

ACTINOGEN MEDICAL LIMITED

ACN 086 778 476

PROSPECTUS

For a bonus issue of two Loyalty Options (exercisable at 6 cents on or before 31 March 2019) for every 15 Shares held by Eligible Shareholders on the Record Date. No funds will be raised as a result of the Issue.

As an Eligible Shareholder you do not need to take any action in relation to this Prospectus.

The Loyalty Options will be automatically issued to you for nil consideration based on your Entitlements on the Record Date (7pm (Sydney time) on 7 December 2017)

This Prospectus also provides for the issue of the Placement Options on the terms announced by the Company on 29 November 2017

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE OPTIONS OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

CORPORATE DIRECTORY

Directors and Management Dr Geoff Brooke (Non Exec. Chairman) Dr Bill Ketelbey (CEO & Managing Director) Dr Jason Loveridge (Non Exec. Director) Dr George Morstyn (Non Exec. Director)
Company Secretary Mr Peter Webse
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Stock Exchange Listing Australian Securities Exchange ASX Code for Shares: ACW
Company Website www.actinogen.com.au
Share Registry* Link Market Services Level 12 680 George Street Sydney NSW 2000 Telephone: (+61) 1300 554 474
Solicitors to the Company GTP Legal 68 Aberdeen Street, Northbridge WA 6003 Australia

CONTENTS

Section	Description	Page No
	Important Notices	3
	Proposed Timetable	4
1	Details of the Issue	5
2	Risk Factors	8
3	Effect of the Issue	14
4	Additional Information	17
5	Authorisation	28
6	Glossary of Terms	29

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

IMPORTANT NOTICES

This Prospectus is dated 1 December 2017 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Options 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 Level 9, Suite 1, 68 Pitt Street, Sydney NSW 2000, Australia, 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 4.2).

As this is a bonus issue of Options, Shareholders are not required to apply for Loyalty Options.

No person is authorised to give any information or to make any representation in connection with the Issue 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 Issue.

No action has been taken to permit the offer of Loyalty Options 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 Options 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 options to acquire 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 must be 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 to investors and professional advisers whom potential investors may consult.

This a Prospectus for the offer of options to acquire quoted securities (as defined in the Corporations Act). Accordingly, no exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74.

Application will be made to ASX within seven days after the date of this Prospectus for Official Quotation of the Options the subject of this Prospectus.

Potential investors should be aware that an investment in Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 2 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers in relation to the issue of Options pursuant to this Prospectus.

PROPOSED TIMETABLE

Lodgement of Prospectus with ASIC and provision of copies to ASX Appendix 3B given to ASX	1 December 2017
Existing Shares quoted on an "ex" basis	6 December 2017
Record Date	7 December 2017
Anticipated date for the issue of the Tranche 1 Placement Shares (not offered under this Prospectus)	8 December 2017
Prospectus sent to Eligible Shareholders	13 December 2017
Anticipated date for the issue of the Loyalty Options	21 December 2017
General Meeting to approve the issue of the Placement Options	January 2018
Anticipated date for the issue of the Placement Options (and the Tranche 2 Placement Shares (not offered under this Prospectus))	January 2018
Loyalty Options and Placement Options Expire	31 March 2019

The above is indicative only and subject to change. The Company reserves the right to amend any or all of these events and dates subject to the Corporations Act, the Listing Rules or other applicable laws.

1. Details of the Issue

1.1 Description of the Issue

(a) Loyalty Options

The Company is making a pro rata bonus issue to Eligible Shareholders of two Loyalty Options for every fifteen Shares held at 7.00pm (AEDT) on the Record Date, to be issued for nil consideration.

Based on the capital structure of the Company as at the date of this Prospectus, up to approximately 82,692,474 Loyalty Options will be issued pursuant to the Issue (assuming there are no Ineligible Shareholders and no Existing Options are exercised before the Record Date). If the Existing Options are exercised before the Record Date, this number will increase by up to 6,762,292 Loyalty Options.

(b) Placement Options

The Issue also comprises the issue of 66,000,000 Placement Options to all Placement Participants on the basis of one Placement Option for every two Placement Shares subscribed through the Placement. As the Placement Participants will be issued with Placement Options in addition to the Placement Shares, they will not be offered the Loyalty Options.

(c) Terms of the Options

The Loyalty Options and the Placement Options will be offered on equivalent terms.

Each Option will entitle the holder to subscribe for one Share at the Exercise Price (being \$0.06) on or before the Expiry Date (being 31 March 2019).

All of the Options will be issued on the terms and conditions set out in Section 4.3 of this Prospectus.

Fractional Entitlements to Options will be rounded down to the nearest whole Option.

