



PRESCIENT THERAPEUTICS LIMITED
ACN 006 569 106

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
30 NOVEMBER 2016

Time of Meeting:
12.00 PM (AEDT)

Place of Meeting:
**The offices of
Chartered Accountants Australia & New Zealand
Level 18
600 Bourke Street
Melbourne Victoria, 3000**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

PRESCIENT THERAPEUTICS LIMITED

ACN 006 569 106

Registered office: Level 4, 100 Albert Road, South Melbourne Victoria 3205

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of Prescient Therapeutics Limited (the "Company") will be held at the offices of Chartered Accountants Australia & New Zealand, Level 18, 600 Bourke Street, Melbourne, Victoria, 3000 at 12.00 pm (AEDT) on 30 November 2016.

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2016.

Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.

1. Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a resolution under section 250R(2) of the Corporations Act:

"That the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2016 be adopted."

2. Resolution 2: Re-election of Dr James Campbell as a Director of the Company

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Dr James Campbell, being a director who retires pursuant to the Constitution of the Company and being eligible for re-election offers himself for re-election, is hereby re-elected as a Director of the Company."

3. Resolution 3: Approval of Executive Option Plan (EOP)

To consider and, if in favour, to pass the following as an ordinary resolution:

"That, for the purposes of being approved as an exemption from Listing Rule 7.1 pursuant to Listing Rule 7.2, exception 9, and for all other purposes, approval is given for the issue of securities and the implementation of the Executive Option Plan (EOP) on the terms set out in the Explanatory Memorandum."

4. Resolution 4: Approval of Loan Funded Share Plan (LFSP)

To consider and, if in favour, to pass the following as an ordinary resolution:

"That, for the purposes of being approved as an exemption from Listing Rule 7.1 pursuant to Listing Rule 7.2, exception 9, and for all other purposes, approval is given for the issue of securities and the implementation of the Loan Funded Share Plan (LFSP) on the terms set out in the Explanatory Memorandum."

5. Resolution 5: Approval to Grant Options to Mr Steven Engle (or his nominee)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That pursuant to and in accordance with section 208(1)(a) of the Corporations Act, Listing Rule 10.14, and all other purposes, approval be given to grant up to 370,000 Options (being a right to acquire up to 370,000 fully paid ordinary shares in the Company subject to satisfaction of relevant option conditions) for no consideration to Mr Steven Engle (a Non-Executive Director of the Company), or his nominee, as described in the Explanatory Statement accompanying this Notice of Meeting.”

6. Resolution 6: Approval to Grant Options to Dr James Campbell (or his nominee)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That pursuant to and in accordance with section 208(1)(a) of the Corporations Act, Listing Rule 10.14, and all other purposes, approval be given to grant up to 247,000 Options (being a right to acquire up to 247,000 fully paid ordinary shares in the Company subject to satisfaction of relevant option conditions) for no consideration to Dr James Campbell (a Non-executive Director of the Company), or his nominee, as described in the Explanatory Statement accompanying this Notice of Meeting.”

7. Resolution 7: Approval to Grant Options to Mr Paul Hopper (or his nominee)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That pursuant to and in accordance with section 208(1)(a) of the Corporations Act, Listing Rule 10.14, and all other purposes, approval be given to grant up to 247,000 Options (being a right to acquire up to 247,000 fully paid ordinary shares in the Company subject to satisfaction of relevant option conditions) for no consideration to Mr Paul Hopper (an Executive Director of the Company), or his nominee, as described in the Explanatory Statement accompanying this Notice of Meeting.”

8. Resolution 8: Approval to issue loan funded shares to Mr Steven Yatomi-Clarke (or his nominee)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of Part 2E.1 of the Corporations Act, ASX Listing Rule 10.14, and for all other purposes, approval be given for the issue of 8,000,000 fully paid ordinary shares in the Company, and the grant of a loan, to Mr Steven Yatomi-Clarke on the terms set out in the Explanatory Statement.”

SPECIAL BUSINESS

9. Resolution 9: Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a special resolution:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

DATED this 24th day of October 2016 at Melbourne.

By order of the Board



Melanie Leydin
Company Secretary

Notes

1. **Entire Notice:** The details of the resolution contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7:00pm (AEDT) on 28 November 2016 will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Automic Pty Ltd) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 12.00pm (AEDT) on 28 November 2016. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member in contravention of sections 250R and 250BD unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Resolution 2

There are no voting exclusions on this resolution.

Resolution 3

The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act. The Company will also disregard votes cast by each Director and each of their associates (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).

Resolution 4

The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act. The Company will also disregard votes cast by each Director and each of their associates (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).

Resolution 5

The Company will disregard any votes cast on this resolution 5 by a person who is to receive the options (being Mr Steven Engle) and any associate of that person. The Company will also disregard votes cast by each director of the Company and their associates, except a director who is not eligible to participate in the EOP.

