



IMAGION BIOSYSTEMS LIMITED
ACN 616 305 027

Notice of Annual General Meeting and Explanatory Memorandum

TAKE NOTICE that the Annual General Meeting of Shareholders of the Company will be held at the time, date and place specified below:

Time: 11.00am (Melbourne time)

Date: Friday, 31 May 2019

Place: Holding Redlich
Level 8, 555 Bourke Street
Melbourne, Victoria 3000

NOTICE OF 2018 ANNUAL GENERAL MEETING

Notice is given that the 2018 Annual General Meeting of Shareholders of Imagion Biosystems Limited will be held at 11.00am (Melbourne time) on Friday, 31 May 2019 at the offices of Holding Redlich, Level 8, 555 Bourke Street, Melbourne, Victoria 3000.

BUSINESS OF THE MEETING

Shareholders are invited to consider the following items of business at the Annual General Meeting:

1. Item 1: Financial and related reports

To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 31 December 2018.

2. Resolution 1: Adoption of the Remuneration Report (non-binding resolution)

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

"THAT the Remuneration Report of the Company and its controlled entities for the year ended 31 December 2018 be adopted."

Note: This resolution is advisory only and does not bind the Company or the Directors.

Voting Exclusion Statement:

The Company will disregard any votes cast on this resolution:

- by or on behalf of a member of Key Management Personnel (**KMP**) named in the remuneration report for the year ended 31 December 2018, or that KMP's Closely Related Party, regardless of the capacity in which the vote is cast; and
- as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party.

However, the Company will not disregard a vote if it is cast as a proxy for a person who is entitled to vote on this resolution:

- in accordance with the directions of how to vote on the Proxy Form; or
- by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

3. Resolution 2: Election of Director – Dr. John Hazle

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

"THAT, Dr. John Hazle, being a Director, who retires in accordance with clause 19.4 of the Company's Constitution and ASX Listing Rule 14.4 and being eligible, be re-elected as a Director of the Company."

4. Resolution 3: Re-Election of Director – Mark Van Asten

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

"THAT, Mr Mark Van Asten, being a Director, who retires in accordance with clause 20.3 of the Company's Constitution and ASX Listing Rule 14.5 and being eligible, be re-elected as a Director of the Company."

5. Resolution 4: Ratification of prior issue of Options

To consider, and if thought fit, pass the following as an **ordinary resolution**:

“THAT, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of 34,700,000 Options on 28 November 2018, on such terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- any person who participated in the issue of the Options; and
- any associates of those persons.

However, the Company need not disregard a vote if it is cast by:

- a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- the Chairman of the Meeting, as proxy for a person entitled to vote, in accordance with a direction on a Proxy Form to vote as the proxy decides.

6. Resolution 5: Approval of 10% Placement Facility

To consider, and if thought fit, pass as a **special resolution**, with or without amendment, the following:

“THAT for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to an additional 10% of its issued Equity Securities by way of placements over a 12-month period, on such terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- a person who is expected to participate in, or who will obtain a material benefit as a result of, a proposed issue of Shares under the 10% Placement Facility (except a benefit solely in the capacity of a holder of Shares); and
- any associates of those persons.

However, the Company will not disregard a vote if it is cast by:

- a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- the Chairman of the Meeting, as proxy for a person entitled to vote, in accordance with a direction on a Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



JOVANKA NAUMOSKA
Company Secretary
2 May 2019

NOTES

1. Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice of Annual General Meeting.

2. Questions from shareholders

In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, RSM Australia Partners, in relation to the conduct of the external audit for the year ended 31 December 2018, or the content of its audit report. Please send your questions via email to:

Company Secretary
 Imagion Biosystems Limited
 corpsecretary@imagionbio.com

Written questions must be received by no later than **5.00pm (Melbourne time) on Friday 24 May 2019**.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to Shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Company's Remuneration Report for the year ended 31 December 2018.