The number of Options to be issued to you will be set out in a holding statement that will be dispatched to you on or as soon as possible after:

- for Eligible Shareholders who will receive Loyalty Options: 21 December 2017; and
- for Placement Participants who will receive Placement Options: receipt of Shareholder approval for the issue of the Placement Options at the General Meeting to be held in January 2018.

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.4 for a summary of the rights attaching to the Shares.

1.2 Purpose of the Issue

The purpose of the bonus issue of the Loyalty Options is to reward Eligible Shareholders for their continued support of the Company. The Placement Participants will also receive Placement Options as part of their subscription for the Placement Shares. The Issue will provide the Company with a potential source of additional capital if Options issued under this Prospectus are exercised. Any funds raised from the exercise of the Options will be used by the Company

to complete XanADu, Actinogen's Phase II trial of Xanamem in Alzheimer's disease, and provide additional working capital for the Company to be used by the Company to meet ongoing working capital requirements of the Company.

No funds will be raised through the issue of the Options pursuant to this Prospectus, however if all the Options offered under this Prospectus are exercised, the Company will receive up to approximately \$8,921,548 (based on a total of up to 148,692,474 Options being issued under this Prospectus, which number assumes that there are no Ineligible Shareholders and no Existing Options are exercised before the Record Date).

1.3 Eligible Shareholders to receive Loyalty Options

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.

The Company is of the view that it is unreasonable to offer Loyalty Options to Shareholders outside Australia and New Zealand, having regard to:

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

Accordingly, the offer of Loyalty Options is not being extended to any Shareholders whose registered address is outside Australia or New Zealand (unless the Company is satisfied that it is not precluded from lawfully issuing Loyalty Options to that Shareholder either unconditionally or after compliance with conditions which the Directors in its sole discretion regards as acceptable and not unduly onerous). The Company is not required to make offers under the Prospectus to Shareholders other than in Australia and New Zealand.

The offer of Loyalty Options 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 the New Zealand Securities Act 1978 or any other 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.

1.4 Placement Participants to receive Placement Options

This Prospectus is also being sent to Placement Participants who have subscribed for Placement Shares under the Company's recent Placement. Eligibility to receive the Placement Options is limited to Placement Participants.

1.5 Action required by you

If you are an Eligible Shareholder, you do not need to take any action to receive your Entitlement. Likewise, if you are a Placement Participant, you do not need to take any action to be issued your Placement Options.

This Prospectus is issued in respect of the Loyalty Options without the requirement for an application form under an exemption provided by ASIC Corporations (Application Form Requirements) Instrument 2017/241.

The Placement Participants have already given their Placement Commitments for the Placement Options and no further application is required.

1.6 No minimum subscription

There is no minimum subscription for the offer of Options under this Prospectus.

1.7 Issue

(a) Loyalty Options

Eligible Shareholders are not required to do anything to be issued Loyalty Options. All Loyalty Options offered by this Prospectus are expected to be issued on or before 21 December 2017, and security holder statements sent as soon as possible thereafter.

(b) Placement Options

All Placement Options offered by this Prospectus are expected to be issued, and the Placement Participants will receive their security holder statements for the Placement Options, following Shareholder approval for the issue of the Placement Options at the General Meeting to be held in January 2018.

1.8 ASX Listing of the Options

The Company will apply to ASX within seven days after the date of this Prospectus for Official Quotation of the Options.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options offered under this Prospectus. If ASX does not grant Official Quotation of the Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by ASIC), the Company will not issue any Options.

If granted, quotation of the Options will commence as soon as practicable after allotment of Options to Eligible Shareholders and Placement Participants (as applicable).

1.9 Taxation implications

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

1.10 Withdrawal

The Company reserves the right to withdraw the Issue, at any time before the allotment of the Options.

1.11 Enquiries concerning Prospectus

Enquiries concerning your Entitlement can be obtained by contacting the Company's share registry Link Market Services by telephone on (+61) 1300 554 474. Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on (02) 8964 7401.

2. Risk Factors

2.1 Factors influencing success and risk

Introduction

This section identifies the major risks the Directors believe are associated with an investment in the Company.

The Company's business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of the Company and the value of an investment in the Company. There can be no guarantee that the Company will achieve its stated objectives or that any forward looking statements will eventuate. An investment in the Company should be considered in light of the relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on the Company's operating performance, and the market price of Securities (including Shares received on exercise of the Options offered under this Prospectus and the Options themselves if Official Quotation has been granted).

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Securityholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Before deciding to invest in the Company, potential investors should:

- (a) read the entire Prospectus;
- (b) consider the risk factors that could affect the Company's financial performance;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

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

2.2 Risks specific to the Options

Exercise price

There is a risk that the prevailing market price for Shares at the time of exercise of the Options offered under this Prospectus may be less than the Exercise Price.

