
ACTINOGEN MEDICAL LIMITED

ACN 086 778 476

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at the offices of InterOffice Property Services Pty Limited, Level 16, 1 Martin Place, Sydney, New South Wales on 18 January 2018 at 10.00 am (AEDT).

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 6377 8043.

ACTINOGEN MEDICAL LIMITED

ACN 086 778 476

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Actinogen Medical Limited (**Company**) will be held at the offices of InterOffice Property Services Pty Limited, Level 16, 1 Martin Place, Sydney, New South Wales on 18 January 2018 at 10.00 am (AEDT) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form forms part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 16 January 2018 at 7.00pm (AEDT).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 8.

AGENDA

1. Resolution 1 – Ratification of issue of Tranche 1 Placement Shares

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 91,500,000 Shares (**Tranche 1 Placement Shares**) each at an issue price of \$0.04 (**Tranche 1 Placement**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Tranche 1 Placement Participant and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Authority to issue Tranche 2 Placement Shares

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 40,500,000 Shares (**Tranche 2 Placement Shares**) each at an issue price of \$0.04 (**Tranche 2 Placement**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

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, the Tranche 2 Placement (except a benefit solely by reason of being a holder of ordinary securities in the Company) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Authority to issue Placement Options

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 66,000,000 Placement Options (each exercisable at \$0.06 on or before 31 March 2019) to the Placement Participants (and/or their nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Placement Participants and/or their nominees and a person who will obtain a material benefit as a result of the issue of the Placement Options (except a benefit solely by reason of being a holder of ordinary securities in the Company) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Authority for Dr Geoffrey Brooke to participate in the Tranche 2 Placement

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to Resolutions 2 and 3 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise Dr Geoffrey Brooke (and/or his nominees) to participate in the Tranche 2 Placement to the extent of up to:

- (a) 625,000 of the Tranche 2 Placement Shares each at an issue price of \$0.04; and
- (b) 312,500 of the Placement Options,

on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Geoffrey Brooke and his nominees and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Ratification of grant of Unlisted Options to Dr George Morstyn

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior grant by the Company of 1,500,000 Options, each with an exercise price of \$0.10 and exercisable once vested on or before 1 December 2022 (**Unlisted Options**) to Dr George Morstyn on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr George Morstyn and any of his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



Mr Peter Webse
Company Secretary

ACTINOGEN MEDICAL LIMITED

ACN 086 778 476

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of InterOffice Property Services Pty Limited, Level 16, 1 Martin Place, Sydney, New South Wales on 18 January 2018 at 10.00 am (AEDT).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolution 5 if:

- (a) the person is either:

- (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of such a member, and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 5.

However, the prohibition does not apply if:

- (a) the proxy is the Chairman; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if Resolution 5 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Resolution 1 – Ratification of issue of Tranche 1 Placement Shares

3.1 General

As announced by the Company on 29 November 2017, the Company has received commitments for a two-tranche placement to sophisticated investors to raise a total of \$5,280,000 (before costs) through the issue of 132,000,000 Shares at an issue price of \$0.04 per Share (the Placement). The issue price under the Placement represents a discount of 21.9% on the 15-day volume weighted average price for Shares prior to the Placement.

All Placement Participants will be entitled to free attaching Placement Options on a 1:2 basis, exercisable at \$0.06 each on or before 31 March 2019. The issue of the Placement Options will be made under a prospectus, and is subject to Shareholder approval at the Meeting under Resolution 3 (see Section 5 for further details).

The Company also announced on 29 November 2017 that existing Shareholders at the close of trading on 7 December 2017 (the **Record Date**), with a residential address in Australia or New Zealand, will receive two free loyalty bonus Options for every 15 Shares held on the Record Date, on the same terms as the Placement Options (**Loyalty Options**). The issue of the Loyalty Options will also be made under a prospectus, but Shareholder approval is not required for the issue of the Loyalty Options (as Exception 1, under Listing Rule 7.2 applies).

Application will be made to ASX to list the Placement Options and the Loyalty Options. Placement Participants will not be entitled to receive the Loyalty Options.