During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the auditor the opportunity to answer written questions addressed to it. However, there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

3. Who may vote

A determination has been made by the Board under regulation 7.11.37 of the Corporations Regulations 2001 that shares in the Company which are on issue at **7.00pm (Melbourne time) on Wednesday 29 May 2019** will be taken to be held by the persons who held them at that time for the purposes of the Annual General Meeting (including determining voting entitlements at the meeting).

4. Proxies

A Shareholder entitled to attend this Meeting and vote, is entitled to appoint a proxy to attend and vote on behalf of that Shareholder at the Meeting.

- (a) A proxy need not be a Shareholder.
- (b) If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of the votes which each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes held by that Shareholder.
- (c) If the Shareholder appoints only one proxy, that proxy is entitled to vote on a show of hands. If a Shareholder appoints two proxies, only one proxy is entitled to vote on a show of hands.
- (d) Where two proxies are appointed, any fractions of votes resulting from the appointment of two proxies will be disregarded.
- (e) A Proxy Form accompanies this Notice.
- (f) Unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit, or abstain from voting.
- (g) If a Shareholder wishes to appoint a proxy, the Shareholder should complete the Proxy Form and comply with the instructions set out in that form relating to lodgement of the form with the Company.

- (h) The Proxy Form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either signed by an authorised officer or attorney of the corporation or otherwise signed in accordance with the Corporations Act.
- (i) If any attorney or authorised officer signs the Proxy Form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the Proxy Form.
- (j) The Proxy Form (together with any relevant authority) must be received by no later than **11.00am (Melbourne time) on Wednesday 29 May 2019** before the time scheduled for the commencement of the meeting (or any adjournment of that meeting).
- (k) The completed Proxy Form may be lodged as follows:
 - **Online:** <https://www.votingonline.com.au/ibxagm2019>
 - **By fax:** + 61 2 9290 9655
 - **By mail:** Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia
 - **In person:** Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 Australia
- (l) The Chairman of the meeting intends to vote all available proxies in favour of all Resolutions.

5. Proxy voting by the Chairman

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel.

If you complete a Proxy Form that authorises the Chairman of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chairman to exercise your proxy on Resolution 1. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolution 1. If you wish to appoint the Chairman of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the Proxy Form.

The Chairman of the Meeting intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote Resolution 1, he or she will not vote your proxy on those resolutions.

6. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority must be sent to the Company and/or registry at least 24 hours in advance of the Meeting.

Imagion Biosystems Limited ACN 616 305 027

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Shareholders of Imagion Biosystems Limited (**Company**) to be held at 11.00am (Melbourne time) on 31 May 2019 at the offices of Holding Redlich, Level 8, 555 Bourke Street, Melbourne, Victoria 3000.

This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the proposed resolutions. Both documents should be read in their entirety and in conjunction with each other.

1. **Item 1: Financial and related reports**

1.1 **Explanation**

Section 317 of the Corporations Act requires the Company's financial report, Directors' report and auditor's report for the financial year ended 31 December 2018 to be laid before the Company's Annual General Meeting. There is no requirement for a formal resolution on this item. The financial report contains the financial statements of the consolidated entity consisting of Imagion and its controlled entities.

As permitted by the Corporations Act, a printed copy of the Company's 2018 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2018 Annual Report is available from the Company's website (www.imagionbiosystems.com).

The Chairman of the Meeting will allow a reasonable opportunity at the Meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 31 December 2018, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of RSM Australia Partners in relation to the conduct of the audit.

2. **Resolution 1: Adoption of Remuneration Report (non-binding resolution)**

2.1 **Explanation**

Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2018 Annual Report and is available from the Company's website (www.imagionbiosystems.com). The Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;
- sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and
- explains the differences between the basis for remunerating Non-Executive Directors and senior executives, including the CEO.

The vote on this item is advisory only and does not bind the Directors. However, the Board will take into account any discussion on this item and the outcome of the vote when considering the future remuneration policies and practices of the Company.

2.2 **Voting Exclusion**

A voting exclusion statement applies to this resolution, as set out in the Notice.

