

IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

08 November 2019

Quotation of options and extension of closing date

MELBOURNE - Imagination Biosystems Limited (ASX: IBX) (the **Company**) refers to its renounceable pro rata rights issue offer of new fully paid ordinary shares (**New Shares**) announced on 28 October 2019 (**Rights Issue**). Under the Rights Issue, each subscriber will receive, for every 2 New Shares subscribed, 1 new free attaching option exercisable into a fully paid ordinary share at \$0.05, expiring 2 years from its date of issue (**New Option**).

The Company lodged a prospectus with ASIC and ASX in relation to the Rights Issue on 28 October 2019.

The Company has now determined to vary the Rights Issue offer by seeking quotation of the New Options on the ASX, and extending the closing date of the offer. Accordingly, the Company has today lodged with ASIC and ASX a supplementary prospectus dated 8 November 2019, which sets out the variations.

Quotation of New Options

Attached to this announcement is Appendix 3B seeking quotation of the New Options. The Company has previously applied for quotation of the New Shares under an Appendix 3B dated 28 October 2019.

New Timetable

The revised indicative timetable for the Rights Issue offer is as follows:

Closing date for acceptances	19 November 2019
Notify ASX of under-subscriptions	22 November 2019
Anticipated date for issue of New Shares and New Options	26 November 2019
Dispatch of securityholding statements	27 November 2019
Normal trading of New Shares and New Options expected to commence	

Note: The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to the Corporations Act and Listing Rules. As such the date the New Shares are expected to commence trading on ASX may vary.

Further Information:

Email the Company at: corpsecretary@imaginationbio.com

- ENDS

About Imagion Biosystems

Imagion Biosystems is developing a new non-radioactive and safe diagnostic imaging technology. Combining biotechnology and nanotechnology the Company aims to detect cancer and other diseases earlier and with higher specificity than is currently possible. Imagion Biosystems listed on the Australian Securities Exchange (ASX) in June 2017.

For further information please visit www.imagionbiosystems.com

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

IMAGION BIOSYSTEMS LIMITED (the Company)

ABN

42 616 305 027

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Options each to acquire one fully paid ordinary share (New Options) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | The Company will issue a maximum of 163,684,692 New Options pursuant to a renounceable pro-rata rights issue (Rights Issue) as detailed in the ASX Announcement released by the Company on 28 October 2019. The New Options will be issued as free attaching options (on a 1-for-2 basis) to the maximum of 327,369,384 new fully paid ordinary shares (New Shares) being offered under the Rights Issue. The Company applied to the ASX for the quotation of the New Shares under an Appendix 3B dated 28 October 2019. |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The New Options are each exercisable into a fully paid ordinary share (Share) at \$0.05, on or before the date that is 2 years from their date of issue.

For further details on the terms of the New Options, refer to the Company's Prospectus dated 28 October 2019 and Supplementary Prospectus dated 8 November 2019. |
| 4 | Do the +securities rank equally in all respects from the +issue date with an existing +class of | The Company intends to apply for quotation of the New Options, and the New Options will form a new class of quoted securities. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>quoted +securities? If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Shares issued on exercise of the New Options will rank equally in all respects with the existing Shares in the Company.</p>
<p>5 Issue price or consideration</p>	<p>Nil cash consideration. The New Options will be issued as free attaching options to New Shares on a 1-for-2 basis.</p> <p>Each New Option has an exercise price of \$0.05.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised under the Rights Issue at the targeted amount are proposed to primarily be expended to prepare for and conduct a human study of its MagSense instrument and formulated nanoparticle, and otherwise for general working capital purposes.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>31 May 2019</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>N/A</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>N/A</p>

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6f Number of +securities issued under an exception in rule 7.2 163,684,692 New Options

6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation. N/A

6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements N/A

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements See Annexure 1

7 +Issue dates 26 November 2019
 Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.
 Cross reference: item 33 of Appendix 3B.

Number	+Class
Maximum of 654,738,768	Fully paid ordinary Shares (This number also includes the maximum number of New Shares (327,369,384 New Shares) that may be issued under the Rights Issue, for which the Company applied to the ASX for quotation under an Appendix 3B dated 28 October 2019)
Maximum of 163,684,692	The New Options are each exercisable into a Share at \$0.05, on or before the date of 2 years from their date of issue

Number	+Class
10,750,000	Performance Rights

+ See chapter 19 for defined terms.

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5,112,500	Options: Exercisable at \$0.028 and expiring on the earlier of 24/06/2024 or 30 days after the cessation of employment.
3,000,000	Options: Exercisable at \$0.20 expiring on 20 June 2021
34,700,000	Options: Exercisable at \$0.06 expiring on 27 November 2020
2,017,553	Employee Options: Exercisable at various exercise prices between \$0.0256 and \$0.0302 with varying expiry dates between 28/02/2021 and 30/06/2021.
600,000	Advisory Board Options: Exercisable at \$0.06, vesting quarterly over two years with varying expiry dates between 22/08/2024 and 7/10/2024.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or sub registers) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

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New issue announcement

<p>18 Names of countries in which the entity has security holders who will not be sent new offer documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	<p>Germany, Hong Kong, Malaysia, Singapore, United Arab Emirates and United Kingdom</p>
<p>19 Closing date for receipt of acceptances or renunciations</p>	<p>Thursday, 7 November 2019</p>
<p>20 Names of any underwriters</p>	<p>N/A</p>
<p>21 Amount of any underwriting fee or commission</p>	<p>N/A</p>
<p>22 Names of any brokers to the issue</p>	<p>CPS Capital Group Pty Ltd</p>
<p>23 Fee or commission payable to the broker to the issue</p>	<p>\$60,000 plus 1% of the total amount raised, plus 5% on any amounts placed by the broker, plus 6,000,000 options on the same terms as the New Options.</p>
<p>24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders</p>	<p>N/A</p>
<p>25 If the issue is contingent on security holders' approval, the date of the meeting</p>	<p>N/A</p>
<p>26 Date entitlement and acceptance form and offer documents will be sent to persons entitled</p>	<p>Tuesday, 5 November 2019</p>
<p>27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders</p>	<p>N/A</p>
<p>28 Date rights trading will begin (if applicable)</p>	<p>Wednesday, 30 October 2019</p>
<p>29 Date rights trading will end (if applicable)</p>	<p>Thursday, 7 November 2019</p>
<p>30 How do security holders sell their entitlements <i>in full</i> through</p>	<p>The rights to Shares under the Offer are renounceable. Accordingly, holders may trade</p>

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

	a broker?	<div style="border: 1px solid black; padding: 5px;"><p>their rights on ASX and dispose of their rights to subscribe for Shares to any other party.</p><p>If a holder wishes to sell their Entitlement, they can complete the form attached to the Prospectus.</p></div>
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<div style="border: 1px solid black; padding: 5px;"><p>As above.</p></div>
32	How do security holders dispose of their entitlements (except by sale through a broker)?	<div style="border: 1px solid black; padding: 5px;"><p>N/A</p></div>
33	*Issue date	<div style="border: 1px solid black; padding: 5px;"><p>Tuesday, 26 November 2019</p></div>

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of *securities
(*tick one*)
- (a) *Securities described in Part 1
- (b) All other *securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders
- 36 If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over

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37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

Quotation agreement

+ See chapter 19 for defined terms.

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New issue announcement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Jovanka Naumoska
Company Secretary
8 November 2019