The Company completed the first tranche of the Placement on 8 December 2017 by issuing 91,500,000 Shares, being the Tranche 1 Placement Shares, to raise approximately \$3,660,000 (before costs).

The funds raised from the issue of the Tranche 1 Placement Shares will be employed towards completing XanADu, Actinogen's Phase II trial of Xanamem in Alzheimer's disease, and to meet ongoing working capital requirements of the Company.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The Tranche 1 Placement Shares were issued within the Company's 15% annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rules 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 1 seeks Shareholder approval for the ratification of the issue of the Tranche 1 Placement Shares pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolution 1 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months without obtaining prior Shareholder approval.

Resolution 1 is an ordinary resolution.

3.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the issue of the Tranche 1 Placement Shares is provided as follows:

- (a) 91,500,000 Shares were issued by the Company on 8 December 2017.
- (b) The Tranche 1 Placement Shares were issued at an issue price of \$0.04 each to raise \$3,660,000 in total (before costs).
- (c) The Tranche 1 Placement Shares comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (d) The Tranche 1 Placement Shares were issued to the Tranche 1 Placement Participants, none of whom are related parties of the Company.
- (e) The funds raised from the issue of the Tranche 1 Placement Shares will be employed towards completing XanADu, Actinogen's Phase II trial of Xanamem in Alzheimer's disease, and to meet ongoing working capital requirements of the Company.
- (f) A voting exclusion statement is included in the Notice.

4. Resolution 2 – Authority to issue Tranche 2 Placement Shares

4.1 General

Further to the issue of the Tranche 1 Placement Shares, the Company intends to undertake a placement of 40,500,000 Shares each at an issue price of \$0.04, to raise \$1,620,000 (before costs) as the second tranche of the Placement.

Set out below is a table showing the number of Shares that may be issued under the Placement, and the dilutive effect on existing Shareholders:

Shares which the Company could issue under the Placement ¹	Current Shares ²	Total Shares on issue following completion of the Placement ³	Dilutive effect on existing Shareholders
A	B	C	(B/C)

132,000,000	620,193,558	747,193,558	~17.00%
<p>Notes:</p> <ol style="list-style-type: none"> Includes the Tranche 1 Placement Shares issued on 8 December 2017. Does not include the Tranche 1 Placement Shares issued on 8 December 2017. Does not include 5,000,000 Shares currently on issue, which will be cancelled shortly after the date of this Prospectus pursuant to Shareholder approval given at the Company's Annual General Meeting on 29 November 2017. <p>All figures presented in this table are presented on an undiluted basis. Existing Shareholders will be subject to further dilution if the existing Options, the Placement Options or the Loyalty Options are exercised.</p>			

The funds raised from the issue of the Tranche 2 Placement Shares will be aggregated with the funds raised from the Tranche 1 Placement and employed towards completing XanADu, Actinogen's Phase II trial of Xanamem in Alzheimer's disease, and to meet ongoing working capital requirements of the Company.

Following completion of the Placement, the Company intends to apply the funds raised as follows:

Use of funds	
Expenditure on completing XanADu, Actinogen's Phase II trial of Xanamem in Alzheimer's disease	\$2,500,000
Corporate overhead and administration costs	\$1,000,000
Costs of the Placement and the issue of the Loyalty Options	\$356,400
Working capital	\$1,423,600
	\$5,280,000
<p>Notes:</p> <p>This table is a statement of the Board's current intention as at the date of this Notice. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, research outcomes, regulatory and strategic developments, market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.</p>	

Given the Tranche 2 Placement Shares to be issued under Resolution 2 will exceed the 15% threshold set out in Listing Rule 7.1 and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required under Listing Rule 7.1. A summary of Listing Rule 7.1 is provided in Section 3.1.

Resolution 2 is an ordinary resolution.

4.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the issue of the Tranche 2 Placement Shares is provided as follows:

- (a) The maximum number of Shares that the Company may issue under the Tranche 2 Placement is 40,500,000 Shares.