2.3 **Board Recommendation**

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

2.4 **Chairman's available proxies**

The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

3. Resolution 2: Election of Director – Dr. John Hazle

3.1 Explanation

Clause 19.4 of the Company's Constitution and ASX Listing Rule 14.4, provides that a director appointed in addition to the current board is required to submit themselves for election by Shareholders at each annual general meeting.

Dr. John Hazle retires in accordance with clause 19.4 of the Company's Constitution and ASX Listing Rule 14.4 and being eligible, offers himself for re-election.

3.2 About Dr. John Hazle

Dr. Hazle is a medical physicist with over 25 years of experience. He is board-certified and licensed in Texas for both therapeutic and diagnostic medical physics. His primary research interests are image-guided therapy, pre-clinical imaging and novel early detection technologies. Dr. Hazle has been the Director of the NCI funded Small Animal Cancer Imaging Research Facility and was the Director of the NCI funded Experimental Cancer Imaging Research Program.

Dr. Hazle was appointed as a Director of the Company on 30 July 2018, and has a relevant interest in 150,000 performance rights in the capital of the Company.

3.3 Board Recommendation

The Board, with Dr. John Hazle abstaining, recommends that Shareholders vote in favour of this resolution.

3.4 Chairman's available proxies

The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

4. Resolution 3: Re-election of Director – Mr Mark Van Asten

4.1 Explanation

Clause 20.3 of the Company's Constitution, provides that one third of all existing Directors, excluding the Managing Director, must retire by rotation each annual general meeting.

Mr Mark Van Asten retires in accordance with clause 20.3 of the Company's Constitution and ASX Listing Rule 14.5 and being eligible, offers himself for re-election.

4.2 About Mr Van Asten

As the Managing Director and founder of Diagnostic Technology Pty Ltd, Mr Van Asten has been responsible for the development, introduction, and mainstream healthcare adoption of technologies throughout Australia and Asia, such as HPV DNA testing for cervical cancer screening and molecular monitoring for both viral infections and cancer treatments. Concurrent with his founding and leadership of Diagnostic Technology Pty Ltd, he has held several director-level business development positions with US and Australian diagnostics corporations.

Mr Van Asten was appointed as a Director of the Company on 6 December 2016, and has a relevant interest in 200,000 performance rights in the capital of the Company.

4.3 Board Recommendation

The Board, with Mr Mark Van Asten abstaining, recommends that Shareholders vote in favour of this resolution.

4.4 Chairman's available proxies

The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

5. Resolution 4: Ratification of prior issue of Options

5.1 Explanation

The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for a previous issue of Options made during the last 12 months under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue Equity Securities during any 12 month period in excess of 15% of the number of ordinary shares on issue at the commencement of that 12 month period without shareholder approval (**15% Placement Capacity**).

ASX Listing Rule 7.4 sets out an exception to the limitations on the Company's capacity to issue Equity Securities pursuant to its 15% Placement Capacity, by permitting the ratification of previous issues of Equity Securities which were not made under a prescribed exception under ASX Listing Rule 7.2 or with shareholder approval.

If shareholders of a company approve the ratification of such previous issues of Equity Securities at a general meeting, those Equity Securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.

Accordingly, if Shareholders ratify the previous issue of Options made by the Company by way of approving Resolution 4, those Options will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 and will no longer be deducted from the Company's 15% Placement Capacity.

5.2 Background

In November 2018, the Company successfully raised a total of \$4.3 million (before costs) under a 1-for-2 pro-rata non-renounceable rights issue offer (**Rights Issue**) and shortfall placement.

Pamplona Corporate Pty Ltd (**Lead Manager**) acted as lead manager to the shortfall placement.

On 28 November 2018, the Company issued 34,700,000 Options (each exercisable at \$0.06, expiring 24 months after date of issue) to the Lead Manager and its nominees, as part of the Lead Manager's placement selling fees.

