

IMAGION BIOSYSTEMS LIMITED

ACN 616 305 027

PROSPECTUS

For a renounceable pro rata offer of 204,512,879 Shares at an issue price of \$0.01 each on the basis of 2 Shares for every 5 Shares held at the Record Date, together with a free attaching New Option on a one for one basis, to raise up to \$2,045,129, partially underwritten to \$500,000.

THIS OFFER CLOSING AT 5.00PM AEDT ON TUESDAY, 21 APRIL 2020

VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU HAVE ANY QUESTIONS ABOUT THE NEW SHARES BEING OFFERED UNDER THIS PROSPECTUS, OR ANY OTHER MATTER RELATING TO AN INVESTMENT IN THE COMPANY, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER. THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

THIS DOCUMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA AND IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES OF AMERICA, OR TO, FOR THE BENEFIT OR ON THE ACCOUNT OF A US PERSON WITHOUT THE US WRAP. THE SHARES REFERRED TO IN THIS PROSPECTUS HAVE NOT AND WILL NOT BE REGISTERED UNDER US SECURITIES ACT, MAY NOT BE OFFERED, SOLD TO, ON BEHALF OF OR FOR THE BENEFIT OF, A US PERSON, AND NO PUBLIC OFFERING WILL BE MADE IN THE UNITED STATES OF AMERICA WITHOUT THE US WRAP.

CORPORATE DIRECTORY

Directors and Management	
Mr Robert Romeo Proulx	Executive Chairman and President
Mr Michael John Harsh	Non Exec. Director
Ms Bronwyn Le Grice	Non Exec. Director
Mr David Gerald Ludvigson	Non Exec. Director
Ms Jovanka Naumoska	Non Exec. Director
Mr Mark Gerald Van Asten	Non Exec. Director
Company Secretary	
Ms Jovanka Naumoska	
Registered Office	
c/- K&L Gates Level 25, 525 Collins Street MELBOURNE, VIC, AUSTRALIA, 3000 Telephone: +61 3 9205 2000	
Stock Exchange Listing	
Australian Securities Exchange ASX Code for Shares: IBX	
Company Website	
http://www.imagionbiosystems.com	
Share Registry	
Boardroom Pty Limited Level 12, 225 George Street SYDNEY, NSW, AUSTRALIA, 2000 Telephone: (02) 9290 9600	
Lead Manager	
Mahe Capital Level 8, 99 St George's Terrace Perth, WA, 6000	
Solicitors to the Company	
K&L Gates Level 25, 525 Collins Street Melbourne, Victoria 3000	

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IMPORTANT NOTICES

This Prospectus is dated Wednesday, 25 March 2020 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at K&L Gates, Level 25, 525 Collins Street, Melbourne, Victoria, Australia, 3000, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.5).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus.

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks. This Prospectus may contain forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors.

These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in Section 3 of this Prospectus. Forward looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Acceptances for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form sent with this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholders' Entitlement to participate in the Offer.

Applications for Additional Securities must also be made on the Entitlement and Acceptance Form. The issue of Additional Securities to Shareholders is in the absolute discretion of the Directors. More information on the Additional Securities Offer is contained in Section 1.6 **Error! Reference source not found..**

No person is authorised to give any information or to make any representation in connection with the Offer, the Additional Securities Offer and Shortfall Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer, the Additional Securities Offer and the Shortfall Offer.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known by investors and professional advisers whom potential investors may consult.

PROPOSED TIMETABLE

Particulars ¹	Date (2020)
Lodgement of Prospectus with ASIC and provision of copies to ASX	Wednesday, 25 March 2020
Appendix 3B given to ASX	Wednesday, 25 March 2020
Notice sent to security holders containing information required by Appendix 3B	Thursday, 26 March 2020
"Ex" date – existing shares are quoted on an ex basis and rights trading starts on a deferred settlement basis	Friday, 27 March 2020
Record Date	Monday, 30 March 2020
Prospectus and Entitlement and Acceptance Form sent to Eligible Shareholders	Wednesday, 1 April 2020
Rights trading ends	Tuesday, 14 April 2020
Last Day to extend offer closing date	Thursday, 16 April 2020
Closing Date ²	Tuesday, 21 April 2020
ASX notified of under subscriptions	Thursday, 23 April 2020
Anticipated date for the issue of the Shares	Tuesday, 28 April 2020
Normal trading of shares commence	Wednesday, 29 April 2020

Notes:

¹ Indicative dates only.

² Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Shares.

Chairman's Letter

Dear Investors,

On behalf of the Directors of Imagination Biosystems Limited (**Imagination Biosystems** or **Company**), please find below a Prospectus associated with an offer to participate in a renounceable pro rata offer of shares in the Company (with free attaching New Options) to raise up to \$2,045,129 (before payment of Offer costs). The Lead Manager of the Offer, Mahe Capital, is partially underwriting the Offer to \$500,000.

Imagination Biosystems is a company dedicated to improving healthcare through the early detection of cancer by developing new non-radioactive and safe diagnostic imaging technology. By combining biotechnology and nanotechnology, the Company aims to detect cancer and other diseases earlier and with higher specificity than is currently possible. Imagination Biosystems has been listed on the Australian Securities Exchange (ASX) since June 2017.

In May of 2019 the Company reported the successful conclusion of toxicology testing of the nanoparticle injectable formulation for its HER2 metastatic breast cancer test; an important milestone demonstrating the material should be safe for use in human studies.

In July 2019 the Company received notice from the U.S. Food and Drug Administration (FDA) that the MagSense™ System had been designated as a "Breakthrough Device". Achieving the designation provides expedited communication with the FDA which will be valuable as the Company is currently seeking regulatory approval to undertake a first-in-human study.

In July the Company received more than \$2 million in R&D tax incentives from the Australian Tax Office ("ATO") for its 2018 tax year.

In November 2019 the Company raised \$3.3 million in a renounceable rights offer which allowed us to proceed with qualifying our contract manufacturers that will be responsible for making our material under current Good Manufacturing Practices, and initiating the purchase of the raw materials and key equipment to be used to make the material.

The purpose of the Offer is to raise up to \$2,045,129. via the issue of 204,512,879 shares in the Company at an issue price of \$0.01 per share to strengthen our balance sheet and provide necessary capital resources as we work towards accomplishing the business objectives we have communicated in our recent announcements.

The Board recognizes that the advent of the COVID-19 pandemic has created significant uncertainties both in capital markets and with regard to general business risks. To-date we have not had any significant setbacks, however we are acting now to ensure we have capital resources to withstand a possible near-term temporary disruption.

We are committed to prudent management of our capital resources and protecting our shareholders' interest through timely achievement of our first clinical study. While the COVID-19 crisis may have near-term impacts, it does not undo the progress we have made, or alter the importance of our remaining focused on our goal of undertaking our first clinical study; a milestone which we expect will unlock the clinical and commercial potential of our technology and the unmet need for early cancer detection.

This Prospectus includes detailed information about the Offer, as well as other details that may be relevant when assessing an investment in the Company, including the general and specific risks associated with an investment in the Company, which are in Section 3 of this Prospectus. I encourage you to read this Prospectus carefully and in its entirety before making your investment decision and, if required, consult with your stockbroker, solicitor, accountant or other independent professional adviser.

On behalf of the Board, I present the Offer to you and look forward to your continued support as a shareholder of the Company and as an advocate for improving cancer care.

Yours sincerely

A handwritten signature in black ink, appearing to read "R. Proulx", written in a cursive style.

Robert Proulx

Investment Overview & Risks

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to participate in this Offer.

