



17 August 2018

Kate Kidson
Principal Adviser, Listings Compliance (Melbourne)
Level 4, 525 Collins St
Melbourne VIC 3000

By email only: kate.kidson@asx.com.au

Dear Kate

Imagion Biosystems Limited (the Company)

We refer to your letter to the Company dated 15 August 2018 regarding the Company's Appendix 4C for the quarter ended 30 June 2018 (**2Q18**) released to the ASX on 27 July 2018 (**Appendix 4C**).

We respond to each of your queries as follows (adopting your numbering):

1. Negative operating cash flows

Given the nature of the Company's business operations and its current stage of development, the Company expects, in the absence of extraordinary items, to continue to have negative operating cashflows for the time being.

2. Cash to fund future activities

The Board is aware that the Company's current cash reserves are limited relative to its current operating expenses. The Company continues to take steps to improve its cash flow position, including by exploring capital raising opportunities. Based on expressions of financial support from the investment community, the Board is confident that it will be able to raise additional capital to fund its business objectives as and when required.

3. Ability to meet business objectives

As outlined in the Appendix 4C, the Company's cash position at the end of 2Q18 was \$3,606,000, and cash outflows for the current quarter are estimated at \$1,399,000. The Company is confident that its ongoing cash management and capital raising initiatives will enable it to continue its operations and meet its business objectives.

4. Compliance with Listing Rules

The Company confirms it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.

5. Approval of responses

The Company's responses to the questions above have been authorised and approved by its Board of Directors.



Other information

The Company is not aware of any other information that may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2.

Yours sincerely

By order of the Board of Imagion Biosystems Limited

A handwritten signature in black ink, appearing to read "J. Naumoska".

Jovanka Naumoska
Company Secretary

Imagion Biosystems Limited

ACN 616 305 027

Level 8, 555 Bourke Street, Melbourne VIC 3000

www.imagionbiosystem.com



15 August 2018

Ms Alyn Tai

Company Secretary
Imagion Biosystems Limited

By email: atccounsel.com.au

Dear Ms Tai

Imagion Biosystems Limited (the “Company”): Appendix 4C Query

I refer to the Company’s Appendix 4C quarterly report for the period ended 30 June 2018 lodged with ASX Market Announcements Platform and released on 27 July 2018 (the “Appendix 4C”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of (\$1,904,000);
- cash at the end of the quarter of \$3,606,000; and
- estimated cash outflows for the next quarter of \$1,399,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 4 pm AEST on Friday, 17 August 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltsmelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

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

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.


If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.



Kind regards

[Sent electronically without signature]

Kate Kidson

Principal Adviser, Listings Compliance (Melbourne)

cc Kobe Li kobe.li@boardroomlimited.com.au