- (b) The Tranche 2 Placement Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (c) The Tranche 2 Placement Shares will be issued at an issue price of \$0.04 per Share to raise approximately \$1,620,000 in total (before costs).
- (d) The Tranche 2 Placement Shares will be issued to sophisticated investors, none of whom will be related parties of the Company (other than Director, Dr Geoffrey Brooke, who is proposing to participate in the Tranche 2 Placement subject to Shareholder approval under Resolution 4 of this Notice – see Section 6).
- (e) The Tranche 2 Placement Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (f) The funds raised from the issue of the Tranche 2 Placement Shares will be aggregated with the funds raised from the Tranche 1 Placement and employed towards completing XanADu, Actinogen's Phase II trial of Xanamem in Alzheimer's disease, and to meet ongoing working capital requirements of the Company (see Section 4.1 for further details).
- (g) It is expected that the Tranche 2 Placement Shares will be issued on one date.
- (h) A voting exclusion statement is included in the Notice.

5. Resolution 3 – Authority to issue Placement Options

5.1 General

As noted in the Company's announcement to ASX on 29 November 2017, the Company has agreed, subject to Shareholder approval, to issue 66,000,000 Placement Options to the Placement Participants (and/or their nominees) as free attaching Options on the basis of 1 Placement Option for every 2 Placement Shares subscribed for.

The Placement Options will each be exercisable at \$0.06 on or before 31 March 2019. Further terms and conditions of the Placement Options are set out in Schedule 1.

Given the issue of the Placement Options under Resolution 3 will exceed the 15% threshold set out in Listing Rule 7.1 and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required under Listing Rule 7.1. A summary of Listing Rule 7.1 is provided in Section 3.1.

Resolution 3 is an ordinary resolution.

5.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the issue of the Placement Options is provided as follows:

- (a) The maximum number of Placement Options that the Company may issue under Resolution 3 is 66,000,000.
- (b) The Placement Options may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).

- (c) The Placement Options will be issued as free attaching Options on the basis of 1 Placement Option for every 2 Placement Shares subscribed for. Accordingly, no funds will be raised from the issue of the Placement Options.
- (d) The Placement Options will be issued to the Placement Participants (and/or their nominees) who are not related parties of the Company.
- (e) The Placement Options will be issued on the same terms and conditions as the Loyalty Options to be issued by the Company prior to the date of the Meeting, with an exercise price of \$0.06 per Option and an expiry date of 31 March 2019. Further terms and conditions of the Placement Options are set out in Schedule 1. The Company intends to apply for official quotation of the Placement Options (and the Loyalty Options) by ASX so that the Placement Options will be listed Options.
- (f) Shares issued on exercise of the Placement Options will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares on issue.
- (g) It is expected that the Placement Options will be issued on one date, being on completion of the Tranche 2 Placement.
- (h) A voting exclusion statement is included in the Notice.

6. Resolution 4 – Authority for Director Participation in the Tranche 2 Placement

6.1 Background

It is proposed that Director Dr Geoffrey Brooke and/or his nominees participate in the Tranche 2 Placement. Further details of the Tranche 2 Placement are set out in Section 4.1. Dr Brooke wishes to obtain Shareholder approval to subscribe for up to \$25,000 worth of the Tranche 2 Placement Shares, being 625,000 Shares (**Director Placement Shares**), together with 312,500 of the free attaching Placement Options (**Director Placement Options** and, together with the Director Placement Shares, the **Director Placement Securities**).

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Dr Brooke is a related party of the Company by virtue of being a Director. Therefore, approval is required under Listing Rule 10.11 for the issue of the Director Placement Securities to Dr Brooke or his nominees.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Director Placement Securities to Dr Brooke (and/or his nominees). If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 (although approval for 100% of the Tranche 2 Placement and the Placement Options is being sought under Listing Rule 7.1 under Resolutions 2 and 3). Shareholder approval of the issue of the Director Placement Securities means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is an ordinary resolution and is subject to Resolutions 2 and 3 being passed.