Questions	Response	Where to find more information
What is the Offer?	The Company is making a renounceable, pro rata offer of Shares at an issue price of \$0.01 each to Eligible Shareholders on the basis of 2 Shares for every 5 Shares held at the Record Date, together with a free attaching New Option on a one for one basis, to raise up to \$2,045,129. There is no minimum.	Section 1
Am I an Eligible Shareholder?	<p>An Eligible Shareholder is a person registered as the holder of Shares on the Record Date whose registered address is in the United States of America, Australia or New Zealand.</p> <p>The Offer is not being extended to any shareholders whose registered address is outside the United States of America, Australia or New Zealand.</p>	Section 1.3 and 1.14
How will the proceeds of the Offer be used?	The funds raised under the Offer at the targeted amount are proposed to primarily be expended to ensure, in light of market and business conditions related to the COVID-19 pandemic, that the company has capital resources to maintain current research and development and manufacturing programs, and otherwise for general working capital purposes.	Section 1.2
What are the key risks of a subscription under the Offer?	<p>There are a number of key specific risks for an investment in the Company, including the following:</p> <ul style="list-style-type: none"> ▪ Reliance on key personnel; ▪ Regulated industry; ▪ Product risk; ▪ Commercialisation risk; ▪ Product liability; ▪ Competition; ▪ Intellectual property rights; ▪ Going Concern; and ▪ Additional requirement for capital. <p>There are also a number of general risks associated with an investment in the Company, such as:</p> <ul style="list-style-type: none"> ▪ COVID-19; ▪ Market conditions; ▪ Economic and government risks; ▪ Litigation; and ▪ Investment risk. 	Section 3
Is the Offer underwritten?	The Offer is partially underwritten by the Lead Manager. The Company will pay underwriting fees and disbursements as provided for under the Underwriting Agreement. Details of the	Section 1.5

Underwriting Agreement including circumstances under which the Underwriter may terminate its obligations are set out in section 1.5.

The Directors also reserve the right under ASX Listing Rule 7.2 exception 3 to place any Entitlement shortfall at their discretion at an issue price no less than the Offer Price under this Entitlement Offer.

Is the Offer subject to any conditions?

No.

Section 1.9

What will be the effect of the Offer on control of the Company?

The following table sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or option exercised:

Section 1.20
& 1.21

Holder	Holding at Record Date		Entitlement	Holding following Offer if Entitlement not accepted	
	Number	%		Number	%
Holder 1	64,099,476	12.5%	25,639,790	64,099,476	9.0%
Holder 2	25,000,000	4.9%	10,000,000	25,000,000	3.5%
Holder3	17,000,000	3.3%	6,800,000	17,000,000	2.4%

How do I apply for New Shares and Additional Securities under the Offer?

Applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus and sending it to the Share Registry together with payment by cheque, or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Section 2.2
& 2.5

Can I sell my Entitlements under the Offer?

The rights to Shares under the Offer are renounceable. Accordingly, you may trade your rights on ASX and dispose of your rights to subscribe for Shares to any other party.

Section 1.8

How will the Additional Securities be allocated?

In the event that not all Eligible Shareholders accept their full Entitlement pursuant to the Offer, the Company is offering Additional Securities to Eligible Shareholders on the terms and conditions in this Prospectus.

Section 1.7

If Shareholders wish to apply for Additional Securities they should complete the relevant section of the Entitlement and Acceptance Form. Refer to Section 2.5 for instructions as to how to apply for Additional Securities.

Further, Board intends to allow the Lead Manager to place up to the entire Shortfall within 3 months in accordance with ASX Listing Rule 7.2 Exception 3. The allocation policy will be as directed by the Board.

How can I obtain further advice?

You can obtain further information from:

Section 1.22

- Your accountant, solicitor, stockbroker or other independent professional financial advisor;
 - From the Share Registry, Boardroom Pty Ltd on 1300 737 760 between 8.30am and 5.00pm (Melbourne time) Monday to Friday;
 - From the Company by contacting the Company Secretary, Jovanka Naumoska at corpsecretary@imagonbio.com or +1 619 693 4432.
-

1. Details of the Offer

1.1 The Offer

The Company is making a renounceable, pro rata offer of Shares at an issue price of \$0.01 each to Eligible Shareholders on the basis of 2 Shares for every 5 Shares held at 5.00 pm (AEDT) on the Record Date (**Offer**).

A minimum of Nil Shares and a maximum number of 204,512,879 Shares may be issued pursuant to this Prospectus.

The issue price under the Offer of \$0.01 per Share represents a 38% discount to the volume weighted average price of the Company's shares on the ASX (**VWAP**) calculated over the 30 trading days prior to the date of this Prospectus and a 67% discount to the VWAP over the 90 trading days prior to the date of this Prospectus.

The Prospectus is also for the offer of the Additional Securities and Offer of Shortfall Shares. Shareholders are entitled to participate in the offer of the Additional Securities by completing the relevant sections of the Entitlement and Acceptance Form. Refer to Sections 1.6 and 1.7 for further information.

Refer to Section 5.1 for a summary of the rights attaching to the Shares.

1.2 Purpose of the Offer

Completion of the issue of Shares offered by this Prospectus will result in an increase in the cash on hand of up to \$2,045,129 (before payment of Offer costs). At the date of this Prospectus the Company has approximately \$1.6 million in cash.

In addition to the funds raised in the offer the company has filed for its 2019 R&D tax credit in the first calendar quarter of 2020 and anticipates receiving approximately \$2 million in the tax incentive refund.

The funds raised under the Offer are proposed to primarily be expended to ensure, in light of market and business conditions related to the COVID-19 pandemic, that the company has capital resources to maintain current Research and Development and manufacturing programs, and otherwise for general working capital purposes.

A breakdown of the use of funds is as follows:

Description	A\$
Funds raised under the Offer (before payment of the costs of the Offer)	\$2,000,000
Working capital at the time of the offering	\$1,566,000
R&D tax credit expected in early 2020	\$2,120,000
Total sources of funding	\$5,686,000
cGMP production and testing of nanoparticle formulation for use in first human study	\$1,153,000
R&D Support, Regulatory and Clinical costs to undertake a first in human study	\$2,337,000
General business operations and working capital	\$1,976,000
Costs of Offer	\$220,000
Total uses of funds	\$5,686,000

Actual expenditure may differ significantly from the above estimates due to a number of factors including the outcome of operational and commercialisation activities, regulatory development, market and general economic conditions and other factors (including the risk factors outlined in Section 3).

Unallocated working capital may be utilised by the Company to pay for cost overruns in budgeted expenditures (if any), and in the administration of the Company.

1.3 Your Entitlement and acceptance

Your Entitlement to participate in the Offer will be determined on the Record Date, being Monday, 30 March 2020. The Entitlement of Eligible Shareholders receiving this Prospectus is shown on the Entitlement and Acceptance Form sent to Eligible Shareholders with this Prospectus.

You may accept all or only part of your Entitlement. If your acceptance exceeds your Entitlement, unless you apply for Additional Securities (refer to Section **Error! Reference source not found.**), acceptance will be deemed to be for your maximum Entitlement and any surplus Application Monies will be returned (without interest).

1.4 Opening and Closing Dates

The Company will accept Entitlement and Acceptance Forms from the Record Date for determining Eligible Shareholders' Entitlements, being Monday, 30 March 2020, until 5.00pm AEDT on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.5 Underwriting

The Offer is partially underwritten to \$500,000.

Under the Underwriting Agreement, the Company has agreed to pay the Underwriter a management fee of 1.0% of the total offer proceeds and an underwriting fee totalling 5.0% of the underwritten amount (plus GST) in consideration of the Underwriter performing its obligations under the Underwriting Agreement.

Under the Underwriting Agreement, the Underwriter must procure subscriptions (including by appointing sub-underwriters) for the difference between the amount underwritten and the amount raised under the Entitlement Offer.