The Company will disregard votes cast by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act and votes cast by a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolution 6

The Company will disregard any votes cast on this resolution 6 by a person who is to receive the options (being Dr James Campbell) and any associate of that person. The Company will also disregard votes cast by each director of the Company and their associates, except a director who is not eligible to participate in the EOP.

The Company will disregard votes cast by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act and votes cast by a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolution 7

The Company will disregard any votes cast on this resolution 7 by a person who is to receive the options (being Mr Paul Hopper) and any associate of that person. The Company will also disregard votes cast by each director of the Company and their associates, except a director who is not eligible to participate in the EOP.

The Company will disregard votes cast by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act and votes cast by a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolution 8

The Company will also disregard votes cast by each director and each of their associates (except one who is ineligible to participate in the loan funded share plan). The Company will also disregard votes cast by each director of the Company and their associates, except a director who is not eligible to participate in the LFSP.

The Company will disregard votes cast by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act and votes cast by a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolution 9

The Company will disregard any votes cast on resolution 9 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

Proxies

However, the Company need not disregard a vote on any resolution if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at the offices of Chartered Accountants Australia & New Zealand, Level 18, 600 Bourke Street, Melbourne, Victoria 3000 on Wednesday, 30 November 2016 at 12.00pm (AEDT).

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a resolution to adopt the remuneration report must be put to the vote at the Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2016 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the remuneration report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Directors Recommendation

The Company encourages all eligible Shareholders to cast their votes in favour of resolution 1 (Remuneration Report).

Voting Exclusions

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member in contravention of sections 250R and 250BD unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Resolution 2: Re-election of Dr James Campbell as a Director of the Company

Background

The Constitution of the Company requires that at every annual general meeting, at least one Director shall retire from office and provides that such Directors are eligible for re-election at the meeting. Dr James Campbell being eligible, offers himself for re-election.

Dr Campbell brings to Prescient a solid track record as a scientist and commercial executive. He was previously the Chief Financial Officer and Chief Operating Officer of Chemgenex, which was acquired by Cephalon for \$230 million in 2011.

His responsibilities ranged from IP management to licensing and business development and as a member of the executive team, he helped steer and transform the company from a \$10 million research based entity to a company with completed clinical trials and regulatory dossiers submitted to the FDA and EMA before its \$230 million sale.

More recently he guided the creation of Invion Limited (ASX: IVX) as a non-executive director and retains this role. Dr Campbell is currently Managing Director and CEO of Patrys Limited (ASX: PAB).

Dr Campbell also has experience advising private biotechnology companies in the US and New Zealand with capital raisings and partnering negotiations.

Directors Recommendation

The Board (with Dr Campbell abstaining), recommends that shareholders vote in favour of the re-election of Dr Campbell. The Chairman of the meeting intends to vote undirected proxies in favour of Dr Campbell's re-election.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 3: Approval of Executive Option Plan (EOP)

This resolution 3 seeks Shareholder approval for the implementation of a new executive option plan (**EOP**).

Listing Rule 7.1

Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring Shareholder approval. Pursuant to Listing Rule 7.2, exception 9, an issue under an employee incentive plan will not count toward a company's 15% limit provided the plan was approved by Shareholders within three years before the date of the securities being issued.

This resolution proposes that Shareholders consider and approve the EOP in accordance with Listing Rule 7.2, exception 9, which will enable securities issued under the EOP in the course of the next three years to be excluded from the Company's 15% limit for the purpose of Listing Rule 7.1.

The EOP will allow the company to incentivise directors and employees and allow the Company to maximise the use of its cash resources towards other strategic initiatives.

No issues of options to Directors can be made under the EOP without separate Shareholder approval under the Listing Rules (including resolutions 5, 6 and 7).

The following information is included for compliance with Listing Rule 7.2, exception 9.

The Board will implement the EOP following shareholder approval, so this is the first time Shareholder approval has been sought for it under Listing Rule 7.2, exception 9. Likewise, no securities have been issued under the EOP.

Summary of EOP rules

Eligibility	Any director, employee or consultant who is decided by the Board to be an eligible participant for the purposes of the EOP.
Grant of options	The Board may offer any number of options to eligible participants on the terms the Board decides, subject to the EOP rules, any applicable laws or the Listing Rules. The offer must be in writing and specify, amongst other things, the number of options for which the eligible employee may apply, the period within which the options may be exercised, any conditions to be satisfied before exercise, the option expiry date (as determined by the Board) and the exercise price of the options.
Exercise	The options may be exercised, subject to any exercise conditions, by the participant giving a signed notice to the Company and paying the exercise price in full. The Company will apply for official quotation of any Shares issued on exercise of any options.