5.3 Information required to be provided under the ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:

No. of securities issued	34,700,000 Options, each to acquire one Share.
Issue price per security	The Options were issued for nil cash consideration, as part of the Lead Manager's Rights Issue shortfall placement selling fees.
Recipients of issue	The Lead Manager and its nominees.
Terms of securities	The Options are each exercisable into one Share upon payment of the exercise price of \$0.06, on or before the expiry date of 27 November 2020.
	The Options are not currently quoted, and do not rank equally with any class of quoted securities. The Company will apply for quotation of any Shares issued upon the exercise of the Options. From the date of issue of those Shares, the shares will rank equally with all other Shares then on issue in the Company.
	Options do not entitle their holders to any dividends.
Use of funds raised	There were no funds raised from the issue of the Options. In the event that any funds are raised by the exercise of the Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.
Voting Exclusions	A voting exclusion statement applies to this resolution, as set out in the Notice.

5.4 Board Recommendation

As explained above, the effect of shareholder approval for Resolution 4 is the reinstatement of the Company's 15% Placement Capacity. The Directors do not (save for as otherwise set out in this Notice) currently have any specific intention to make any further issue of Shares without approval of shareholders under ASX Listing Rule 7.1 in the next 12 months, unless such issue falls under an exception to the 15% threshold in ASX Listing Rule 7.2. However, the Directors believe that it is in the best interests of the Company to maintain its ability to issue securities under its 15% Placement Capacity, as this will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.

Accordingly, the Directors unanimously recommend that shareholders vote in favour of Resolution 4.

5.5 Chairman's available proxies

The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

6. Resolution 5: Approval of 10% Placement Facility

6.1 Explanation

Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. ASX Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to shareholder approval, to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under Listing Rule 7.1 (**10% Placement Capacity**).

The Company seeks shareholder approval under ASX Listing Rule 7.1A for the 10% Placement Capacity. The effect of this resolution will be to allow the Company, subject to the conditions set out below, to issue Equity Securities under the 10% Placement Capacity without using its 15% Placement Capacity under ASX Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this resolution for it to be passed.

6.2 Eligibility

ASX-listed entities which have a market capitalisation of \$300 million or less, and which are not included in the S&P/ASX 300 Index, are eligible to seek shareholder approval under ASX Listing Rule 7.1A. As at the date of this Notice, the Company is eligible to seek shareholder approval under ASX Listing Rule 7.1A.

6.3 Formula

The exact number of additional Equity Securities that the Company may issue under the 10% Placement Capacity will be determined by a formula set out ASX Listing Rule 7.1A.2 as follows:

$$(A \times D) - E$$

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the previous 12 months (there are presently no partly paid shares on issue in the Company);
- plus the number of shares issued in the previous 12 months with approval of shareholders under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval; and
- less the number of shares cancelled in the previous 12 months.

'A' has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

6.4 Conditions of issue under the 10% Placement Capacity

There are a number of conditions applicable to the issue of Equity Securities under ASX Listing Rule 7.1A, including a limitation on the discount to prevailing market price at which they may be issued, and additional disclosure requirements. A summary of these conditions is as follows:

- (a) Equity Securities issued under the 10% Placement Capacity can only be in a class of securities already quoted. At the date of this Notice, the Company only has one class of securities which are quoted, being ordinary shares.
- (b) The issue price of each Equity Security issued under the 10% Placement Capacity must be no less than 75% of the volume weighted average market price (**VWAP**) for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either:
 - i. the date on which the price at which the Equity Securities are to be issued is agreed; or
 - ii. if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the securities are issued.

6.5 Period of validity of shareholder approval

In the event that the Company obtains shareholder approval of Resolution 7, such approval will cease to be valid upon the earlier of:

- (a) 12 months after the date of this Annual General Meeting; or
- (b) if applicable, the date on which the Company's shareholders approve a change to the nature or scale of the Company's activities under ASX Listing Rule 11.1.2, or the disposal of the Company's main undertaking under ASX Listing Rule 11.2,

(the **Placement Period**).

6.6 Information to be provided to shareholders under ASX Listing Rule 7.3A

(a) Minimum issue price

The issue price of each Equity Security issued under the 10% Placement Capacity must be no less than 75% of the VWAP for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either:

- i. the date on which the price at which the Equity Securities are to be issued is agreed; or
- ii. if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the securities are issued.