The Underwriter may terminate its obligations to underwrite the Entitlement Offer under the Underwriting Agreement with the Company in circumstances typically found in agreements of this nature (in certain of these circumstances including having regard to the materiality of the success, settlement or marketing of the Offer) if the circumstances arise in relation to the Entitlement Offer. These circumstances include, without limitation:

- (a) ASIC applies for certain orders or commences certain investigations in relation to the Company under the Corporations Act
- (b) management or Board Certificates required to be provided to the Underwriter are not furnished when required or are defective in any material respect;
- (c) this Offer Document or any aspect of the Entitlement Offer does not comply in any material respect with the Corporations Act or the ASX Listing Rules or any other applicable law;
- (d) the Company alters its capital structure or constitution without the prior written consent of the Underwriter;
- (e) any member of the Company group is insolvent;
- (f) the Company is prevented from issuing the Entitlement Offer Shares within the time required by the Listing Rules or applicable laws;
- (g) the Company withdraws all or any part of the Entitlement Offer or indicates that it does not intend to or is unable to proceed with the Offer;
- (h) unconditional approval by ASX for official quotation of the Shares is not granted (or is withdrawn) by the timetabled date or ASX makes an official statement that it will not be granted;
- (i) the S&P/ASX 200 index falls by 7.0% or more below its level (on the business day before the date of the Underwriting Agreement was signed) for 2 consecutive business days between (and including) that date and the respective settlement dates.
- (j) there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, profits, losses, results, operations or prospects of the Group;
- (k) a representation or warranty made or given by the Company under the underwriting agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- (l) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State, adopts or announces a proposal to adopt a new policy any of which does or is likely to prohibit or restrict the Entitlement Offer, capital issues or stock markets or materially adversely affects the Group;
- (m) the occurrence of a suspension or material limitation (for at least one Business Day) in trading in securities generally on ASX, the New York Stock Exchange, the Hong Kong Stock Exchange, the Singapore Stock Exchange or the London Stock Exchange or a suspension (for at least one Business Day) in trading in the securities of the Company on ASX (other than pursuant to a trading halt); or

As is customary with these types of underwriting arrangements:

- (n) the Company has agreed to indemnify the Underwriter, its officers, employees, and agents and advisers against losses incurred in connection with the Entitlement Offer, the Offer Document and the performance of the Underwriting Agreement other than

where the losses have resulted from the fraud, wilful default, breach of contract or negligence of the indemnified person or in certain other circumstances; and

- (o) the Company has provided a full range of warranties and representations to the Underwriter, including about the Entitlement Offer and its compliance with applicable laws.

The Underwriter has given, and at the time of lodgement of this Offer Document, has not withdrawn its consent to be named as the Underwriter to the offer of Shares under this Offer Document, in the form and context in which it is named. The Underwriter was not involved in the preparation of any part of this Offer Document and did not authorise or cause the issue of this Offer Document. The Underwriter makes no express or implied representation or warranty in relation to the Company, this Offer Document or the Entitlement Offer and do not make any statement in this Offer Document, nor is any statement in it based on any statement made by the Underwriter. To the maximum extent permitted by law, the Underwriter expressly disclaims and takes no responsibility for any material in, or omission from, this Offer Document other than the reference to its name.

1.6 Application for Additional Securities

Any Entitlements not taken up may become available as Additional Securities. Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to their Entitlement, apply for Additional Securities, by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form.

It is possible that there will be few or no Additional Securities available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that in the event Additional Securities are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Entitlement Offer that Applicants applying for Additional Securities will be bound to accept a lesser number of Additional Securities allocated to them than applied for, if so allocated. If a lesser number of Additional Securities is allocated to them than applied for, excess Application Monies will be refunded without interest. The Company together with the Underwriters reserve the right to scale back any applications for Additional Securities in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company and the Underwriters may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought Shares in the Company before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the application was made.

Refer to Section 2.5 for instructions as to how to apply for Additional Shares.

1.7 Shortfall Offer

The Directors as permitted under ASX Listing Rule 7.2 exception 3 reserve the right at their discretion to place any Shortfall remaining after the satisfaction of applications for New Shares by Eligible Shareholders (including applications for Additional Securities made in accordance with Section 1.6 (**Shortfall Offer**)). The Shortfall Offer is a separate offer made pursuant to the Prospectus, on the same terms and conditions as the Entitlement Offer, and will remain open for up to three months from the Closing Date unless closed earlier.

Any investor who is not an Eligible Shareholder at the Record Date and who the Company invites to participate in the Shortfall Offer, will need to follow the procedures advised to them by the Company for applications under the Shortfall Offer.

1.8 Sale of your Entitlement

The rights to Shares under the Offer are renounceable. Accordingly, you may trade your rights on ASX and dispose of your rights to subscribe for Shares to any other party.

If you wish to sell your Entitlement, complete the section marked “instructions to Stockbroker” on the back of the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions therein and lodge it with your stockbroker as soon as possible.

Rights trading commences on Thursday, 2 April 2020 and must be completed by Tuesday, 14 April 2020 when rights trading is expected to cease.

1.9 Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form or Shortfall Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted. Neither the Entitlement and Acceptance Form nor the Shortfall Application Form needs to be signed to be a binding acceptance of Shares.

If the Entitlement and Acceptance Form or Shortfall Application Form is not completed correctly it may still be treated as valid. The Directors’ decision as to whether to treat the acceptance of an Entitlement and Acceptance Form or Shortfall Application Form as valid and how to construe, amend or complete the Entitlement and Acceptance Form or Shortfall Application Form is final.

1.10 Issue

All Shares offered by this Prospectus are expected to be issued, and security holder statements sent, on or before the date specified in the timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

1.11 Application Monies held on trust

All Application Monies received for the Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued. Depending on the take up of U.S. investors, the Company may establish a U.S. bank account.

1.12 ASX quotation

Application will be made to the ASX no later than 7 days after the date of this Prospectus for the official quotation of the Shares. If permission is not granted by the ASX for the official quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.13 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be sent by the Company's share registrar and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Security holding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.14 Overseas Shareholders

The Offer is not being extended to any shareholders whose registered address is outside the United States, Australia or New Zealand. The Company is of the view that it is unreasonable to make the Offer to shareholders outside the United States, Australia and New Zealand, having regard to:

- (a) the number of those Shareholders;
- (b) the number and value of Shares to be offered to those persons; and
- (c) the cost of complying with overseas legal requirements.

The Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer other than for Shareholders in the United States, Australia and New Zealand. The Company is not required to make offers under the Prospectus to Shareholders other than in the United States, Australia and New Zealand. Where the Prospectus has been sent to Shareholders domiciled outside the United States, Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the Offer contemplated by the Prospectus, the Prospectus is provided for information purposes only.

Shareholders resident in the United States, Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

The Offer is being made in New Zealand in reliance on the New Zealand Securities Act (Overseas Companies) Exemption Notice 2013. This document is not a prospectus or investment statement under New Zealand law and has not been registered or filed with, or approved by, any New Zealand regulatory authority under or in accordance with any relevant law in New Zealand. This document may not contain all the information that an investment statement, or a prospectus under New Zealand law is required to contain.

Notwithstanding the above, the Company may (in its absolute discretion) extend the Offer to certain institutional or sophisticated shareholders who have registered addresses outside the United States of America, Australia and New Zealand in accordance with applicable law.

For the purposes of ASX Listing Rule 7.7.1, the Company has appointed the Lead Manager as the nominee responsible for the sale of the Entitlements of any shareholder who is not an Eligible Shareholder, and to account to them the net proceeds of any sales in their respective proportions.

1.15 Beneficial holders, nominees, trustees and custodians

The foreign selling restrictions set out in Section 1.14 of the Prospectus apply with respect to the ultimate beneficial holder. Accordingly, nominees, trustees and custodians must not apply for Shares on behalf of any beneficial holder who would not be an Eligible Shareholder. Nominee, custodian and trustee shareholders should obtain independent advice as to how they should proceed with respect to the Offers.

1.16 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 3.

1.17 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.18 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 31 December 2019 is set out in the Annual Financial Report of the Company which was lodged with the ASX on 28 February 2020.

A summary of activities relating to the Company for the half year ended 30 June 2019 is in the Company's Consolidated Half-Year Report which was lodged with the ASX on 30 August 2019.