Lapse	The options shall lapse in accordance with specific offer terms or events contained in the EOP rules, which may include termination of employment or resignation, redundancy, death or disablement (subject to the Board's discretion to extend the term of exercise in restricted cases) as well as the expiry of time periods.
Rights of Participants	<p>Once Shares are allotted upon exercise of the options the participant will hold the Shares free of restrictions. The Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue.</p> <p>Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the options (including number or exercise price or both) will be correspondingly changed to the extent necessary to comply with the Listing Rules. With this exception, the terms for the exercise of each option remains unchanged.</p> <p>In the event of a change of control, the Board shall have discretion to deal with the options, including allowing accelerated vesting or the issue of options in the substituted corporation.</p> <p>A holder of options is not entitled to participate in dividends, a new issue of Shares or other securities made by the Company to Shareholders merely because he or she holds options.</p> <p>However, if a pro rata bonus or cash issue of securities is awarded by the Company, the Company in its absolute discretion may adjust the number of Shares over which an option exists and the exercise price in the manner specified in Listing Rule 6.22, in which case written notice will be given to the option holder.</p>
Assignment	The options are not transferable or assignable without the prior written approval of the Board.
Administration	The EOP will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the EOP.
Termination and amendment	The EOP may be terminated or suspended at any time by the Board. The EOP may be amended at any time by the Board except where the amendment reduces the rights of the holders of options, including a change to reduce the exercise price, increase the number of Shares to which an eligible employee is entitled or change the exercise period, unless required by the Corporations Act or the Listing Rules.

Directors' Recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

Voting Exclusions

The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act. The Company will also disregard votes cast by each Director and each of their associates (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).

Resolution 4: Approval of Loan Funded Share Plan (LFSP)

Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring Shareholder approval. Pursuant to Listing Rule 7.2, exception 9, an issue under an employee incentive plan will not count toward a company's 15% limit provided the plan was approved by Shareholders within three years before the date of the securities being issued.

This resolution proposes that Shareholders consider and approve the LFSP in accordance with Listing Rule 7.2, exception 9, which will enable securities issued under the LFSP in the course of the next three years to be excluded from the Company's 15% limit for the purpose of Listing Rule 7.1.

No issues of Shares to directors can be made under the LFSP without separate Shareholder approval under the Listing Rules (including resolution 8).

The following information is included for compliance with Listing Rule 7.2, exception 9.

The Board will implement the LFSP following shareholder approval, so this is the first time Shareholder approval has been sought for it under Listing Rule 7.2, exception 9. Likewise, no securities have been issued under the LFSP.

A summary of the key terms of the LFSP is provided below.

Summary	The LFSP is a loan funded share plan. The Company makes interest free, limited recourse loans to enable participants to acquire Shares in the Company. Recourse for repayment of any loan is limited to the Shares acquired by participants under the LFSP.
Eligibility criteria	Any director, employee or consultant who is decided by the Board to be an eligible participant for the purposes of the LFSP.
Purpose	The purpose of the LFSP is to: <ul style="list-style-type: none"> (a) assist in the reward, retention and motivation of eligible employees; (b) link the reward of eligible employees to Shareholder value creation; and (c) align the interests of eligible employees with Shareholders by providing an opportunity for eligible employees to receive an equity interest in the Company in the form of Shares.
Loan terms	Loans are governed by the loan scheme rules and any loan agreement entered into between the Company and eligible participants. Loans are proposed to be interest free but become immediately repayable if a participant ceases to be an employee or in the event that the employee sells its Shares, on the date of receipt of the proceeds from that sale, or otherwise upon an event of default (as that term is defined in the LFSP rules).
Shares	The issue of Shares under the LFSP are governed by the LFSP rules. Shares are acquired using loan proceeds by subscription for new Shares.
Rights of participants	Shares will rank equally with other ordinary Shares. The Shares will rank for dividends declared on or after the date of issue but any after tax dividend amount will be used to pay down a participant's loan.
Quotation	The Company must apply for official quotation of any Shares issued under the LFSP.
Vesting	Vesting of Shares is subject to any vesting conditions and/or performance hurdles and/or any other conditions determined by the board from time to time.
Disposal	Shares may be subject to conditions specified by the board or contained in the LFSP rules, including a restriction on disposal of Shares issued under the LFSP.
Adjustments	Subject to the Listing Rules and applicable law, if the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital, the board may in its discretion make adjustments to a participant's Shares on any basis it sees fit to minimise any advantage or disadvantage accruing to the participant as a result of such corporate actions or alterations to capital.
LFSP limit	The board must not issue Shares if the number of Shares to be issued, when aggregated with the number of Shares in the same class: <ul style="list-style-type: none"> (a) which would be issued, if each outstanding offer were to be accepted, being offers made under an employee share or option plan only for employees or directors of the Company and its related bodies corporate; and (b) issued during the previous five years under any employee share or option plan only for employees or directors of the Company and its related bodies corporate, but disregarding any offer made or Share issued or transferred by way of or as a result of: <ul style="list-style-type: none"> (a) an offer to a person situated at the time of receipt of the offer outside of