2.3 Company specific investment risks

Products in development and not approved for commercial sale

The Company's ability to achieve profitability is dependent on a number of factors, including its ability to complete successful clinical trials (including XanADu), obtain regulatory approval for its products (including Xanamem) and successfully commercialise those products. There is no guarantee that the Company's products (including Xanamem) will be commercially successful.

The Company does not currently generate revenue from product sales and no such revenue is anticipated in the short to medium term.

There are many reasons why initially promising products fail to be successfully commercialised. For example, clinical trials (including XanADu) may be suspended for safety or efficacy reasons (see further below), following development it may prove difficult or impossible to manufacture the products on a large scale, or, during the period of development, competitors (including those with greater resources) may emerge with competing or alternative treatments.

Clinical trial risk

The Company may be unable to secure necessary approvals from regulatory agencies and institutional bodies (clinics and hospitals) to conduct future clinical trials (including XanADu). There is also no assurance that products developed using the Company's technology will prove to be safe and efficacious in clinical trials (including XanADu), or that the regulatory approval to manufacture and market its products will be received. Clinical trials (including XanADu) might also potentially expose the Company to product liability claims in the event its products in development have unexpected effects on clinical subjects.

Clinical trials (including XanADu) undertaken by the Company have many associated risks which may impact the Company's profitability and future productions and commercial potential. They may prove unsuccessful or non efficacious, impracticable or costly. The clinical trials (including XanADu) could be terminated which will likely have a significant adverse effect on the Company, the value of its Securities and the future commercial development of Xanamem.

Regulatory and reimbursement approvals

The research, development, manufacture, marketing and sale of products using the Company's technology are subject to varying degrees of regulation by a number of government authorities in Australia and overseas.

Products, including Xanamem, developed using the Company's technology must undergo a comprehensive and highly regulated development and review process before receiving approval for marketing. The process includes the provision of clinical data relating to the quality, safety and efficacy of the products for their proposed use.

Products may also be submitted for reimbursement approval. The availability and timing of that reimbursement approval may have an impact upon the uptake and profitability of products in some jurisdictions.

Furthermore, any of the products utilising the Company's technology may be shown to be unsafe, non-efficacious, difficult or impossible to manufacture on a large scale, uneconomical to market, compete with superior products marketed by third parties or not be as attractive as alternative treatments.

Commercialisation of products and potential market failure

The Company has not yet commercialised its technology and accordingly has no material revenues.

The Company is also dependent on commercially attractive markets remaining available to it during the commercialisation phase and there is a risk that, once developed and ready for sale, commercial sales, to fund sufficient revenues for continued operations and growth, may not be achieved.

Dependence upon key personnel

The Company depends on the talent and experience of its personnel as its primary asset. There may be a negative impact on the Company if any of its key personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key personnel of the Company who leave to work for a competitor may adversely impact the Company. Increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of the Company.

Third party contractors

The Company may be dependent on the continuous efficient functioning of various specialist third-party contractors to achieve various milestones, including clinical research organisations (CRO's), such as ICON (responsible for the global conduct of clinical trials such as XanADu), regulatory affairs contractors, pharmaceutical drug manufacturers, toxicology services and others, to complete the development and commercialisation of its products. Failure of any of these contractors to effectively service the Company's needs may compromise the ongoing development of the Company's products, such as Xanamem.

Arrangements with third-party collaborators

The Company may pursue collaborative arrangements with pharmaceutical and life science companies, academic institutions or other partners to complete the development and commercialisation of its products. These collaborators may be asked to assist with funding or performing clinical trials, manufacturing, regulatory approvals or product marketing. There is no assurance that the Company will attract and retain appropriate strategic partners or that any such collaborators will perform and meet commercialisation goals. If the Company is unable to find a partner, it would be required to develop and commercialise Xanamem (and other potential products) at its own expense. This may place significant demands on the Company's internal resources and potentially delay the commercialisation of Xanamem (and other products).

Risk of delay and continuity of operations

The Company may experience delay in achieving a number of critical milestones, including securing commercial partners, completion of clinical trials (including XanADu), obtaining regulatory approvals, manufacturing, product launch and sales. Any material delays may impact adversely upon the Company, including the timing of any revenues under milestone or sales payments.

The Company may also experience business continuity problems arising from extreme events. As with most businesses, the Company is reliant on IT systems in its day-to-day operations. An inability to operate such systems would impact the business. This might result, for example, from a computer virus or other cyber attack or from a physical event at its offices.

