed milestones over the next 5 years. The Company views the progress of Mariposa as promising and an increasing likelihood of the receipt of this deferred consideration;
- Deferred consideration also includes an obligation to pay royalties/license fees, which is agreed to be 6.5% of the gross revenue received by the company, Mariposa or related entities in respect to the sale of the sublicensing or Intellectual property rights, including any sale proceeds or Sub-Royalties; and
- To the extent that products are manufactured based on the intellectual property, royalties are calculated as 2% of Gross revenue.

The commercialisation of the HI-164OV intellectual property demonstrated through the Chinese licensing agreement creates further value over the Company's investment of approximately 2.5% in Mariposa. This investment is currently recorded as an asset in the Company's balance sheet at cost of \$325,000, which as at 30 June 2015 does not reflect the enhanced value of the investment.

Mariposa is also in an advance stage of completing its listing on the Over The Counter (OTC) exchange of the New York Stock Exchange. It has recently filed its S1 (prospectus) with the Securities and Exchange Commission. At completion of the listing of Mariposa and establishment of trading in the shares of Mariposa, the Company will reflect the value of its 2.5% holding in Mariposa at market value.

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