The Company's continuous disclosure notices (i.e. ASX announcements) since 25 March 2020 are listed in Section 5.5.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.19 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.20 Effect on Control

Given the Offer is pro rata, being conducted on a 2 for 5 ratio there is not expected to be any significant impact on the control of the Company by the completion of the Offer if the Offer is fully accepted.

1.21 Potential Dilution

In addition, Shareholders should note that if they do not participate in the Offer their holdings are likely to be diluted. The following table sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or option exercised:

Holder	Holding at Record Date		Entitlement	Holding following Offer if Entitlement not accepted	
	Number	%		Number	%
Holder 1	64,099,476	12.5%	25,639,790	64,099,476	9.0%
Holder 2	25,000,000	4.9%	10,000,000	25,000,000	3.5%
Holder 3	17,000,000	3.3%	6,800,000	17,000,000	2.4%

1.22 Enquiries concerning Prospectus

Enquiries concerning the Entitlement and Acceptance Form can be obtained by contacting the Company's share registrar.

Enquiries relating to this Prospectus should be directed to the Company Secretary.

2. Action required by Shareholders

2.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see sections 2.2 and 2.3);
- (b) subscribe for Additional Securities (see section 2.5);
- (c) sell all of your Entitlement (see section 1.8); or
- (d) allow all or part of your Entitlement to lapse (see section 2.4).

2.2 Acceptance of Shares under this Prospectus

Should you wish to accept all of your Entitlement to Shares, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus and sending it to the Share Registry together with payment by cheque, or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Imagion Biosystems Limited" and lodged and received at any time after the issue of this Prospectus and no later than 5.00pm (AEDT) on the Closing Date at the Company's share registry (by post) at:

By Post Boardroom Pty Limited
Level 12, 225 George Street, Sydney, NSW, Australia, 2000

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your Entitlement upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to

return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 4.00pm (AEDT) on the Closing Date. Please read the instructions carefully.

It is your responsibility to ensure that your BPAY® payment is received by the share registry no later than 4.00pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut off times with regards to electronic payments and you should therefore take this into consideration when making payment.

The Company will not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

2.3 If you wish to take up part of your Entitlement only

Should you wish to only take up part of your Entitlement, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment in respect of the portion of your Entitlement you wish to take up, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the Application Monies (calculated at \$0.01 per Share accepted), and attach a cheque for the appropriate Application Monies.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Imagion Biosystems Limited" and lodged and received at any time after the issue of this Prospectus and no later than 5.00pm (AEDT) on the Closing Date at the Company's share registry (by post) at:

By Post Boardroom Pty Limited
Level 12, 225 George Street, Sydney, NSW, Australia, 2000

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your Entitlement upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 4.00pm (AEDT) on the Closing Date. Please read the instructions carefully.

It is your responsibility to ensure that your BPAY® payment is received by the share registry no later than 4.00pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut off times with regards to electronic payments and you should therefore take this into consideration when making payment.

The Company will not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

2.4 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attaching to those Shares will not be affected should you choose not to accept any of your Entitlement.

2.5 Application for Additional Securities

If you wish to apply for Shares in excess of your Entitlement by applying for Additional Securities you may do so by completing the relevant sections of the Entitlement Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus

and on the Entitlement Acceptance Form (see Section 1.9). Any Shares applied for in excess of your Entitlement will be made under the Application for Additional Securities Offer and will be issued at the complete discretion of the Directors. Please read the instructions carefully.

The Completed Entitlement and Acceptance Forms and associated payment must be made on the same basis as set out in Section 2.2.

2.6 Enquiries concerning your Entitlement

If you have any queries concerning your Entitlement please contact Boardroom Pty Limited on (02) 9290 9600.

3. Risk Factors

Activities in the Company, as in any business, are subject to risks, which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

3.1 Specific Risks Associated with the Company

(a) Reliance on key personnel

The Company's research and development and its operational success will substantially depend on the continued employment of senior executives, technical staff and other key personnel. In particular, the Company's ability to successfully develop and commercialise the MagSense™ technology will substantially depend on the continued employment by the Company and its subsidiaries of key technical personnel experienced in the life science and medical device product development, such as Robert Proulx, Marie Zhang, and Oliver Steinbach. The loss of key personnel is likely to have an adverse effect on the Company's operations and financial performance.

(b) Regulated industry

The medical device technology industry is highly regulated in Australia, the United States and other countries which the Company may conduct business operations. While the Company is not aware of any reason why the MagSense™ System would not be able to transition from pre-clinical to clinical product development and human testing stages, the Company cannot guarantee that this will occur in a timely manner or at all. The capabilities, testing, maintenance and stability of the MagSense™ technology is subject to regulatory and legal requirements, and any amendment to existing legislation or regulations in countries where the Company operates may adversely affect the Company's business operations. Any actual or alleged breach of such legislation or regulations could result in the Company or any of its subsidiaries being subject to delayed filings or review, remedial actions, such as product recalls, or penalties, or litigation. Following commercialisation of the MagSense™ technology, the Company will be subject to United States, Australian or any other applicable jurisdictional laws and regulations concerning the post market surveillance of medical device products.

(c) Product risk

The MagSense™ technology and associated specific cancer tests are still at the development stage and each is a new application and has not been fully proven. The detection of a specific type of cancer depends on the availability and functionality of tumour specific targeting moieties, e.g. antibodies, peptides, or ligands. The Company cannot guarantee that targeting moieties will be available to achieve the bio-functionality needed for any given application. Additionally, while safety and toxicology studies have been undertaken for the Company's first product, a test for HER2 Metastatic Breast Cancer, clinical studies in humans have not yet been conducted. Review of the safety and toxicology studies by regulators and clinical collaborators is in process but may result in the need for additional studies or pre-clinical development before approval for undertaking a clinical study. Furthermore, the product may demonstrate adverse effects or the clinical study may fail to prove the technology's effectiveness. There is an inherent risk that development of the technology will not progress as planned or achieving regulatory clearance may take longer than planned which could require the Company to raise more capital.

(d) Commercialisation risk

To the extent that the MagSense™ technology is relatively untested, there is no certainty that the technology will be commercially viable, and the profitability and sustainability of the Company's business model is uncertain. There is no guarantee that any of the Company's research, development or commercialisation plans and activities in relation to the MagSense™ technology will be successful, that the Company will reach its development milestones or that the MagSense™ technology and related tests will be commercially exploitable. There can be no assurance that the Company will attract a commercial licensee or partner, which may delay commercial onset or require the Company to raise more capital to build a commercial organization.

There is no certainty that medical professionals or other potential consumers will take up Imagination's products. The products retailed by the Company, its licensee, or partner may be unable to compete with established medical device technologies on price or accuracy or may be unsuited to the established preferences or methods of medical professionals or other potential consumers. The outcome of clinical studies may result in restrictions to the approved claims and commercial use of the MagSense™ technology.

(e) Product liability

Developing and commercialising medical devices carries an inherent risk of product liability. Any product liability claims are likely to disrupt the Company's business operations and may cause reputational harm by leading medical professionals and other consumers to doubt product accuracy, safety or quality, adversely impacting the Company's financial performance.

(f) Competition

The development of a new and superior diagnostic test in a field where the Company is planning to operate (such as prostate cancer, HER2+ breast cancer or ovarian cancer) by a competitor could adversely affect the Company's ability to commercialise the MagSense™ technology. There is a risk that existing competitors or new entrants to the market may develop more cost effective technologies, or technologies better suited to the needs of medical practitioners, which could have an adverse effect on the Company's business and financial position. The Company may be unable to develop further products or keep pace with rapid technological developments in its market space, and may lose market share to its competitors.

(g) Intellectual property rights

The Company's ability to license the technology or attract commercial partners to retail its products is largely dependent on the Company protecting the monopoly rights to exploit the inventions and methods described in the Patents held by Imagination.