6.2 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of the Director Placement Securities is provided as follows:

- (a) The maximum number of Securities to be issued to Dr Brooke (and/or his nominees) is up to:
 - (i) 625,000 of the Tranche 2 Placement Shares; and
 - (ii) 312,500 of the Placement Options.
- (b) The Company will issue the Director Placement Securities no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), and it is intended that all of the Director Placement Securities will be issued on the same date, being on completion of the Tranche 2 Placement.
- (c) Dr Brooke is a related party of the Company by virtue of being a Director.
- (d) The Director Placement Shares will be issued at an issue price of \$0.04 per Share. The Director Placement Options will be issued for nil consideration as free attaching Options to Dr Brooke as a Placement Participant on the basis of 1 Placement Option for every 2 Placement Shares subscribed for.
- (e) The Director Placement Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (f) The Director Placement Options will be issued on the same terms and conditions as the Loyalty Options to be issued by the Company prior to the date of the Meeting, with an exercise price of \$0.06 per Option and an expiry date of 31 March 2019. Further terms and conditions of the Director Placement Options are set out in Schedule 1. The Company intends to apply for official quotation of the Director Placement Options (as well as the other Placement Options to be issued under this Notice and the Loyalty Options to be issued prior to the date of the Meeting) by ASX so that the Director Placement Options will be listed Options.
- (g) Shares issued on exercise of the Director Placement Options will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares on issue.
- (h) The funds raised from the issue of the Director Placement Shares will be aggregated with and used for the same purpose as the funds raised from the Tranche 2 Placement. See Section 4 for further details. The Director Placement Options will be issued as free attaching Options. Accordingly, no funds will be raised from the grant of the Director Placement Options.
- (i) A voting exclusion statement is included in the Notice.

7. Resolution 5 – Ratification of grant of Unlisted Options to Dr George Morstyn

7.1 General

As announced by the Company on 1 December 2017, the Company has appointed Dr George Morstyn as a Non-executive Director. Pursuant to the terms of Dr Morstyn's engagement with the Company, the Company agreed to grant Dr Morstyn the Unlisted Options for nil cash consideration as long-term incentives in connection with his role as a Non-executive Director.

On 1 December 2017, the Company issued the Unlisted Options to Dr Morstyn, comprising:

- (a) 700,000 Unlisted Options to vest 1 year after the date of grant;
- (b) 400,000 Unlisted Options to vest 2 years after the date of grant; and
- (c) 400,000 Unlisted Options to vest 3 years after the date of grant,

in each case subject to the continuous service to the Company by Dr Morstyn as a Non-executive Director during the period from the date of grant up to and including the applicable vesting date.

The Unlisted Options each expire on 1 December 2022. The full terms of the Unlisted Options are set out in Schedule 2.

The Company granted the Unlisted Options within the Company's 15% annual limit permitted by Listing Rule 7.1 without the need for Shareholder approval. Shareholder approval was not required under Listing Rule 10.11 to issue the Unlisted Options to Dr Morstyn as Exception 6 under Listing Rule 10.12 applied (on the basis that the issue of the Unlisted Options was a term of Dr Morstyn's appointment, and he was a related party at that time by reason only of the application of section 228(6) of the Corporations Act). A summary of Listing Rules 7.1 and 7.4 is provided in Section 3.1.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of the Unlisted Options to Dr Morstyn. By ratifying this issue, Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 during the next 12 months, without the requirement to obtain prior Shareholder approval.

Resolution 5 is an ordinary resolution.

7.2 Specific Information Required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding Resolution 5 is provided as follows:

- (a) 1,500,000 Unlisted Options were issued on 1 December 2017.
- (b) The Unlisted Options were issued for nil cash consideration as long-term incentives in connection with Dr Morstyn's appointment as a Non-executive Director of the Company. Accordingly, no funds were raised from the grant of the Unlisted Options.
- (c) The Unlisted Options are each exercisable on or before 1 December 2022 once vested and have an exercise price of \$0.10. The full terms of the Unlisted Options are set out in Schedule 2. Shares issued on exercise of the Unlisted Options will be fully paid

ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.

- (d) The Unlisted Options were issued to Dr Morstyn.

8. Definitions

\$ means Australian Dollars.

AEDT means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Chairman means the chairman of this Meeting.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the *Corporations Act 2001* (Cth).

Company means Actinogen Medical Limited ACN 086 778 476.

Constitution means the current constitution of the Company.

Director means a director of the Company.

Director Placement Options has the meaning in Section 6.1.

Director Placement Securities has the meaning in Section 6.1.