Competition

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. A number of companies, both in Australia and abroad, may be pursuing the development of products that target the same markets that the Company is targeting.

The Company's products may compete with existing alternative treatments that are already available to customers. In addition, a number of companies, both in Australia and abroad, may be pursuing the development of products that target the same conditions that the Company is

targeting. Some of these companies may have, or develop, technologies superior to the Company's own technology. The Company may face competition from parties who have substantially greater resources than the Company.

Requirement to raise additional funds

The Company may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory. If the Company is unsuccessful in obtaining funds when they are required, the Company may need to delay or scale down its operations.

Growth

There is a risk that the Company may be unable to manage its future growth successfully. The ability to hire and retain skilled personnel as outlined above may be a significant obstacle to growth.

Intellectual property

The Company's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be unlawfully infringed, or the Company may incur substantial costs in asserting or defending its intellectual property rights.

2.4 General investment risks

Equity market investments

It is important to recognise that, the underlying value of the Options, and any Shares issued on exercise of the Options, might rise or fall and the Shares might trade at prices below or above the Exercise Price. There can be no assurance that there will be an active trading market for the Options or Shares.

Equity 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:

- (a) general economic outlook;
- (b) introduction of tax reform or other new legislation;
- (c) interest rates and inflation rates;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) 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.

Economic and government risks

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

- (a) general economic conditions in jurisdictions in which the Company operates;
- (b) changes in government policies, taxation (such as the Commonwealth R&D Tax Incentive scheme) and other laws in jurisdictions in which the Company operates;
- (c) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the biotechnology and pharmaceutical industries;
- (d) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (e) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Directors' and the Company's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in the Company's financial statements.

Taxation risks

Changes to the rate of taxes imposed on the Company (including in overseas jurisdictions in which the Company operates now or in the future) or tax legislation generally may affect the Company and its Securityholders (such as the Commonwealth R&D Tax Incentive scheme). In addition, an interpretation of Australian taxation laws by the Australian Taxation Office that differs to the Company's interpretation may lead to an increase in the Company's taxation liabilities and a reduction in Securityholder returns.

Personal tax liabilities are the responsibility of each individual investor. The Company is not responsible either for taxation or penalties incurred by investors.

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. There is, however, no litigation currently underway or threatened.

2.5 Cautionary statement

Statements contained in this Prospectus may be forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are

subject to risks and uncertainties that could cause actual results to differ materially from those projected.

The Directors' expectations and beliefs are expressed in good faith and are believed to have a reasonable basis, including without limitation, based on the examination of historical operating trends, data contained in the Company's records and other data available from third parties. There can be no assurance, however, that their expectations or beliefs will give the results projected in the forward looking statements. Investors should not place undue reliance on these forward looking statements.

Additional factors that could cause actual results to differ materially from those indicated in the forward looking statements are discussed earlier in this section.

2.6 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 Options offered under this Prospectus. Therefore, the Options 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 Options.

Potential investors should consider that an investment in the Company is highly speculative and should consult their professional advisers.

3. Effect of the Issue

3.1 Effect of the Issue

The Issue will not result in any additional Shares being issued (other than those Shares that are issued if any of the Options or Existing Options are exercised).

There are 620,193,558 Shares on issue as at the date of this Prospectus.

There are 50,717,188 Existing Options to acquire 50,717,188 Shares on issue as at the date of this Prospectus, as set out in further detail in Section 4.5.

The principal effects of the Issue will be to issue between up to 82,692,474 Loyalty Options (if there are no Ineligible Shareholders and none of the Existing Options are exercised prior to the Record Date) and up to 89,454,766 Loyalty Options (if there are no Ineligible Shareholders and all of the Existing Options are exercised prior to the Record Date). In addition, 66,000,000 Placement Options are to be issued.

3.2 Effect on Balance Sheet

The issue of the Options under this Prospectus will not raise any funds and will not have any material effect on the Company's financial position. Cash reserves will decrease by approximately \$40,440 (being the costs of the Issue). Up to approximately \$8,921,548 (before costs) will be raised if all the Options are exercised (based on a total of up to 148,692,474 Options being issued under this Prospectus, which number assumes that there are no Ineligible Shareholders and no Existing Options are exercised prior to the Record Date).

For the information of investors, a pro forma balance sheet of the Company on completion of the Issue and the Placement is set out below. The pro forma balance sheet is based on audited 30 June 2017 accounts for the Company as set out in the Annual Report, which has been adjusted for the receipt of funds under the Placement, less costs of the Placement and the Issue.