The Company cannot provide any assurance that the Patents will provide adequate protection for Imagination's intellectual property, or that third parties will not infringe or misappropriate its Patents or similar proprietary rights. In such an event, Imagination may have to pursue litigation against other parties to assert its rights.

While the Company is not aware of the MagSense™ technology infringing any third party's patent, it has not undertaken an exhaustive assessment of existing patents. Accordingly, there is a risk that a third party may claim that the MagSense™ technology (including as set out in the Patents) infringes that third party's patent.

Any event that would jeopardise Imagination's proprietary rights or any claims of infringement by third parties could have an adverse effect on the Company's commercial plans for the MagSense™ technology or the ability to exploit its rights.

The detection of a specific type of cancer depends on the availability of tumour specific targeting moieties, e.g. antibodies, peptides, or ligands. The Company cannot guarantee that targeting moieties will be available to license for any given application or at commercially reasonable terms.

(h) **Going Concern**

The Company's most recent financial reports included a 'going concern' qualification. Notwithstanding the 'going concern' qualification included in the financial report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements as outlined in Section 1.2. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

In the event that this Offer is not successfully completed, the Company will need to seek alternative funding to continue its operations. The Company's failure to raise sufficient capital (if and when needed) could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(i) **Additional requirement for capital**

The Company intends to apply the funds raised under the Offer towards the costs of preparing for an initial human clinical study, but they will not be sufficient to cover the entire costs. If the Company is unable to raise further funds to complete human testing, the Company's plans for development of the MagSense™ technology are likely to be delayed and its financial performance are likely to be adversely affected.

3.2 General Risks

(a) **COVID-19**

The world is currently dealing with a virus known as COVID-19 which has caused major disruption to the world economy. The effects on the world economy are many and varied and any investment in the Company may be affected by business disruption caused by COVID-19.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) currency fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the biotech and med-tech sector;
- (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) **Litigation**

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of customer claims, intellectual property claims, personal injury claims, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position, cash flow and share price of the Company.

(e) **Investment risk**

The Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Shares. While the Directors commend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

3.3 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

4. Effect of the Offer

4.1 Capital Structure on completion of the Offer

Particulars	Shares	Options	Perf. Rights
Balance at the date of this Prospectus	511,282,191	142,630,924 ^{1,3}	10,750,000 ²
To be issued under the Offer	204,512,879	204,512,879	-
Lead Manager Options		6,000,000	
Balance after the Offer	715,795,077	353,143,803	10,750,000

Notes:

¹ Refer to the Listed Option table in Section 4.1.1 below for further details in respect to the terms of the Listed Options.

² Refer to the Unlisted Option table in Section 4.1.2 below for further details in respect to the terms of the Unlisted Options.

Refer to the Performance Shares table in Section 4.1.3 below for further details in respect to the terms of the Performance Shares

4.1.1 Listed Options – Key Terms and Conditions

Exercise Price	Expiry	Number
\$0.05	26 November 2020	96,706,395

4.1.2 Unlisted Options – Key Terms and Conditions

Exercise Price	Expiry	Number
\$0.028	26 November 2020	5,112,500
\$0.20	20 June 2020	3,000,000
\$0.06	27 November 2020	34,700,000
\$0.0212 and \$0.0306 ¹	22 February to 30 December 2020	2,512,029
\$0.06	22 August to 7 October 2024	600,000
Total		45,924,529

Notes:

¹ The Employee Options are subject to various vesting conditions in respect to continuous employment with the Company.

4.1.3 Performance Rights – Key Terms and Conditions

Each Performance Right entitles the holder to be issued one Share upon satisfaction of certain milestones. The Vesting Conditions and Expiry Date of each class of Performance Right is referred to in the below table.

Performance Rights Tranche	Vesting Conditions	Expiry Date	Number
1	Vests over 2 years and subject to the following milestones: <ul style="list-style-type: none">- 50% on first in human testing- 50% on achievement of regulatory clearance from FDA or TGA or European Medicines Agency or Equivalent in relevant western country	21 June 2022	10,400,000
2	Performance rights automatically vest into one share per performance right	26 April 2020	150,000
3	Performance rights automatically vest into one share per performance right	6 June 2020	200,000
Total			10,750,000

4.2 Pro Forma Statement of Financial Position

	Period ended 30 December 2019	Adjustments for Three Months ended 31 March 2020	Adjustments for Transaction at Target Amount	Pro Forma at Target Amount Raised
Assets				
Current assets				
Cash and cash equivalents	3,401,713	418,584	1,780,000	5,600,297
Trade & other receivables	71			71
Other current assets	171,112			171,112
Total current assets	3,572,896	418,584	1,780,000	5,771,480
Non-current assets				
Property, plant and equip	434,150			434,150
Right-of-use assets	865,051			865,051
Total non-current assets	1,299,201			1,299,201
Total assets	4,872,097	418,584	1,780,000	7,070,681
Liabilities				
Current liabilities				
Trade and other payables	885,979			885,979
Lease liability	261,760			261,760
Employee Benefits	101,832			101,832
Other liability	33,990			33,990
Total current liabilities	1,283,561			1,283,561
Non-current liabilities				
Lease liability	615,019			615,019
Total non-current liabilities	615,019			615,019
Total liabilities	1,898,580			1,898,580
Net assets	2,973,517	418,584	1,780,000	5,172,101
Equity				
Issued capital	36,904,580		1,780,000	38,684,580
Reserves	714,478			714,478
Accumulated (losses)	(34,645,541)	418,584		(34,226,957)
Total equity	2,973,517	418,584	1,780,000	5,172,101

Basis of preparation and pro forma adjustments

The basis of preparation of the Statement of Financial Position for the period ended 31 December 2019 is in accordance with Australian Accounting Standards. Adjustments to the Statement of Financial Position are consistent with past accounting practises and are prepared on the basis that the following financial activity had occurred as of 31 December 2019:

- (a) Results of operations for the period 31 December 2019 through 31 March 2020 of a comprehensive profit of \$418,584 which includes:

- (i) Revenue from the sales of nanoparticles of \$77,273
 - (ii) operating expenses of \$778,688
 - (iii) the receipt of \$2,120,000 in an R&D tax credit
- (b) Estimated gross proceeds from the offering of \$1,820,000 at the target amount.
- (c) Legal costs, brokerage fees and listing fees of \$220,000 at the target amount.

4.3 Market price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.04 per Share on 13 February 2020

Lowest: \$0.013 per Share on 17 March 2020.

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.016 per Share on Friday, 20 March 2020.

The issue price under the Offer of \$0.01 per Share represents a 38% discount to the volume weighted average price of the Company's shares on the ASX (**VWAP**) calculated over the 30 trading days prior to the date of this Prospectus and a 67% discount to the VWAP over the 90 trading days prior to the date of this Prospectus.

4.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5. Additional information

5.1 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

The Shares to be issued under this Prospectus will rank equally with the existing Shares.

(a) Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to one vote for each fully paid Share held.

(b) Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules. At least 28 days' notice of a meeting must be given to Shareholders.

(c) Dividends

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the Constitution, the Board may determine that a dividend is payable on Shares. The Board may fix the amount of the dividend, the time for determining entitlements to the dividend and the time and the method of payment of the dividend.

(d) Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required to by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

(e) Issue of further shares

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Company may issue, or grant options in respect of, or otherwise dispose of, further shares on such terms and conditions as the Directors resolve.

(f) Winding up

Subject to the Constitution, the Corporations Act and any special resolution or preferential rights or restrictions attached to any class or classes of shares, members will be entitled on a winding up to a share in any surplus assets of the Company in proportion to the Shares held by them.

(g) Unmarketable parcels

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

(h) Share buy-backs

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may buy back shares in itself on terms and at times determined by the Board.

(i) Proportional takeover provisions

The Constitution contains provisions requiring Shareholder approval before any proportional takeover bid can proceed.

These provisions will cease to apply unless renewed by special resolution of the Shareholders in a general meeting by the third anniversary of the date of the Constitution's adoption.