Director Placement Shares has the meaning in Section 6.1.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Key Management Personnel means a person 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.

Listing Rules means the listing rules of ASX.

Loyalty Options has the meaning in Section 3.1.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Placement means the Tranche 1 Placement and the Tranche 2 Placement.

Placement Option means an Option with an exercise price of \$0.06 and an expiry date of 31 March 2019 and otherwise with the terms and conditions in Schedule 1.

Placement Participants means the participants in the Placement, being sophisticated investors (including the Tranche 1 Placement Participants).

Proxy Form means the proxy form attached to this Notice.

Resolution means a resolution contained in this Notice.

Section means a section contained in this Explanatory Memorandum.

Security means a Share and an Option.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Tranche 1 Placement has the meaning in Resolution 1.

Tranche 1 Placement Participants means the participants in the Tranche 1 Placement being sophisticated investors.

Tranche 1 Placement Shares has the meaning in Resolution 1.

Tranche 2 Placement has the meaning in Resolution 2.

Tranche 2 Placement Shares has the meaning in Resolution 2.

Unlisted Options has the meaning in Resolution 5.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 – Terms and Conditions of Placement Options

- (a) **(Entitlement)** The Placement Options (**Options**) entitle the holder to subscribe for one Share upon the exercise of each Option.
- (b) **(Exercise Price)** The exercise price of each Option is \$0.06.
- (c) **(Expiry Date)** Each Option will expire at 5.00pm (Sydney time) on 31 March 2019.
- (d) **(Exercise period)** The Options are exercisable at any time from the date of issue to the Expiry Date.
- (e) **(Notice of exercise)** The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (f) **(Shares issued on exercise)** Shares issued on exercise of the Options rank equally with the Shares of the Company.
- (g) **(Quotation of Shares on exercise)** Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.
- (h) **(Timing of issue of Shares)** After an Option is validly exercised the Company must as soon as possible following receipt of cleared funds equal to the sum payable on the exercise of the Options:
 - (i) issue the Share; and
 - (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 10 days from the date of exercise of the Option.
- (i) **(Participation in new issues)** There are no participation rights or entitlements inherent in the Options and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. If the Company makes an issue of Shares pro rata to existing Shareholders, there will be no adjustment to the Exercise Price.
- (j) **(Adjustment for bonus issues of Shares)** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
 - (i) the number of Shares or other securities which must be issued on the exercise of an Option will be increased by the number of Shares or other securities which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (k) **(Adjustments for reorganisation)** If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (l) **(Quotation of the Options)** Application will be made to ASX within seven days after the date of the Prospectus for Official Quotation of the Options.
- (m) **(Options transferable)** The Options are freely transferable.
- (n) **(Lodgement Instructions)** Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged with the Company's Share Registry.

Schedule 2 – Terms and Conditions of Unlisted Options

Entitlement	Each Unlisted Option (Option) gives the holder (Optionholder) the right to subscribe for one fully paid ordinary share in the Company (Share) upon exercise of the Option.
Issue price of Options	Options are issued for no consideration.
Exercise Price	The exercise price payable upon exercise of each Option is \$0.10.
Vesting Conditions	700,000 Options to vest 1 year after the date of grant; 400,000 Options to vest 2 years after the date of grant; and 400,000 Options to vest 3 years after the date of grant, (in each case, subject to the continuous service to the Company by the Optionholder as a Non-executive Director during the period from the date of grant up to and including the applicable vesting date).
Expiry Date	5.00pm (Sydney time) on the date which is 5 years from grant of the Options.
Exercise Period	The Options are exercisable at any time after the applicable Vesting Condition has been satisfied and on or prior to the Expiry Date
Lapse/Expiry	(a) The Options will lapse upon the first to occur of: <ul style="list-style-type: none">(i) the Expiry Date;(ii) Dr George Morstyn ceasing to be a director of the Company:<ul style="list-style-type: none">(A) where paragraph (b) applies, the date determined by paragraph (b) passing; or(B) where paragraph (c) applies, the date specified in paragraph (c) passing; or(C) where neither paragraph (b) or (c) applies, the date upon which Dr George Morstyn ceases to be a Non-executive Director of the Company; or(iii) the Board making a determination that Dr George Morstyn has acted fraudulently, dishonestly or in breach of his obligations to the Company or any of its subsidiaries. (b) If at any time prior to the Expiry Date, Dr George Morstyn ceases to be a Non-executive Director of the Company as a Bad Leaver, in respect of any Vested Option, the Optionholder will have until the earlier of: <ul style="list-style-type: none">(i) the Expiry Date; or(ii) the date which is three months after the date of Dr George Morstyn ceasing to be a director of the Company, to exercise the Option.
	(c) If at any time prior to the Expiry Date, Dr George Morstyn ceases to be a Non-executive Director of the Company as a Good Leaver, any: <ul style="list-style-type: none">(i) Vested Option; and(ii) any Unvested Option that the Board, in its absolute discretion, shall so determine, remains exercisable until the Expiry Date.
	(d) For the purposes of this clause: “Bad Leaver” means a director of the Company who ceases to be a director of the Company by any reason other than as a Good Leaver;

