

IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

26 November 2019

Appendix 3B

MELBOURNE — Imagion Biosystems Limited (ASX: IBX), a company dedicated to improving healthcare through the earlier detection of cancer, attaches a copy of the Appendix 3B for the issue of new shares and new options as a result of the recent Renounceable Rights Issue.

Under the successful Rights Issue, 181,412,807 new fully paid ordinary shares and 96,706,395 new listed options were issued. The options will be traded under the ASX code IBXO.

-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

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 | 1) Fully Paid Ordinary Shares (Shares)
2) Options each to acquire one fully paid ordinary share (Options) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | The Company is issuing 181,412,807 Shares (New Shares) and 96,706,395 listed Options (New Options) pursuant to its renounceable pro-rata rights issue (Rights Issue) as detailed in the ASX Announcement released by the Company on 28 October 2019 and supplementary prospectus released on 8 November 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) | 1) The New Shares are Fully Paid Ordinary Shares.
2) The New Options are each exercisable into Shares at \$0.05, on or before 26 November 2021.

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 | 1) The New Shares will rank equally in all respects with the existing Shares in the Company. |

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	<p>date with an existing +class of quoted +securities?</p> <p>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>2) Shares issued on exercise of the New Options will rank equally in all respects with the existing Shares in the Company.</p>
5	Issue price or consideration	<p>1) \$0.02 per Share</p> <p>2) Nil (Exercise price of \$0.05 per Share)</p>
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>The funds raised under the Offer 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>
6a	<p>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>
6b	The date the security holder resolution under rule 7.1A was passed	<p>31 May 2019</p>
6c	Number of +securities issued without security holder approval under rule 7.1	<p>2) 6,000,000 New Options</p>
6d	Number of +securities issued with security holder approval under rule 7.1A	<p>N/A</p>

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A						
6f	Number of +securities issued under an exception in rule 7.2	1) 181,412,807 Shares 2) 90,706,395 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	Rule 7.1: 66,355,222 Rule 7.1A: 50,533,688						
7	+Issue dates 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.	26 November 2019						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>508,782,191</td><td>Fully paid ordinary shares</td></tr><tr><td>96,706,395</td><td>Options each exercisable into Shares at \$0.05, on or before 26 November 2021.</td></tr></table>	Number	+Class	508,782,191	Fully paid ordinary shares	96,706,395	Options each exercisable into Shares at \$0.05, on or before 26 November 2021.
Number	+Class							
508,782,191	Fully paid ordinary shares							
96,706,395	Options each exercisable into Shares at \$0.05, on or before 26 November 2021.							

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9	Number and *class of all *securities not quoted on ASX (including the *securities in section 2 if applicable)	Number	*Class
		10,750,000	Performance Rights
		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)	N/A	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the *securities will be offered	1 New Share for every 1 Share held 1 New Option for every 2 New Shares
14	*Class of *securities to which the offer relates	Fully Paid Ordinary Shares
15	*Record date to determine entitlements	Thursday, 31 October 2019
16	Will holdings on different registers (or sub registers) be aggregated for calculating entitlements?	No

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17	Policy for deciding entitlements in relation to fractions	Not required
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with.</small> <small>Cross reference: rule 7.7.</small>	Germany, Hong Kong, Malaysia, Singapore, United Arab Emirates and United Kingdom
19	Closing date for receipt of acceptances or renunciations	Tuesday, 19 November 2019
20	Names of any underwriters	CPS Capital Group Pty Ltd
21	Amount of any underwriting fee or commission	\$100,000
22	Names of any brokers to the issue	CPS Capital Group Pty Ltd
23	Fee or commission payable to the broker to the issue	\$60,000 plus 1% of the total amount raised, plus 5% on any amounts placed by the broker, plus 6,000,000 New Options on the same terms as the New Options.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Tuesday, 5 November 2019
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	The Performance Rights and Options on issue are subject to various vesting conditions in respect to continuous employment with the Company and will be unable to participate.
28	Date rights trading will begin (if applicable)	Wednesday, 30 October 2019
29	Date rights trading will end (if applicable)	Thursday, 7 November 2019

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- | | | |
|----|---|--|
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | <p>The rights to Shares under the Offer are renounceable. Accordingly, holders may trade 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> |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | <p>As above.</p> |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | <p>N/A</p> |
| 33 | *Issue date | <p>Tuesday, 26 November 2019</p> |

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

- 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	N/A
39	+Class of +securities for which quotation is sought	N/A
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>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 	N/A
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A

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

Number	*Class
N/A	N/A

Quotation agreement

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
26 November 2019

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ⁺ ordinary securities on issue 12 months before the ⁺ issue date or date of agreement to issue	224,583,314 fully paid ordinary shares on issue as at 26 November 2018.
Add the following: <ul style="list-style-type: none"> Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	98,159,510 Shares issued on 28 November 2018 962,500 Shares issued on 24 June 2019 31,250 Shares issued on 30 September 2019 187,500 Shares issued on 04 October 2019 181,412,807 Shares issued on 26 November 2019
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	Nil
“A”	505,336,881
Step 2: Calculate 15% of “A”	
“B”	0.15 [Note: this value cannot be changed]

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Multiply “A” by 0.15	75,800,532
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>3,445,310 Shares issued on 30 September 2019</p> <p>6,000,000 New Options issued on 26 November 2019</p>
“C”	9,445,310
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	75,800,532
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	9,445,310
Total [“A” x 0.15] – “C”	<p>66,355,222</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	505,336,881
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	50,533,688
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of [†] equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	Nil
“E”	Nil
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	50,533,688
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	50,533,688 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

[†] See chapter 19 for defined terms.