	30/06/2017 Audited	Adjustments	30/06/2017 Unaudited Pro forma
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	1,894,605	4,922,800	6,817,405
Trade and other receivables	1,374,868		1,374,868
Available-for-sale listed investments	2,094,833		2,094,833
TOTAL CURRENT ASSETS	5,364,306		10,287,106
NON-CURRENT ASSETS			
Property, plant and equipment	2,266		2,266
Intangible assets	4,843,453		4,843,453
TOTAL NON-CURRENT ASSETS	4,845,719		4,845,719
TOTAL ASSETS	10,210,025		15,132,825
CURRENT LIABILITIES			
Trade and other payables	763,682		763,682
Provision for employee entitlements	80,577		80,577
TOTAL LIABILITIES	844,259		844,259
NET ASSETS	9,365,766		14,288,566
EQUITY			
Contributed equity	26,578,391	4,922,800	31,501,191
Reserve shares	(1,140,000)		(1,140,000)
Reserves	7,005,401		7,005,401
Accumulated losses	(23,078,026)		(23,078,026)
TOTAL EQUITY	9,365,766		14,288,566

3.3 Capital Structure on completion of the Issue

The capital structure of the Company immediately post the Issue is as follows:

Security	Number
Ordinary fully paid shares ⁽¹⁾	747,193,558
Options ⁽²⁾	148,692,474
Existing Options ⁽³⁾	50,717,188

- (1) Includes the Tranche 1 Placement Shares anticipated to be issued on 8 December 2017 and the Tranche 2 Placement Shares anticipated to be issued following the General Meeting (subject to Shareholder approval). Assumes none of the Existing Options are exercised. If the Existing Options are exercised, this number will increase by up to 50,717,188 Shares. Does not include 5,000,000 Shares currently on issue, which will be cancelled shortly after the date of this Prospectus pursuant to Shareholder approvals given at the Company's Annual General Meeting and Special General Meeting on 29 November 2017.

- (2) Assumes none of the Existing Options are exercised before the Record Date and there are no Ineligible Shareholders. If the Existing Options are exercised before the Record Date, this number will increase by up to 6,762,292 Options.
- (3) Assumes none of the Existing Options are exercised. If the Existing Options are exercised, this number will decrease by up to 50,717,188 Existing Options.

For details of the Company's substantial holders and interests of directors see Sections 4.9 and 4.8 respectively.

3.4 Effect on control of the Company

The Issue will not have any control effect on the Company before the exercise of any Options.

3.5 Market price of Shares

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

Highest: \$0.058 per Share on 23 October 2017

Lowest: \$0.040 per Share on 29 November 2017

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 \$0.045 per Share on 30 November 2017.

3.6 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.

4. Additional information

4.1 Company is a disclosing entity

This Prospectus is a 'transaction specific prospectus' issued according to section 713 Corporations Act as a prospectus for the issue of options to acquire continuously quoted securities (as defined in the Corporations Act).

In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

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. Specifically, as a listed company, the Company is subject to the Listing Rules which require disclosure to ASX of any information the Company has which a reasonable person would expect to have a material effect on the price or value of its Securities.

This Prospectus is intended to be read in conjunction with the publically available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publically information in relation to the Company before making a decision whether or not to invest.

Copies of ASX announcements are available on the ASX website or the Company's website at www.actinogen.com.au.

In addition, copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.2 below).

The information in the Annual Report and the continuous disclosure notices may be of interest to investors and their financial advisers.

The Directors rely upon section 712(3) Corporations Act with the inclusion by reference of material referred to above for full disclosure of relevant information to Shareholders for the purposes of section 711 Corporations Act, including the nature and extent of any directors' interests or of persons identified in section 711(4) Corporations Act.

Company announcements during the period from the date of lodgement of the Annual Report lodged with ASX on 23 October 2017 and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
01/12/2017	Appendix 3X-Dr Morstyn
01/12/2017	Appendix 3B
01/12/2017	Amgen Pioneer Dr George Morstyn Joins Actinogen Board
29/11/2017	Results of Annual General & Special General Meetings

Date Lodged	Subject of Announcement
29/11/2017	Early Efficacy & Safety Data Planned for XanADu Trial
29/11/2017	Placement Fully Funds Completion of XanADu Alzheimer's Trial
29/11/2017	Managing Director's Annual General Meeting Presentation
29/11/2017	Chairman's Annual General Meeting Address
27/11/2017	Trading Halt
22/11/2017	Leading Alzheimer's Researchers to Address Shareholders
15/11/2017	R&D Rebate Received Totalling \$1.22 Million
02/11/2017	Amgen Pioneer to Join Actinogen Board
30/10/2017	Quarterly Update & Appendix 4C

4.2 Documents available for inspection

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.