(b) Risk of dilution to Shareholders

If Resolution 5 is approved by shareholders, any issue of Equity Securities under the 10% Placement Capacity may present a risk of economic and voting dilution of existing shareholders, including the risk that:

- the market price of the Company's Equity Securities may be significantly lower on the relevant issue date than on the date of the Meeting; and
- the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The table below shows the potential dilution of existing shareholders under various scenarios on the basis of:

- an issue price of **\$0.028** per share which was the closing price of the Company's shares on the ASX on **26 April 2019**; and
- the variable 'A' being calculated as the number of fully paid ordinary shares on issue as at the date of this Notice, being **322,742,824**.

The table also shows:

- two examples where variable 'A' has increased by 50% and 100%. The number of shares on issue in the Company may increase as a result of the issue of shares that do not require approval of shareholders (for example, pro-rata entitlement issues or scrip issues under takeover offers) or future placements of shares under ASX Listing Rule 7.1 of up to 15% of issued capital that are approved at future general meetings of shareholders; and
- two examples of where the issue price of shares has decreased by 50% and increased by 100%.

VARIABLE 'A'		Dilution		
		50% decrease in issue price \$0.014	Issue price \$0.028	100% increase in issue price \$0.056
Current Variable 'A' 322,742,824 shares	10% voting dilution	32,274,282 shares	32,274,282 shares	32,274,282 shares
	Funds raised	\$451,840	\$903,680	\$1,807,360
50% increase in current Variable 'A' 484,114,236 shares	10% voting dilution	48,411,424 shares	48,411,424 shares	48,411,424 shares
	Funds raised	\$677,760	\$1,355,520	\$2,711,040
100% increase in current Variable 'A' 645,485,648 shares	10% voting dilution	64,548,565 shares	64,548,565 shares	64,548,565 shares
	Funds raised	\$903,680	\$1,807,360	\$3,614,720

The table has been prepared on the following assumptions:

- the Company issues the maximum number of shares available under the 10% Placement Capacity;
- no options to acquire shares on issue in the Company are exercised, and no other convertible securities on issue convert into shares;
- the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue;
- the table does not show an example of dilution that may be caused to a particular shareholder as a result of placements under the 10% Placement Capacity based on that shareholder's holding at the date of the Meeting;
- the table shows only the effect of issues of Equity Securities under the 10% Placement Capacity in accordance with ASX Listing Rule 7.1A and not under the 15% placement capacity under ASX Listing Rule 7.1;
- the issue of Equity Securities under the 10% Placement Capacity consists only of shares; and
- the issue price is \$0.028, being the closing price of the Company's shares on the ASX on 26 April 2019.

(c) **Period of validity**

The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).

(d) **Reason for issue of shares under 10% Placement Capacity**

The Company may seek to issue the Equity Securities for the following purposes:

- non-cash consideration for the acquisition of new assets, businesses or investments, in which event the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
- cash consideration, the proceeds of which will be applied to fund the Company's existing and future activities, appraisal of corporate opportunities, investment in new businesses (if any), the costs incurred in undertaking placement(s) of shares under ASX Listing Rule 7.1.A and for general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy**

The Company may not issue any or all the Equity Securities for which approval is given and may issue the Equity Securities progressively as the Company places the Equity Securities with investors.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors such as:

- fundraising options (and their viability) available to the Company at the relevant time;
- the effect of the issue of the Equity Securities on the control of the Company;
- the financial situation of the Company and the urgency of the requirement for funds; and
- advice from the Company's corporate, financial, legal and broking advisers.

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice

It is intended that the allottees will be suitable professional and sophisticated investors, and other investors not requiring a disclosure document under section 708 of the Corporations Act, that are known to the Company and/or introduced by third parties.

The allottees may include existing substantial shareholders and/or new shareholders, but the allottees will not be related parties of the Company.

In the event that the shares under the 10% Placement Capacity are issued as consideration for the acquisition of businesses, assets or investments, it is likely that the allottees will be the vendors of such businesses, assets or investments.