	<p>Australia;</p> <p>(b) a disclosure document or product disclosure statement; or</p> <p>(c) an offer that did not need disclosure because of section 708 Corporations Act 2001,</p> <p>would exceed 5% of the total number of issued Shares in that class of Shares as at the time the offer was made.</p>
Administration	<p>The LFSP will be administered by the board. Any powers or discretions conferred on the board by the LFSP rules may be exercised by the board in its absolute discretion. The board may delegate its powers or discretions to other persons on such terms as the board sees fit.</p>
Amendments to LFSP	<p>Subject to the Listing Rules, the board may at any time amend the LFSP and determine that any such amendments be given retrospective effect. However, no such amendment may be made if the amendment materially reduces the rights of any holder of Shares under the LFSP issued to them prior to the date of the amendment, other than an amendment that is introduced primarily:</p> <p>(a) for the purpose of complying with or conforming to present or future legislation governing or regulating the LFSP or like plans;</p> <p>(b) to correct any manifest error or mistake;</p> <p>(c) for the purpose of complying with applicable laws; and/or</p> <p>(d) to take into consideration possible adverse taxation implications in respect of the LFSP including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation,</p> <p>unless otherwise agreed to in writing by 75% of the participants in the LFSP.</p>

Directors' Recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

Voting Exclusions

The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act. The Company will also disregard votes cast by each Director and each of their associates (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).

Resolutions 5, 6 and 7: Approval to Grant Options to Mr Steven Engle (or his nominee), Dr James Campbell (or his nominee) and Mr Paul Hopper (or his nominee)

Background

The Company seeks approval for the proposed grant of options to the Directors of the Company as follows:

Proposed Resolution No.	Option recipient	Number of options	Exercise price	Vesting date	Expiry date
5	Mr Steven Engle (or his nominee)	370,000	125% of the 20 day VWAP up to approval date	50% upon approval; 25% 1 year following grant of the options; 25% 2 years following grant of the options	3 years from grant date
6	Dr James Campbell (or his nominee)	247,000	125% of the 20 day VWAP up to approval date	50% upon approval; 25% 1 year following grant of the options; 25% 2 years following grant of the options	3 years from grant date
7	Mr Paul Hopper (or his nominee)	247,000	125% of the 20 day VWAP up to approval date	50% upon approval; 25% 1 year following grant of the options; 25% 2 years following grant of the options	3 years from grant date

The options shall be issued under and subject to the terms of the Company's EOP.

Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12, Exception 4 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

The full terms of the option issues are set out in Annexure A of the Explanatory Statement and the as set out in the terms of the EOP, as summarised in resolution 3 above.

It is intended that the options will be issued within 5 days after the Annual General Meeting, but in any event will be issued no later than 12 months after the meeting.

Directors potentially eligible to participate in the EOP include Mr Steven Engle, Dr James Campbell, Mr Paul Hopper and Mr Steven Yatomi-Clarke.

No Directors have acquired securities under the EOP as at the date of this Notice of Meeting.

There are no loan arrangements with Mr Steven Engle, Dr James Campbell or Mr Paul Hopper in relation to the acquisition of the options.

Remuneration

In addition to the proposed grant of options:

- (a) Mr Steven Engle receives annual non-executive Chairman fees of \$65,000;
- (b) Dr James Campbell receives annual non-executive Director fees of \$45,000 (plus superannuation); and
- (c) Mr Paul Hopper receives an annual Executive Director salary of \$180,000.

The amounts stated above comprise salary, superannuation contributions and known short and long-term incentive payments for the 2016/2017 financial year.

Financial Benefit

Approval has been sought for the giving of a financial benefit to each of the applicable Directors, as related parties, under section 208 of the Corporations Act. Section 229(3)(e) of the Corporations Act provides that the 'issuing of securities or granting of an option to a related party' (which includes a director of an entity) is an example of the giving of a financial benefit.

The amount, terms and value (subject to the stated assumptions) of those options are set out in these resolutions 5, 6 and 7 .

The Company believes it is appropriate to grant equity options to directors. Smaller entities with limited cash resources often elect to use equity instruments to remunerate directors in order to attract and retain high caliber individuals while minimizing the cash cost of engaging those people. In addition to compensating the directors for low cash fees the options also help to create alignment between directors and shareholders in that equity instruments reflect the risks and challenges associated with being a director of a low capitalization, pre-development company.

On this basis the Company believes the giving of the financial benefit, as constituted by the issue of the options to the application Directors is in the best interests of the Company and its Shareholders.

Existing interests and the dilutionary effect on other Shareholders' interests

The effect that the exercise of the options will have on the interests of the applicable directors relative to other Shareholders' interests is set out in the following table. The table assumes no further issues of shares in, or reconstruction of the capital of the Company during the time between issue and exercise of the options.