Copies of the following documents are available for inspection during normal office hours at the registered office of the Company at Level 9, Suite 1, 68 Pitt Street, Sydney NSW 2000, Australia for 13 months after the date of this Prospectus (free of charge):

- (a) this Prospectus;
- (b) the Constitution;
- (c) the Annual Report of the Company for the year ended 30 June 2017 was lodged with ASX on 23 October 2017; and
- (d) the consent referred to in Section 4.12 and the consents provided by the Directors to the issue of this Prospectus.

4.3 Terms and Conditions of Loyalty Options and Placement Options

- (a) **(Entitlement)** The Loyalty Options and Placement Options (**Options**) entitle the holder to subscribe for one Share upon the exercise of each Option.
- (b) **(Exercise Price)** The exercise price of each Option is \$0.06.
- (c) **(Expiry Date)** Each Option will expire at 5.00pm (Sydney time) on 31 March 2019.
- (d) **(Exercise period)** The Options are exercisable at any time from the date of issue to the Expiry Date.
- (e) **(Notice of exercise)** The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of

exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

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

4.4 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 on exercise of the Options issued under this Prospectus will rank equally with the existing Shares.

(a) General meeting and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary Shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 attorneys, representatives or proxies) and one vote per Share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total amount paid and payable on the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(d) Variation of Rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) Transfer of Shares

Subject to the Constitution, the Corporations Act and Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with

Shares introduced by the ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or the ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules or substantially in accordance with the ASX Settlement Operating Rules and determined by ASX Settlement to be an effective transfer) where permitted or required to do so under the Listing Rules. Where the Directors refuse to register a transfer, they shall send notice of the refusal and the precise reasons for the refusal to the transferee and the lodging broker (if any) in accordance with the Listing Rules.

(f) Partly paid Shares

The Directors may, subject to compliance with the Constitution, the Corporations Act and Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) Dividends

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid or credited as being paid on the share bears to the total issue price of the share.

(h) Winding up

Subject to the rights of holders of shares with special rights in a winding-up and the Corporations Act, all monies and property that are to be distributed among Shareholders on a winding-up shall be distributed in proportion to the shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the shares.

(i) Dividend reinvestment and Share plans

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement a dividend reinvestment plan on such terms and conditions resolved by the Directors, and which provides for any dividend to which the Directors may declare from time to time and payable on shares which are participating shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, to be applied by the Company to the payment of the subscription price of ordinary fully paid shares.

(j) Directors

The Constitution states that the minimum number of Directors is 3 and the maximum number is 9.

(k) Powers of the Board

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) Share buy backs

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by Directors.

(m) Capitalisation of profits

Subject to the Listing Rules, the Company may capitalise profits. Subject to the Constitution and the terms of the issue of shares, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(n) Capital reduction

Subject to the Corporations Act and Listing Rules, the Company may reduce its share capital.

(o) Preference Shares

The Company may issue preference shares including preference shares that are liable to be redeemed.

4.5 Existing Options

Type	Number	Exercise Price	Vesting Conditions	Expiry Date
Unlisted options	40,500,000	\$0.02	N/A	30 November 2018
Unlisted options	2,800,000	\$0.10	<ul style="list-style-type: none">• Achieving a target of 65 patients dosed by year end 2017 – 14.3%• Achieving dosing of more than 30 patients at 20mg or higher Xanamem by 30th October 2018 – 28.6%• Achieving 174 patients dosed by 30th October 2018 – 57.1%	5 February 2021
Unlisted options	500,000	\$0.10	All options vest on 6 February 2019	5 February 2021
Unlisted options	417,188	\$0.10	N/A	5 February 2021
Unlisted options	1,500,000	\$0.10	<ul style="list-style-type: none">• 700,000 options vest on 1 December 2018;• 400,000 options vest on 1 December 2019;and• 400,000 options vest on 1 December 2020, In each case subject to continuous service to the Company.	1 December 2022

Type	Number	Exercise Price	Vesting Conditions	Expiry Date
Unlisted options	5,000,000	\$0.10	<ul style="list-style-type: none"> • 2,000,000 options vest on 24 March 2018; • 1,500,000 options vest on 24 March 2019; and • 1,500,000 options vest on 24 March 2020, In each case subject to continuous service to the Company.	24 March 2025
Total	50,717,188			

4.6 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.

4.7 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

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

(b) Directors' Holdings

Set out in the table below are details of the Directors' relevant interests in securities of the Company at the date of this Prospectus and their entitlement to Loyalty Options under the Issue.