“Good Leaver” means a director of the Company who ceases to be a director of the Company by reason of retirement, permanent disability, redundancy or death, or is otherwise determined by the Board as a good leaver on a case by case basis and at its absolute discretion;

“Unvested Option” means an Option granted subject to a vesting condition and vesting condition has not been satisfied; and

“Vested Option” means an Option granted subject to a vesting condition and which any vesting condition has been satisfied.

Change in Control

Upon the occurrence of a Change in Control Event, the Board may determine (in its discretion):

- (a) that the Options may vest and be exercised at any time from the date of such determination, and in any number until the date determined by the Board acting bona fide so as to permit the holder to participate in any change of control arising from a Change in Control Event provided that the Board will forthwith advise the Optionholder in writing of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or
- (b) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Change in Control Event in which case the Board shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately vest and become exercisable and if not exercised within 10 days, shall lapse.

For the purposes of this clause, "Change in Control Event" means:

- (a) the occurrence of:
 - (i) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (ii) that takeover bid has become unconditional (except any condition in relation to the cancellation or exercise of the Options); or
- (b) the announcement by the Company that:
 - (i) its shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party; and
 - (ii) the Court, by order, approves the proposed scheme of arrangement; or
- (c) the occurrence of the sale of all or a majority of the Company's main undertaking; or
- (d) at the absolute discretion of the Board, the occurrence of a sale of at least 50% of the Company's main undertaking.

Notice of Exercise

An Optionholder may exercise their Options by lodging with the Company:

- (a) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;

	<ul style="list-style-type: none"> (b) a written notice of exercise of Options specifying the number of Options being exercised (Exercise Notice); and (c) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
Timing of issue of Shares	Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
Shares issued on exercise	All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.
Quotation of Shares on exercise	The Company will apply for official quotation on ASX of all Shares issued upon exercise of Options within 10 Business Days after the date of issue of those Shares.
Quotation of Options	The Options will be unlisted upon grant. No application for quotation of the Options will be made.
Transfer	<p>The Options are personal to the Optionholder to whom they were granted, and the Optionholder may not sell, transfer or otherwise dispose of, or make a declaration of trust in respect of, them:</p> <ul style="list-style-type: none"> (a) until after the Options have vested; and (b) otherwise with the prior written consent of the Board, <p>and provided that the transfer of the Options complies with the Corporations Act.</p>
Participation in new issues	<p>There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options.</p> <p>If the Company makes an issue of Shares pro rata to existing shareholders, there will be no adjustment of the Exercise Price.</p>
Adjustment for bonus issues of Shares	<p>If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):</p> <ul style="list-style-type: none"> (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and (b) no change will be made to the Exercise Price.
Adjustments for reorganisation	If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the ASX Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.



LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Actinogen Medical Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Actinogen Medical Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10:00am on Thursday, 18 January 2018 at InterOffice Property Services Pty Limited, Level 16, 1 Martin Place, Sydney, New South Wales** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolution 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 5, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of issue of Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Ratification of grant of Unlisted Options to Dr George Morstyn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Authority to issue Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Authority to issue Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Authority for Dr Geoffrey Brooke to participate in the Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

* 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 votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Tuesday, 16 January 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Actinogen Medical Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**