Details (as at the date of this Notice of Meeting)	Mr Steven Engle	Dr James Campbell	Mr Paul Hopper
The total number of shares on issue in the capital of the Company	209,250,107	209,250,107	209,250,107
Shares currently held by the Directors (including indirect interests)	-	-	9,244,252
% of shares currently held by the Directors	-	-	4.42%
Options held by the Directors prior to Annual General Meeting (including indirect interests)	300,000	200,000	22,222
Options to be issued under this resolution to the Directors following Annual General Meeting	370,000	247,000	247,000
Shares that will be held following the exercise of all options held by the Directors	670,000	447,000	9,513,474
% of Shares that would be held by the Directors assuming no other options held by other parties were exercised	0.32%	0.21%	4.52%

General information

While the options, if their issue is approved by shareholders, must ultimately be valued at the grant date, an indicative valuation of each tranche as at the date the Company entered into an agreement to issue the options, (subject to shareholder approval) is detailed below. Consistent with the accounting standards, the Company discloses the following information concerning the value of the options to be issued. A fair value for the options to be issued has been calculated using the Black Scholes methodology and based on a number of assumptions, set out below, with an adjustment to the expected life of the options to take account of limitations on transferability. This methodology is commonly used for valuing options and is one of the permitted methodologies under ASIC Regulatory Guide 76. The Board believes this valuation model to be appropriate to the circumstances and has not used any other valuation or other models in proposing the terms of the options.

The Board draws shareholders' attention to the fact the stated valuation does not constitute and should not be taken as audited financial information. The reportable value of the employee benefit expense in subsequent financial periods may vary due to a range of timing and other factors. In particular, the figures were calculated effective as at 3 October 2016.

Option Recipient	Number of Options	Indicative Value of Options ¹
Mr Steven Engle (or his nominee)	370,000	\$11,144
Dr James Campbell (or his nominee)	247,000	\$7,440
Mr Paul Hopper (or his nominee)	247,000	\$7,440

Board Recommendation

The Board (with each Director abstaining in respect of the resolution that proposes an issue of options to themselves), recommends that Shareholders vote in favour of resolutions 5, 6 and 7.

Voting Exclusions

The Company will disregard any votes cast on these resolutions 5, 6 and 7 by a person who is to receive the options (being Mr Steven Engle, Dr James Campbell and Mr Paul Hopper for their respective resolution) and any associate of those persons. In accordance with Listing Rule 14.11, the Company will also disregard votes cast by each director of the Company and their associates, except a director who is not eligible to participate in the EOP.

The Company will disregard votes cast by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply. The Company will also disregard votes cast by a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 of the Corporations Act.

Resolution 8: Approval to issue loan funded shares to Mr Steven Yatomi-Clarke

In accordance with the Listing Rules and the Corporations Act, Shareholders are asked to approve the issue to Mr Steven Yatomi-Clarke, a Director of the Company, of 8,000,000 fully paid ordinary shares and the advance of a loan to Mr Yatomi-Clarke (**Loan**), in accordance with the terms of the LFSP, and as detailed in this explanatory memorandum.

If no shares were issued, the cash remuneration of Mr Yatomi-Clarke may have to be increased. Issuing shares is considered a preferable alternative as the recipient benefits if the Company's share price increases – in which case all Shareholders also benefit. This part of Mr Yatomi-Clarke's remuneration is therefore related to the longer-term performance of the Company.

The Directors consider that the issue of shares to Mr Yatomi-Clarke funded by the Loan from the Company to him constitutes the giving of a financial benefit to a related party of the Company under Part 2E.1 of the Corporations Act, which requires the approval of the Shareholders. In addition, under Listing Rule 10.14, a Company must not permit a director of the Company to acquire shares under an employee incentive scheme without shareholder approval. Mr Yatomi-Clarke is a director of the Company and, therefore, shareholder approval is required for the proposed issues of shares.²

In accordance with Listing Rule 10.15A and the Corporations Act, the following information is provided in relation to the proposed issue of loan-funded shares to Mr Yatomi-Clarke:

a) Name of proposed recipient of securities	Steven Yatomi-Clarke, Director, or his associates
b) Nature of financial benefit to be given	The issue of 8,000,000 fully paid ordinary shares and the advance of the Loan on the terms and conditions set out in this Explanatory Memorandum.

¹ The indicative fair value of A\$0.03012 per Share was calculated using a Black Scholes methodology and was based on a number of assumptions including: a share price of \$0.10 (10 cents), volatility of 53.44%, a risk free rate of 1.58% and a strike price of \$0.125 (12.5 cents).

² Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12, Exception 4, as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