Director	No. of Shares held ⁽¹⁾	No. Loan Shares held ^{(1),(2)}	Total Shares held ⁽¹⁾	No. of Existing Options held ⁽¹⁾	Entitlement to Loyalty Options ⁽⁴⁾
Dr Geoffrey Brooke ⁽⁵⁾	400,000	-	400,000	5,000,000 ⁽³⁾	53,333

Director	No. of Shares held ⁽¹⁾	No. Loan Shares held ^{(1),(2)}	Total Shares held ⁽¹⁾	No. of Existing Options held ⁽¹⁾	Entitlement to Loyalty Options ⁽⁴⁾
Dr Bill Ketelbey	353,803	12,000,000	12,353,803	-	1,647,173
Dr Jason Loveridge	21,875,078	6,000,000	27,875,078	-	3,716,677
Dr George Morstyn	-	-	-	1,500,000 ⁽⁶⁾	-

- (1) Held directly or indirectly by the Director or a related party of the Director.
- (2) Issued under the Company's Employee Share Plan, and subject to various performance based vesting conditions. See the Annual Report for further details.
- (3) Unlisted options to acquire Shares with an exercise price of \$0.10 per Share, exercisable on or before 24 March 2025 (subject various service related vesting conditions).
- (4) Entitlement to Loyalty Options that will be held directly or indirectly.
- (5) Dr Brooke has advised that he intends to subscribe for \$25,000 worth of Placement Shares, which (subject to Shareholder approval) will result in an additional 625,000 Shares and 312,500 Placement Options being held by Dr Brooke following completion of the Issue.
- (6) Unlisted options to acquire Shares with an exercise price of \$0.10 per Share, exercisable on or before 1 December 2022 (subject various service related vesting conditions).

(c) Transactions with related parties

Subject to Shareholder approval at the General Meeting, Non-executive Chairman Dr Geoffrey Brooke will subscribe for 625,000 Placement Shares amounting to \$25,000 (and 312,500 Placement Options). Shareholder approval for the issue of these Placement Shares and Placement Options to Dr Brooke will be sought at the General Meeting.

(d) Remuneration of Directors

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$500,000 per annum to be paid as non-executive Directors' fees.

The Directors have received the following remuneration for the preceding two financial years (including the financial year up to 30 June 2017):

Directors	Year	Cash salary and fees	Superannuation	Share Based Payments	Total
		\$	\$	\$	\$
Dr Geoffrey Brooke ⁽¹⁾	2016/2017	30,441	2,892	41,996 ⁽²⁾	75,329
	2015/2016	-	-	-	-
	2016/2017	315,692	19,308	115,035 ⁽³⁾	450,035

Directors	Year	Cash salary and fees \$	Superannuation \$	Share Based Payments \$	Total \$
Dr Bill Ketelbey	2015/2016	277,372	19,308	115,349 ⁽³⁾	412,029
Dr Jason Loveridge	2016/2017	60,000	-	-	60,000
	2015/2016	54,169	-	89,326	143,495
Dr George Morstyn ⁽⁴⁾	2016/2017	-	-	-	-
	2015/2016	-	-	-	-

- (1) Appointed as Non-executive Chairman on 1 March 2017.
- (2) For 5,000,000 unlisted options to acquire Shares with an exercise price of \$0.10 per Share, exercisable on or before 24 March 2025, issued to Dr Brooke as part of his appointment as Non-executive Chairman.
- (3) Relates to the issue of Loan Shares that, despite being issued as fully paid ordinary Shares, are in substance options to acquire a Share for accounting purposes.
- (4) Appointed as a Non-executive Director with effect from 1 December 2017.

4.9 Substantial Shareholders

The following Shareholders have a substantial holding in the Company:

Shareholder	Shares	Percentage interest (current)	Percentage interest (post-Placement)
Edinburgh Technology Fund Limited	48,147,864	7.76%	6.44%
JK Nominees Pty Ltd	40,000,000	6.45%	5.35%

The above table shows the current shareholding of each substantial Shareholder and not the position after the exercise of any Existing Options or any Options to be issued to them (to the extent they are an Eligible Shareholder able to participate in the Issue). Neither of the Shareholders listed above are participating in the Placement.

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

GTP Legal will be paid fees of approximately \$10,000 (plus GST) in relation to the preparation of this Prospectus. In the past two years, GTP Legal has received approximately \$16,450 for the provision of legal services to the Company.

4.11 Expenses of the Issue

The estimated expenses of the issue are as follows:

ASIC lodgement fee	\$2,400
Legal expenses	\$10,000
ASX listing fee for listing the Options	\$20,000
Printing, mailing and other expenses	\$6,500
Share registry expenses	\$1,500
Total	\$40,400

4.12 Consents

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

GTP Legal has given, and has not withdrawn, its written consent to being named in this Prospectus as solicitor to the Company. GTP Legal has not authorised or caused the issue of this Prospectus or the making of the Issue under this Prospectus. GTP Legal 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.