(f) **Previous approval**

The Company previously obtained approval under ASX Listing Rule 7.1A on 31 May 2018. In accordance with ASX Listing Rule 7.3A.6, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1A, the following information is provided to shareholders:

As at 31 May 2018, being the date that is 12 months prior to the Meeting, the Company had the following Equity Securities on issue:

Class of Equity Securities	Number
Fully paid ordinary shares	203,766,163
Performance rights	15,550,000
TOTAL	219,316,163

The table below shows the number and type of Equity Securities issued by the Company in the 12 months preceding the date of the Meeting, and the percentage they represent of the total number of Equity Securities on issue as at 31 May 2018 (being 219,316,163).

Date of issue	Class of Equity Securities	No. issued	Reason for issue	Recipient of issue	% represent ed of total number of Equity Securities	Issue price per security	Discount/ premium to market price	Total cash considerati- on	Indicative current Valuation	Valuation basis	Use / intended use of funds
6/06/18	Ordinary shares	10,529,053	In lieu of fees payable to The University of Texas MD Anderson Cancer Center under a Research Collaboration and Equipment Loan Agreement	The University of Texas MD Anderson Cancer Center	4.80%	\$0.0753 deemed	36.9% premium to share price on issue date	N/A. Shares issued in lieu of \$792,837 in fees.	\$294,813	Closing share price of \$0.028 on 26 April 2019	None raised
6/06/18	Options	3,000,000	As part consideration for corporate advisory services provided by Pamplona Corporate Pty Ltd	Pamplona Corporate Pty Ltd	1.37%	N/A	N/A	N/A	\$165,000	Face value at grant date	None raised
6/06/18	Performance Rights	350,000	Issued to Non-Executive Directors	Non-Executive Directors of the Company	0.16%	N/A	N/A	N/A	\$21,000	Fair value at grant date	None raised
24/10/18	Ordinary shares	10,288,098	Issued under Rights Issue (entitlement component and under shortfall facility)	Shareholders that participated in the Rights Issue	4.69%	0.04	2.4% discount to share price on issue date	\$411,524	N/A	N/A	Refer to Rights Issue offer document
28/11/18	Ordinary shares	96,859,510	Issued under Rights Issue (shortfall placement)	Investors that participated in the Rights Issue shortfall placement	44.16%	0.04	14.9% discount to share price on issue date	\$3,874,380	N/A	N/A	Refer to Rights Issue offer document
28/11/18	Ordinary shares	1,300,000	Issued upon vesting of performance rights on issue to employees	Employees	0.59%	N/A	N/A	N/A	\$61,100	Face value at grant date	None raised
28/11/18	Options	34,700,000	As part of the placement selling fees payable to Pamplona Corporate Pty Ltd as lead manager to Rights Issue shortfall placement offer	Nominees of Lead Manager (Pamplona Corporate Pty Ltd) to the Rights Issue shortfall placement	15.82%	N/A	N/A	N/A	\$1,630,900	Face value at grant date	None raised
TOTAL		157,026,661			71.60%			\$4,285,904			

(g) **Terms of Equity Securities issued in preceding 12 months**

Shares

All Shares issued by the Company in the 12 months preceding the Meeting have the same terms and rank equally in all respects with existing shares in the Company.

Options

The 3,000,000 Options issued on 6 June 2018 have an exercise price of \$0.20 per Option and an expiry date of 20 June 2021.

Refer to Resolution 4 for the terms of the Options issued on 28 November 2018.

Performance Rights

The 350,000 Performance Rights issued under the LTIP on 6 June 2018 to Non-Executive Directors will vest as follows:

- 150,000 Performance Rights will vest on 26 April 2020; and
- 200,000 Performance Rights will vest on 6 June 2020.

The Performance Rights are not subject to any performance milestones.

Each Director will receive one Share in the Company for each vested Performance Right. No cash consideration was payable for the issue of the Performance Rights, or will be payable on the issue of the underlying Shares upon the vesting of the Performance Rights.