c) Maximum number of securities to be issued	8,000,000 fully paid ordinary shares
d) Price at which the securities will be issued	<p>The Shares are to be issued in four tranches at the following prices:</p> <p>Initial issue – equal to the 1-day VWAP per Share as at the date on which resolution 8 is passed.</p> <p>Tranche A – \$0.15 per Share.</p> <p>Tranche B – \$0.22 per Share.</p> <p>Tranche C – \$0.29 per Share.</p>
e) Information required under Listing Rule 10.15A.4.	Not applicable – the LSFP has not previously been approved
f) Information required under Listing Rule 10.15A.5.	Directors potentially eligible to participate in the LFSP include Mr Steven Engle, Dr James Campbell, Mr Paul Hopper and Mr Steven Yatomi-Clarke
g) Terms of the securities and any loan in relation to the acquisition of those securities	<p>The Shares will rank equally with all other ordinary shares on issue in the Company.</p> <p>The grant of a loan to acquire up to 8,000,000 shares in the Company at a deemed issue price per share as noted above with the following conditions:</p> <ul style="list-style-type: none"> (a) within 5 business days of receiving all necessary approvals, the Employer will grant to the Employee a loan to the value of the 1-day VWAP per Share as at the date on which resolution 8 is passed for a total of 2,000,000 shares; (b) the loan made in accordance with paragraph (a) above: <ul style="list-style-type: none"> (i) will be interest-free; and (ii) will have an expiry date of 5 years from the grant date; (iii) the loan will be repayable to the Employer at such time as the Employee sells the shares acquired, provided they are traded in accordance with the securities trading policy of the Company; <p>and, subject to the Employee’s continuing employment with the Employer at the relevant time:</p> <ul style="list-style-type: none"> (c) at such time on or after the date the Employer’s share price reaches a 5-day VWAP of 15 cents the Employer would, at the request of the employee, grant to the Employee a loan of \$300,000 for the express purpose of acquiring 2,000,000 Shares (Tranche A); (d) at such time on or after the date the Employer’s share price reaches a 5-day VWAP of 22 cents the Employer would, at the request of the employee, grant to the Employee a loan of \$440,000 for the express purpose of acquiring 2,000,000 Shares (Tranche B); (e) at such time on or after the date the Employer’s share price reaches a 5-day VWAP of 29 cents the Employer would, at the request of the employee, grant to the Employee a loan of \$580,000 for the express purpose of acquiring 2,000,000 Shares (Tranche C), (f) any loans made in accordance with paragraphs (c) to (e) above: <ul style="list-style-type: none"> (i) will be interest-free; and (ii) the loan will be repayable to the Employer at such time as the Employee sells the shares acquired, provided: <ul style="list-style-type: none"> A. they are traded in accordance with the securities trading policy of the Company; and B. the amount due to repay the Employer shall be the lesser of each of the relevant tranches, being the market price of the initial tranche, 15 cents, 22 cents and 29 cents per Share and the amount realised on the sale of the Shares.

	<p>If there is a tax liability for the Employee on repayment on the loan, in the event that the repayment is less than the advanced amount, the Employer would be responsible for payment of the tax liability incurred by the Employee.</p> <p>The substantive effect of the transaction for which approval is sought under resolution 8 effectively creates an option-like situation, as the Company may not receive repayment of the full amount of the loan if the Shares are realised for less than the deemed issue price.</p>
h) Statement required by Listing Rule 10.15A.8	<p>Details of any shares issued under this incentive scheme will be published in each annual report of the Company relating to a period in which shares have been issued, and that approval for the issue of shares was obtained under listing rule 10.14.</p> <p>Any additional persons who become entitled to participate in this incentive scheme after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under listing rule 10.14.</p>
i) Date by which the Company will issue the shares	<p>2,000,000 shares will be issued as soon as practicable after the Annual General Meeting is held and shareholder approval is for the issue is given.</p> <p>Notwithstanding the expiry date of the loan being 5 years from the grant date, all remaining shares the subject to this resolution 8 will be issued by 30 November 2019. The Company acknowledges that, to the extent shares are to be issued after this date, further approval will be required in accordance with ASX requirements.</p>
j) Intended use of any funds raised	<p>As the issue of the shares will be funded by the granting of a loan to the Employee there will no funds raised at the time that the shares are issued. Any net funds raised on repayment of any loan will be used for working capital.</p>
k) Value of financial benefit	<p>(a) The value of the loan (being the total potential advance by the Company) is the aggregate of the Tranche A advance (calculated at the 1-day VWAP per Share as at the date on which resolution 8 is passed multiplied by 2,000,000 Shares) plus \$1,320,000.</p> <p>(b) As the Loan Funded Shares may only be acquired if the applicable price hurdle is achieved, where the market price for the Shares would be the same at the time of vesting, and as there is no certainty on timing for vesting during the relevant period, there is no inherent value in the Loan Funded Shares at this point in time.</p>
l) Mr Yatomi-Clarke's total remuneration package	<p>Mr Yatomi-Clarke's remuneration package as at the date of this Notice, as per his employment agreement, excluding the value of the securities the subject of this resolution, is:</p> <p>(a) Cash salary of \$310,000 per annum</p> <p>(b) Employer superannuation contributions of \$19,307.80 per annum</p> <p>(c) Bonus of up to one third of cash salary, payable upon employee meeting specified performance milestones.</p>
m) Mr Yatomi-Clarke's existing interest in the Company	<p>Mr Yatomi-Clarke or his related parties at the date of this notice holds the following interests in the Company:</p> <p>(a) 2,394,412 fully paid ordinary shares (approximately 2.4% of the total issued shares in the Company)</p> <p>(b) 200,000 unlisted options exercisable at \$0.085 (8.5 cents) per option on or before 4 November 2018.</p> <p>(c) 70,000 listed options exercisable at \$0.18 (18 cents) per option on or before 30 June 2018.</p>

n) Dilution effect of the transaction on existing members' interests	As at the date of this notice the Company has 209,250,107 ordinary shares on issue. Assuming no other shares were issued by the Company, the issue of the different tranches of shares to Mr Yatomi-Clarke would give him the following percentage holdings in the Company:				
		Additional shares	SYC shares held	Total shares on issue	% of total held
	Initial issue	2,000,000	4,394,412	211,250,107	2.08%
	15c VWAP tranche	2,000,000	6,394,412	213,250,107	3.00%
	22c VWAP tranche	2,000,000	8,394,412	215,250,107	3.90%
29c VWAP tranche	2,000,000	10,394,412	217,250,107	4.78%	