4.13 ASIC Relief

The Company is relying on ASIC Corporations (Application Form Requirements) Instrument 2017/241 in respect of the Loyalty Options which exempts the Company from sections 717 and 723 Corporations Act to the extent that they require:

- (a) this Prospectus to include or be accompanied by an application form; and
- (b) the Company to only issue Options pursuant to this Prospectus to a person who has submitted an application form distributed with this Prospectus.

4.14 CHESS

The Company participates in CHESS. Eligible Shareholders who are issued Loyalty Options, and Placement Participants who are issued with Placement Options under this Prospectus will receive holding statements in lieu of Option certificates. The holding statement will set out the number of Options issued to each Eligible Shareholder and Placement Participant.

The holding statement also provides details of the Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Shareholders need to quote their HIN or SRN, as applicable, in all dealings with a stockbroker or the share registry. Further statements are given to Shareholders showing changes in their

shareholding during a particular month. Additional statements may be requested at any time, although the Company reserves the right to charge a fee for them.

4.15 Electronic Prospectus

This Prospectus is available in electronic form at www.actinogen.com.au. Any person receiving this Prospectus electronically will, on request, be sent a paper copy of the Prospectus by the Company free of charge during the period of the Issue.

4.16 Privacy

Eligible Shareholders and Placement Participants may be asked to provide personal information to the Company directly, and through the share registry, such as name, address, telephone and fax numbers, tax file number and account details. The Company and the share registry collect, hold and use that personal information to provide facilities and services to Eligible Shareholders and Placement Participants and undertake administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with the information under the *Privacy Act 1988* (Cth). An Eligible Shareholder or a Placement Participant has the right 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.

5. Authorisation

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

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



Dr Bill Ketelbey

CEO and Managing Director

6. Glossary of Terms

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

\$ means Australian dollars.

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

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2017 and includes the corporate directory, Shareholder information, Directors' declaration, financial statements and the notes thereto, of the Company and its controlled entities, together with a Directors' report and the auditor's report in relation to that financial year.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.

ASX Settlement Operating Rules means the ASX Settlement Operating Rules, being the operating rules of the settlement facility operated by ASX Settlement.

Board means the board of directors of the Company.

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

CHESS means Clearing House Electronic Subregister System, operated by ASX Settlement.

Company means Actinogen Medical Limited ACN 086 778 476.

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.

Eligible Shareholder means a person registered as the holder of Shares at 7.00pm AEDT on the Record Date who is not an Ineligible Shareholder.

Entitlement means the right of an Eligible Shareholder to be issued Loyalty Options under this Prospectus.

Exercise Price means \$0.06 per Option.

Existing Options means the 50,717,188 options to acquire Shares that are referred to in Section 4.5.

Expiry Date means 31 March 2019.

General Meeting means the general meeting of the Company to be held in January 2018 to approve (among other things) the issue of the Placement Options.

Ineligible Shareholder means a Shareholder with an address in the Company register of Shareholders outside Australia and New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing Options to that Shareholder either unconditionally or after compliance with conditions which the Directors in its sole discretion regards as acceptable and not unduly onerous.

Issue means the issue of Loyalty Options and Placement Options (as the case may be) under this Prospectus.

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 CHESS.

Listing Rules means the Listing Rules of the ASX.

Loyalty Option means the options to be issued pursuant to this Prospectus as detailed in Section 1.1(a) and on the terms and conditions in Section 4.3.

Official Quotation means quotation of the Options by ASX in accordance with the Listing Rules.

Options means the Loyalty Options and the Placement Options to be issued by the Company pursuant to this Prospectus.

Placement means the issue of 132,000,000 Shares at an issue price of \$0.04 per Share to sophisticated investors which contemplated the issue of attaching Placement Options (the subject of this Prospectus), as announced by the Company on 29 November 2017.

Placement Commitment means the agreements under which the Placement Participants have agreed to participate in the Placement.

Placement Options means the options to be issued pursuant to this Prospectus as detailed in Section 1.1(b) and on the terms and conditions in Section 4.3.

Placement Participants means the Shareholders who are anticipated to be issued with the Placement Shares under the Placement.

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

Prospectus means this prospectus.

Record Date means the date specified as such in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Security means a Share, an Option or an Existing Option.

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

Shareholder means a holder of Shares.

Tranche 1 Placement Shares means 91,500,000 Shares anticipated to be issued under the Placement on 8 December 2017.

Tranche 2 Placement Shares means 40,500,000 Shares anticipated to be issued under the Placement following receipt of Shareholder approval at the General Meeting.