Subject to the ASX Listing Rules, in circumstances of death or disability, any unvested Performance Rights will vest on a pro rata basis based on the proportion of the performance period which has elapsed as at the date of death or disability.

In the event of a change of control in relation to the Company, and subject to the terms of the LTIP, unvested Performance Rights will vest on the date of the change of control.

The Performance Rights issued are not listed on ASX and will not be transferable, except as permitted under the LTIP.

(h) **Application of funds raised through issue of Equity Securities**

The Company raised a total of \$4,285,904 through the issue of Equity Securities during the 12 months preceding the Meeting.

The funds, which were raised under the Rights Issue, have been and will continue to be applied towards the purposes disclosed in the Company's Rights Issue offer document dated 24 September 2018.

6.7 Voting Exclusion

A voting exclusion statement applies to this resolution, as set out in the Notice.

6.8 Board Recommendation

The Directors unanimously recommend that shareholders vote in favour of this resolution.

6.9 Chairman's available proxies

The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

GLOSSARY

Throughout this Explanatory Memorandum the following various words and phrases are capitalised and the definitions of these capitalised words and phrases are set out below:

"**Annual General Meeting**" or "**Meeting**" means the meeting convened by the Notice of Meeting;

"**ASX**" means ASX Limited (ACN 008 624 691);

"**ASX Listing Rules**" or "**Listing Rules**" means the Official Listing Rules of the ASX;

"**Board**" means the board of Directors of the Company;

"**Chairman**" means chairman of the annual general meeting;

"**Closely Related Party**" of a member of the Key Management Personnel means:

- (a) A spouse or child of the member;
- (b) A child of the member's spouse;
- (c) A dependant of the member or the member's spouse;
- (d) Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) A company the member controls; or
- (f) A person prescribed by the Corporation Regulations

"**Company**" or "**IBX**" means Imagion Biosystems Limited ACN 616 305 027;

"**Constitution**" means the Company's Constitution;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Corporations Regulations**" means the *Corporations Regulations 2001* (Cth)

"**Directors**" means the current Directors of the Company;

"**Equity Securities**" has the meaning given under the Listing Rules;

"**Explanatory Memorandum**" means this Explanatory Memorandum as modified or varied by any supplementary Memorandum issued by the Company from time to time;

"**Key Management Personnel**" or "**KMP**" has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

"**Lead Manager**" means Pamplona Corporate Pty Ltd ACN 607 483 992;

"**LTIP**" means the Company's Long Term Incentive Plan which was established at the time of the Company's ASX listing in 2017, and which was summarised in the Company's replacement prospectus dated 30 May 2017;

"**Notice**" or "**Notice of Meeting**" means the notice convening the annual general meeting of the Company to be held on 31 May 2019 which accompanies this Explanatory Memorandum;

"**Option**" means an option to acquire a Share;

"**Proxy Form**" means the proxy form that is enclosed with and forms part of this Notice;

"**Remuneration Report**" means the remuneration report set out in the Directors' Report section of the Company's Annual Financial Report for the year ended 31 December 2018;

"**Resolution**" means a resolution in the form proposed in the Notice of Meeting;

"**RSM**" means RSM Australia;

"**Share**" means a fully paid ordinary share in the capital of the Company; and

"**Shareholder**" means a registered holder of a Share.

All Correspondence to:

-  **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
-  **By Fax:** +61 2 9290 9655
-  **Online:** www.boardroomlimited.com.au
-  **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (Melbourne time) on Wednesday 29 May 2019.**

TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/ibxagm2019>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00 am (Melbourne time) on Wednesday, 29 May 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

-  **Online** <https://www.votingonline.com.au/ibxagm2019>
-  **By Fax** + 61 2 9290 9655
-  **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
-  **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Imagion Biosystems Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Holding Redlich, Level 8, 555 Bourke Street, Melbourne, Victoria 3000 on Friday 31 May 2019 at 11:00am (Melbourne Time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1. I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of the Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Dr. John Hazle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-Election of Director – Mr Mark Van Asten	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2019