Recommendation

Each of the Directors declines to make any recommendation in relation to voting on this resolution as this resolution relates to the remuneration of a Director who is a member of the Company's Board.

Directors' interest in the outcome of this resolution

Other than as Shareholders, none of the Directors (other than Mr Yatomi-Clarke) has an interest in the outcome of this resolution.

Voting Exclusions

The Company will also disregard votes cast by each director and each of their associates (except one who is ineligible to participate in the loan funded share plan). In accordance with Listing Rule 14.11, the Company will also disregard votes cast by each director of the Company and their associates, except a director who is not eligible to participate in the LFSP.

The Company will disregard votes cast by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply. The Company will also disregard votes cast by a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 of the Corporations Act.

Resolution 9: Approval of 10% Placement Facility

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company continues actively seeking to increase work on its current assets and reviewing new potential projects and investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds to acquire new assets or investments, to conduct further work on its current projects or to meet additional working capital requirements.

Directors Recommendations

The Directors of the Company believe that resolution 9 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this resolution.

Voting Exclusions

The Company will disregard any votes cast on resolution 9 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, Fully Paid Ordinary Shares, Listed Options and Unlisted Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 209,250,107 Shares and therefore has a capacity to issue:

- (i) 31,387,516 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 9, 20,925,010 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

Listing Rule 7.1A

The effect of resolution 9 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). Shareholders may be exposed to economic risk and voting dilution, including the following:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.06 50% decrease in Issue Price	\$0.12 Issue Price	\$0.24 100% increase in Issue Price
Current Variable A 209,250,107 Shares	10% Voting Dilution	20,925,010 Shares	20,925,010 Shares	20,925,010 Shares
	Funds raised	\$1,255,501	\$2,511,001	\$5,022,003
50% increase in current Variable A 313,875,160 Shares	10% Voting Dilution	31,387,516 Shares	31,387,516 Shares	31,387,516 Shares
	Funds raised	\$1,883,251	\$3,766,502	\$7,533,004
100% increase in current Variable A 418,500,214 Shares	10% Voting Dilution	41,850,021 Shares	41,850,021 Shares	41,850,021 Shares
	Funds raised	\$2,511,001	\$5,022,003	\$10,044,005

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - No Listed Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - The issue price is **\$0.12**, being the closing price of the Shares on ASX on **19 October 2016**.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under resolution 9 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued research and development on the Company's current assets and/or general working capital.

- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility may include the vendors of the new assets or investments.

Information under Listing Rule 7.3A.6(a):

The table below shows the total number of equity securities issued in the past 12 months preceding the date of the AGM and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

Equity securities issued in the prior 12 month period	59,349,883
Equity securities issued in the prior 12 month period*	211,255,197
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	355.95%

* For full details of the issues of equity securities made by the Company since the date of the last Annual General Meeting, see Annexure B. Included in this Appendix is a summary of the amount of funds raised as a result of the capital raisings during the previous 12 month period and the remaining funds as at the date of this notice is approximately \$9.5 million.

Voting Exclusions

The Company will disregard any votes cast on resolution 9 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

In accordance with Listing Rule 14.11.1 and the relevant Note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for resolution 9;

“**10% Placement Period Facility**” has the meaning as defined in the Explanatory Statement for resolution 9;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2016;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHESSE approved securities;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**CHESSE**” has the meaning in Section 2 of the ASX Settlement Operating Rules;

“**Closely Related Party**” means:

(a) a spouse or child of the member; or

(b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Prescient Therapeutics Limited ABN 56 006 569 106;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**EOP**” means the Company’s Executive Option Plan.

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**LFSP**” means the Company’s Loan Funded Share Plan.

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Prescient Therapeutics Limited for the financial year ended 30 June 2016 and which is set out in the 2016 Annual Report.

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules;

“**VWAP**” means volume weighted average price.