(j) Variation of class rights

At present, the Company's only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- with the consent in writing of the holders of three-quarters of the issued shares included in that class; or
- by a special resolution passed at a separate meeting of the holders of those shares.

In either case, in accordance with the Corporations Act, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such a variation or cancellation.

(k) Directors — appointment and removal Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum may not be more than 10. Directors are elected at general meetings of the Company.

The Directors may appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

Retirement will occur on a rotational basis so that any Director who has held office for three or more years or three or more annual general meetings (excluding any Managing Director) retires at each annual general meeting of the Company.

(l) Directors — voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the Chair of the meeting has a casting vote.

(m) Directors — remuneration

The Directors, other than the executive Directors, shall be paid by way of fees for services, with the maximum aggregate sum approved from time to time by the Company in a general meeting or, until so determined, as the Board determines.

The current maximum aggregate sum approved by the Board is \$250,000. Any change to that maximum aggregate sum needs to be approved by Shareholders. The

Constitution also makes provision for the Company to pay all reasonable expenses incurred by Directors in attending meetings or otherwise in connection with the business of the Company. Subject to the Corporations Act and the Constitution, remuneration of executive Directors shall be the amount that the Board decides.

(n) Directors — powers and duties

The Directors have the power to manage the business of the Company and may exercise all powers which are not expressly required by law, the ASX Listing Rules or the Constitution to be exercised by the Company in a general meeting.

(o) Indemnities

The Company, to the extent permitted by law, indemnifies each of its Directors and Secretaries (past and present) against any liability incurred by that person as an officer of the Company or one of its Subsidiaries and certain legal costs incurred by that person (on a solicitor-and-client basis). The Company, to the extent permitted by law, may make a payment (whether by way of an advance, loan or otherwise) to a Director in respect of legal costs incurred by that person in defending an action for a liability of that person (on a solicitor-and-client basis).

The Company, to the extent permitted by law, may pay, or agree to pay, a premium for a contract insuring any Director or Secretary of the Company or its Subsidiaries against any liability incurred by such person as an officer of the Company or its Subsidiaries and certain legal costs incurred by that person (on a solicitor-and-client basis). The Company, to the extent permitted by law, may enter into an agreement or deed with a Director or a person who is, or has been, an officer of the Company or its Subsidiaries, under which the Company must do all or any of the following:

- keep books of the Company and allow either or both that person and that person's advisers access to those books on the terms agreed;
- indemnify that person against any liability and certain legal costs incurred by that person (on a solicitor-and-client basis);
- make a payment (whether by way of advance, loan or otherwise) to that person in respect of certain legal costs incurred by that person (on a solicitor-and-client basis); and
- keep that person insured in respect of any act or omission by that person while an officer of the Company or a Subsidiary of the Company, on the terms agreed (including as to payment of all or part of the premium for the contract of insurance).

(p) Amendment

The Constitution can only be amended by special resolution passed by at least three-quarters of the votes cast by Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

5.2 Rights attaching to Options

Options offered under this Prospectus are subject to the following terms:

- (a) The Options will be issued in consideration for the participation in the Offer.
- (b) Each Option entitles the holder to be issued one Share.
- (c) The exercise price of the Options is \$0.03 each.
- (d) The expiry date of an Option is 3 years from the date of issue.

- (e) The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.
- (f) Subject to complying with the ASX Listing Rules, the Company will apply for quotation of the Options on the official list of the ASX.
- (g) The Options are freely transferable subject to any restriction or escrow arrangements imposed by the Corporations Act and the ASX Listing Rules.
- (h) The holder of an Option may not exercise less than 25,000 Options at any one time unless the holder has less than 25,000 Options in which event the Holder must exercise all of the Options together.
- (i) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (**Notice of Exercise**). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Share Registry to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed subscribers. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (j) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
- (k) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in:
 - (i) the exercise price of the Option; or
 - (ii) period of exercise of the Option; or
 - (iii) except in the event of a Bonus Issue (defined below), a change to the number of underlying securities over which the Option can be exercised.
- (l) The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced.
- (m) This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (n) If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.
- (o) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

5.3 Lead Manager Mandate

The Company has entered into a lead manager mandate letter dated 28 February 2020 with Mahe Capital (**Lead Manager Mandate**) pursuant to which the Company has engaged Mahe Capital (**Mahe** or **Lead Manager**) to act as the sole lead manager on the Offer.

Pursuant to the Lead Manager Mandate, the Company has agreed to pay the Lead Manager the following remuneration on the successful completion of the Offer:

Options	6 million options with the same terms as those offered under the Offer.
Lead Manager Fee	\$60,000 which may be taken up as scrip under the Offer.
Management Fee	1% of the total amount raised which may be taken up as scrip under the Offer.
Underwriting Fee	If Mahe agrees to underwrite the Offer, it will receive 5% of the amount underwritten.
Placement Fee	5% of any shortfall placed beyond the underwritten amount and any additional amount that might be placed to external investors.

In certain circumstances, the Lead Manager may be entitled to a termination fee of \$30,000.

In addition to the above, the Company has agreed to pay the Lead Manager's reasonable expenses associated with the Offer, including up to \$10,000 plus GST with respect to their legal costs.

5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below).

5.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Financial Report of the Company for the 12 month period ended 31 December 2019, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus;
- (b) the Company's Consolidated Half-Year Report for the 6 months ended 30 June 2019, which was lodged with the ASX on 30 August 2019; and
- (c) the following continuous disclosure notices given by the Company to notify the ASX of information relating to the Company during the 12 month period prior to the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
-------------	-------------------------

04/03/2020	Change of Company Registered Address
02/03/2020	IBX General Investor Presentation - March 2020
28/02/2020	Appendix 4E and 2019 Full Year Results
26/02/2020	Business Update - Manufacturing commences
14/02/2020	Ceasing to be a substantial holder - Kemper Shaw
30/01/2020	Appendix 4C - Quarterly
28/01/2020	Appointment of Vice President Clinical & Regulatory Affairs
21/01/2020	Appendix 3B - Issue of Employee Options
31/12/2019	Response to ASX price query
12/12/2019	Response to ASX App 3Y Query
10/12/2019	Cleansing Notice
10/12/2019	Appendix 3B
09/12/2019	Change of Director's Interest Notice - Robert Proulx
09/12/2019	Change of Director's Interest Notice - Mark Van Asten
09/12/2019	Change of Director's Interest Notice - David Ludvigson
02/12/2019	Change in substantial holding - Kemper Shaw
29/11/2019	Ceasing to be a substantial holder - James Taylor
27/11/2019	Imagion Bioystems receives order to supply nanoparticles
26/11/2019	Appendix 3B
22/11/2019	Completion of Renounceable Rights Issue
13/11/2019	Imagion Biosystems' patent issued in India
08/11/2019	Offer Update and Appendix 3B
08/11/2019	Supplementary Prospectus
31/10/2019	Rights Commence Trading
31/10/2019	Appendix 4C- Quarterly
29/10/2019	Renounceable Rights Issue - Ineligible Shareholders
29/10/2019	Renounceable Rights Issue - Eligible Shareholders

29/10/2019	Pro-rata Renounceable Rights Issue - Indicative Close Date
29/10/2019	Pro-rata Renounceable Rights Issue Amended Timetable
28/10/2019	Appendix 3B - Renounceable Rights Issue
28/10/2019	Renounceable Rights Issue Prospectus
28/10/2019	Pro-Rata Renounceable Rights Issue
28/10/2019	Investor Presentation
25/10/2019	Imagion Biosystems Nanoparticle Manufacturing Update
22/10/2019	Appendix 3B
14/10/2019	IBX Establishes Scientific Advisory Board
04/10/2019	Appendix 3B
02/10/2019	Imagion Biosystems Investor Update
30/09/2019	Appendix 3B & Cleansing Notice
09/09/2019	Investor Presentation
09/09/2019	MagSense Utility as a Potential MRI Contrast Agent
30/08/2019	Appendix 4D and Half Year Report
23/08/2019	Imagion Biosystem's Newsletter
06/08/2019	IBX Regulatory Communications Update
30/07/2019	Appendix 4C - Quarterly
26/07/2019	Change in substantial holding
25/07/2019	Change in substantial holding
25/07/2019	Imagion Biosystems receives A\$2 million in R&D tax incentive
18/07/2019	FDA Breakthrough Device Designation
28/06/2019	Final Director's Interest
27/06/2019	Director Resignation – Dr John Hazle
27/06/2019	Appendix 3Y x 5
25/06/2019	Ceasing to be a substantial holder
24/06/2019	Appendix 3B

07/06/2019	Release of Securities Subject to Escrow
31/05/2019	Result of Annual General Meeting, Chairman's Address to Shareholders at Annual General Meeting
23/05/2019	Imagion Biosystems successfully completes toxicology study
21/05/2019	Non-Deal Roadshow Presentation
13/05/2019	Imagion Biosystems receives R&D Advanced Overseas Finding
02/05/2019	Notice of Annual General Meeting / Proxy Form
30/04/2019	Appendix 4G and Corporate Governance Statement
30/04/2019	Annual Report to shareholders
26/04/2019	Appendix 4C - Quarterly
11/04/2019	IBX receives order related to cancer treatment
29/03/2019	FY2018 Financial Report
12/03/2019	IBX receives US patent related to treatment of disease

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at K&L Gates, Level 25, 525 Collins Street, Melbourne, VIC, Australia, 3000:

- (i) this Prospectus;
- (ii) Constitution; and
- (iii) the consents referred to in Section 5.12 and the consents provided by the Directors to the issue of this Prospectus.

5.6 Information excluded from continuous disclosure notices

Other than as disclosed in this Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

5.7 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

5.8 Directors' interests

(a) Interests

Except as disclosed in this Prospectus, no Director, and no firm in which a Director has an interest:

- (i) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in the formation or promotion of the Company, the

Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

- (ii) has been paid or given, or will be paid or given, any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

(b) Directors' Holdings

Set out in the table below are details of the Directors' relevant interests in Shares and performance rights of the Company at the date of this Prospectus and their entitlement to participate in the Offer.

Director ¹	No. of Shares Held	No. of Performance Rights Held	No. of Options Held	Entitlement to Subscribe for Shares ²
Mr Robert Proulx	705,000	8,700,000	0	705,000
Mr Michael Harsh	150,000	50,000	0	150,000
Ms Bronwyn Le Grice	0	150,000	0	0
Mr David Ludvigson	300,000	50,000	0	300,000
Ms Jovanka Naumoska	150,000	50,000	0	150,000
Mr Mark Van Asten	300,000	50,000	0	300,000

Notes:

¹ Securities are held directly or indirectly by the Director or a related party of the Director.

² Entitlement to subscribe for Shares that will be held directly or indirectly.

(c) Remuneration of Directors

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$250,000 per annum to be paid as non-executive Directors' fees.

The Executive Chairman is entitled to receive a base salary of \$US240,000 per annum.

In the last 2 financial years, \$1,643,889 have been paid by the Company to Directors or companies associated with Directors, as remuneration (including payments to executive directors).

The table below sets out the remuneration provided to the Directors of the Company during the last 2 financial years prior to this Prospectus:

Directors	Year	Salary & Fees \$	Equity settled options \$	Total \$
Mr Robert Proulx	2018/2019	347,942	610,096	958,038
	2017/2018	309,675	329,504	639,179
Mr Michael Harsh	2018/2019	12,500	11,315	23,815
	2017/2018	5,178	5,681	10,859
Ms Bronwyn Le Grice ¹	2018/2019	8,333	2,531	10,864
	2017/2018	Nil	Nil	Nil
Mr David Ludvigson	2018/2019	12,500	11,315	23,815
	2017/2018	5,178	5,681	10,859
Ms Jovanka Naumoska	2018/2019	12,500	11,315	23,815
	2017/2018	5,178	5,681	10,859
Mr Mark Van Asten	2018/2019	12,500	11,315	23,815
	2017/2018	5,178	5,681	10,859
Dr John Hazle ²	2018/2019	12,500	10,519	23,019
	2017/2018	Nil	Nil	Nil
Mr Peter DiChiara ³	2018/2019	2,576	18,319	20,895
	2017/2018	5,178	5,681	10,859

Notes:

¹ Appointed as a Director on 26 April 2018.

² Appointed as a Director on 30 July 2018.

³ Resigned as a Director on 26 April 2018.

(d) Other Interests

Nil.

5.9 Substantial Shareholders

Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus are set out in the table below.

Name of Shareholder	Number of Shares	% Shareholding
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	68,663,879	10.50%
DRAKE SPECIAL SITUATIONS LLC	35,000,000	5.352%

5.10 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

K&L Gates will be paid fees of approximately \$20,000 (plus GST) in relation to the preparation of this Prospectus and related matters regarding the capital raising. In the past two years, K&L Gates has received approximately \$Nil for the provision of legal services to the Company.

Mahe will be paid as set out in Section 5.3 in relation to its services as lead manager to the Offer.

5.11 Expenses of issue

The estimated expenses of the issue are as follows:

Item	(\$)
ASIC lodgement fee	3,206
ASX quotation fee	17,095
Lead Manager Fee	60,000
Management Fee	20,000
Underwriting Fee	100,000
Legal expenses	20,000
Printing, mailing and other expenses	3,000
Share registry expenses	5,000
Total	220,006

5.12 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with ASIC:

K&L Gates has given, and has not withdrawn, their written consent to being named in this Prospectus as solicitors to the Company. K&L Gates has not authorised or caused the issue of this Prospectus or the making of the Offer under this Prospectus. K&L Gates makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Mahe Capital has given, and has not withdrawn, its written consent to being named in this Prospectus as the Lead Manager to the Offer. Mahe Capital has not authorised or caused the issue of this Prospectus or the making of the Offer under this Prospectus. Mahe Capital makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Boardroom Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as share registry in the form and context in which it is named. Boardroom Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as share registrar of the Company. Boardroom Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

6. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to read "R. Proulx". The signature is fluid and cursive, with the first letter of the last name being a large, stylized 'P'.

Mr Robert Romeo Proulx
Executive Chairman and President
Dated: Wednesday, 25 March 2020

7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Acceptance means a valid application for Shares made pursuant to this Prospectus on an Entitlement and Acceptance Form.

Additional Securities means New Shares applied for by an Eligible Shareholder that are in excess of the Eligible Shareholder's Entitlement.

Additional Securities Application Form means the application form attached to this Prospectus to subscribe for Additional Securities.

Additional Securities Offer means as defined in Section **Error! Reference source not found.**

AEDT means Australian Eastern Daylight Time.

Annual Financial Report means the financial report lodged by the Company with ASIC in respect to the financial year ended 31 December 2019 and includes the corporate directory, Shareholder information, Directors' declaration, financial statements and the notes thereto, of the Company and its controlled entities for the period ended 31 December 2019, together with a Directors' report in relation to that financial year and the auditor's report for the period to 31 December 2019.

Applicant means a person who submits an Entitlement and Acceptance Form or Shortfall Application Form.

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 624 691.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means the date identified as such in the proposed timetable or such later date as the Directors may determine.

Company means Imagion Biosystems Limited ACN 616 305 027.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means *Corporations Act 2001* (Cth).

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means an Eligible Shareholder's entitlement to Shares under the Offer as determined on the Record Date.

Entitlement and Acceptance Form or **Form** means the entitlement and acceptance form attached to this Prospectus that sets out the Entitlement of Shareholders to subscribe for Shares pursuant to the Offer.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.

Listing Rules means the Listing Rules of the ASX.

New Option means an Option proposed to be issued pursuant to this Offer on the terms and conditions set out in Section 5.2.

Offer means as defined in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Shares on the Official List.

Option means an option to acquire a Share.

Prospectus means this prospectus dated Wednesday, 1 April 2019.

Record Date means the date specified as such in the proposed timetable.

Related Corporation means a "related body corporate" of the Company as that expression is defined in the Corporations Act and includes a body corporate which is at any time after the date of this Agreement a "related body corporate" but ceases to be a "related body corporate" because of an amendment, consolidation or replacement of the Corporations Act.

Section means a section of this Prospectus.

Shareholder means a holder of Shares.

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

Shortfall Shares means that number of the Shares that have not validly been applied for under the Offer by the Closing Date.

US Person has the definition given to that term in Regulation S of the US Securities Act.

US Securities Act means the *United States Securities Act of 1933* (as amended).

US Wrap means the legal document to allow the Offer to be made to US Persons.

VWAP means as defined in Section 1.1.

ENTITLEMENT AND ACCEPTANCE FORM

RENOUNCEABLE ENTITLEMENT OFFER ENTITLEMENT AND ACCEPTANCE FORM

STOCK BROKER USE ONLY		
Date	Entitlement Reduced to	Signed By

Entitlement No.

Subregister

SRN/HIN.

Number of Shares held at 7pm
(Sydney time) on Monday 30
March 2020

Offer Closes 5pm (Sydney time) Tuesday 21 April 2020

RENOUNCEABLE ENTITLEMENT OFFER OF NEW SHARES AT AN ISSUE PRICE OF \$0.01 PER NEW SHARE ON THE BASIS OF TWO (2) NEW SHARES FOR EVERY FIVE (5) ORDINARY SHARES HELD. PAYABLE IN FULL UPON ACCEPTANCE OF THE INVITATION TO YOU TO PARTICIPATE IN THE ENTITLEMENT OFFER.

A Entitlement Acceptance

If you wish to accept your **FULL ENTITLEMENT** please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**.

The return of this form by no later than 5pm on the Closing Date with payment will constitute acceptance of the invitation to you to participate in the Entitlement Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

You are not required to submit this Entitlement and Acceptance Form if you elect to make payment using BPAY.

Entitlement to New Shares on the basis of 2 New ShareS for every 5 Ordinary Shares held	Issue Price Per New Share	Amount Payable for Full Acceptance, at \$0.01 per New Share
	\$0.01 per New Share =	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY** please complete this form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

Number of New Shares accepted	Issue Price Per New Share	Amount Enclosed
	\$0.01 per New Share =	\$

B Apply for Shortfall Shares (if available)

If you wish to apply for Shortfall Shares in addition to your Entitlement above please insert the number of Shortfall Shares in the box below and the appropriate amount payable. These additional Shortfall Shares will only be allotted if available.

Number of Shortfall Shares Applied for	Price Per Shortfall Share	Amount
	\$0.01	\$

C Payment

Payment may only be made by BPAY or cheque. Cash will not be accepted via the mail or at the Imagination Biosystems Limited Share Registry. Payments cannot be made at any bank.

Payment Option 1 - BPAY



Biller Code:

Ref:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution
- If paying by BPAY you do not need to return the Application Form**
- If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for.

Payment Option 2 – Cheque (Record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to Imagination Biosystems Limited and crossed Not Negotiable.
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

D Contact Details

CONTACT NAME	EMAIL ADDRESS	TELEPHONE – WORK	TELEPHONE - HOME

Important Information: This document is of value and requires your immediate attention. If in doubt consult your stockbroker, financial adviser, accountant or other professional adviser without delay.

The offer to which this Entitlement and Acceptance Form relates does not constitute an offer to any person who is not an Eligible Shareholder, and in particular is not being made to Shareholders with registered addresses outside Australia or New Zealand. This Entitlement and Acceptance Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom it would not be lawful to make such an offer.

ACCEPTANCE OF THE OFFER

By either returning the Entitlement and Acceptance Form with payment to the Share Registry, or making payment by BPAY, by 5.00pm (Sydney time) on Tuesday 21 April 2020:

- you represent and warrant that you have read and understood and agree to the terms set out on this form.
- you represent and warrant that you are not located in the United States or a US Person and are not acting for the account or benefit of a US Person or any other foreign person;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the constitution of Imagination Biosystems Limited; and
- your application to acquire New Shares is irrevocable and may not be varied or withdrawn except as allowed by law.

HOW TO ACCEPT NEW SHARES OFFERED

- 1. BPAY payment method:** The total amount payable to accept your entitlement in full is shown in section A on the front of this form. Contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information visit: www.bpay.com.au. Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before 5.00 pm (Sydney time) on Tuesday 21 April 2020.

If the BPAY payment is for any reason not received in full, the Company may treat you as applying for as many New Shares as will be paid for by the cleared funds. Shareholders using the BPAY facility will be bound by the provisions relating to this Offer. **You are not required to submit this Entitlement and Acceptance Form if you elect to make payment using BPAY.**

- 2. Cheque payment method:** The total amount payable to accept your entitlement in full is shown in section A on the front of this form. Complete your payment details in section D and send your cheque/bank draft and the completed form to Boardroom Pty Limited at the address shown below so as to reach the Share Registry before the close of the Offer at 5.00pm (Sydney time) on Tuesday 21 April 2020. A reply-paid envelope is enclosed for your convenience.

Postal Delivery:

Imagination Biosystems Limited
C/- Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Hand Delivery:

Imagination Biosystems Limited
C/- Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

TO ACCEPT SOME OF THE NEW SHARES OFFERED AND SELL THE REMAINING ENTITLEMENTS THROUGH A STOCKBROKER

Insert in the boxes on the front of this Entitlement and Acceptance Form:

- the number of New Shares accepted; and
- the amount of the cheque for those New Shares.

Indicate in the "Instructions to Your Stockbroker" section below, the number of New Shares you intend to accept, the amount of your cheque for those New Shares and the number of Entitlements which you intend to sell. Send the Entitlement and Acceptance Form to your stockbroker with your cheque for the New Shares accepted. Sale of your Entitlement must be completed by Tuesday 14 April 2020 when Entitlements trading ceases.

TO SELL ALL YOUR ENTITLEMENTS THROUGH A STOCKBROKER

Insert the information required in the "Instructions to Your Stockbroker" section below. Send the Entitlement and Acceptance Form to your stockbroker. Sale of your Entitlement must be completed by Tuesday 14 April 2020 when Entitlements trading ceases.

TO RENOUNCE SOME OR ALL OF YOUR ENTITLEMENTS OTHER THAN THROUGH A STOCKBROKER (ISSUER SPONSORED HOLDERS ONLY)

Obtain a Standard Renunciation Form from your stockbroker or Boardroom Pty Limited. Complete the Standard Renunciation Form with the number of Entitlements you are renouncing, making sure that it is signed by both you and the buyer, and your SRN (Securityholder Reference Number) is noted. If you are accepting some of the New Shares offered, insert in the boxes on the front of this Entitlement and Acceptance Form:

- the number of New Shares accepted, and
- the amount of your cheque for those New Shares.

Lodge both the Standard Renunciation Form and the Entitlement and Acceptance Form with Boardroom Pty Limited by 5pm (Sydney time) on Tuesday 21 April 2020, together with your cheque for any New Shares you are accepting.

Entitlements trading commences on Friday 27 March 2020 and ceases at 5.00pm (Sydney time) on Tuesday 14 April 2020 by which time any sale of part or all of your Entitlement through a stockbroker must be completed.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT BOARDROOM PTY LIMITED FOR ASSISTANCE ON 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

Instructions to Your Stockbroker

To be completed and sent to your stockbroker only if you wish to sell the whole or part of your Entitlement.

Please insert the appropriate number in each of the boxes below:

Number of the New Shares which I intend to ACCEPT

Number of Entitlements which I intend to SELL

I attach a cheque/draft for the full amount of New Shares accepted.

\$

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding.

Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<https://www.boardroomlimited.com.au/corp/privacy-policy>)