ANNEXURE A

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the options to be granted pursuant to resolutions 5, 6 and 7 are as follows:

Terms of Options

(a) Entitlement

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Option

- (i) The Options are exercisable at any time from the date of issue.
- (ii) The final date and time for exercise of the Options is 5pm (AEDT) on the day 36 months from grant. If such date falls on a day that is not a Business Day, the final date will be the next Business Day.
- (iii) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry.
- (iv) Remittances must be made payable to 'Prescient Therapeutics Limited' and cheques should be crossed 'Not Negotiable'.
- (v) All Options will lapse on the earlier of the
 - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
 - (B) expiry of the final date and time for exercise of the Option.
- (vi) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Quotation

- (i) The Company will not apply to the ASX for Official Quotation of the Options.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) Participation in Securities Issues

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(e) Participation in a Reorganisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:
 - (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;

- (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
- (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
- (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
- (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(f) Adjustments to Options and Exercise Price

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(A) Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(B) Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

Annexure B

CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount to 15 day VWAP	Total Consideration	Use of Consideration
23-Nov-2015	17,174,368	FPO	FPO	Capital Raising - Share Purchase Plan	Existing Shareholders	\$0.054	N/A	\$927,415.87	Initiate clinical trials, commence and recruit patients and working capital purposes
30-Nov-2016	19,319,076	FPO	FPO	Placement Shares	Clients of Patersons being new and existing professional and sophisticated investors	\$0.054	N/A	\$1,043,230.10	Initiate clinical trials, commence and recruit patients and working capital purposes
24-May-2016	19,444,448	FPO	FPO	Placement Shares	Mix of new and existing professional and sophisticated investors	\$0.09	21.26%	\$1,750,000.00	Progressing the Company's clinical programs, including additional drug manufacture and clinical trial management, costs of the raising and working capital purposes
23-Jun-2016	58,333,336	FPO	FPO	Placement Shares	Mix of new and existing professional and sophisticated investors	\$0.09	N/A	\$5,250,000.24	As noted above.
30-Jun-2016	22,676,070	FPO	FPO	Entitlement Offer Shares pursuant to Offer Document dated 3 June 2016	Existing Shareholders	\$0.09	N/A	\$2,040,846.30	As noted above.
30-Jun-2016	50,226,999	PTXO	PTXO	Listed options	Mix of new and existing professional and sophisticated investors	-	N/A	-	N/A
18-Jul-2016	15,052,633	FPO	FPO	Placement of Entitlement Issue Shortfall Shares	Mix of new and existing professional and sophisticated investors	\$0.09	N/A	\$1,354,736.97	Progressing the Company's clinical programs, including additional drug manufacture and clinical trial management, costs of the raising and working capital purposes
18-Jul-2016	7,526,312	PTXO	PTXO	Listed options	Mix of new and existing professional and sophisticated investors	-	N/A	-	N/A
19-Jul-2016	1,000	FPO	FPO	Conversion of options	Existing Shareholder	\$0.04	N/A	\$180.00	Working capital purposes
12-Sep-2016	955	FPO	FPO	Conversion of options	Existing Shareholder			\$171.90	Working capital purposes
Total								\$12,366,581.38	

NON-CASH ISSUES

The Company also issued a total of 1,500,000 unlisted options during the year of which 1,300,000 were cancelled.

Glossary

FPO Fully Paid Ordinary Shares

PTXO PTXO Listed Options – exercisable at \$0.18 (18 cents) on or before 30 June 2018



Prescient Therapeutics Limited | ABN 56 006 569 106

AGM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

[BARCODE]

[HolderNumber]

[Name/Address 1]
[Name/Address 2]
[Name/Address 3]
[Name/Address 4]
[Name/Address 5]
[Name/Address 6]

Vote by Proxy

PTX: [BARCODE]

Holder Number: [HolderNumber]

Option A – Please choose to vote online, because:

- ✓ **Save Your Money:** This company you own a part of has to spend thousands of dollars each year in print and postage costs. Online voting will reduce this unnecessary expense.
- ✓ **It's Quick and Secure:** Voting online provides you with greater privacy over your instructions, eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **Receive Vote Confirmation:** Voting online is the only method which provides you with confirmation that your vote has been processed. It also allows you to amend your vote if required.



To Access online voting you can scan the barcode to the right with your tablet or mobile device or you can enter the following link into your browser. Voting online is quick and easy to do.

<https://investor.automic.com.au/#!/loginsah>

STEP 1: Please appoint a Proxy

Option B – Appoint a proxy, by paper:

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of the Company, to be held at **12.00 pm (AEDT) on Wednesday, 30 November 2016 at The offices of Chartered Accountants Australia & New Zealand, Level 18, 600 Bourke Street, Melbourne, Victoria, 3000** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 3, 4, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 3, 4, 5, 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Voting Direction

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval to Grant Options to Dr James Campbell (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Dr James Campbell as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval to Grant Options to Mr Paul Hopper (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Executive Option Plan (EOP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Approval to issue loan funded shares to Mr Steven Yatomi-Clarke (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Loan Funded Share Plan (LFSP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of 10% Placement Facility (Special Business)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to Grant Options to Mr Steven Engle (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2016


Email Address _____

HOW TO COMPLETE THIS PROXY VOTING FORM

LOGGING YOUR PROXY VOTE


This Proxy Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by 12.00pm (AEDT) on Monday, 28 November 2016, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting Forms received after that time will not be valid for the scheduled Meeting.

Proxy Voting Forms can be lodged:


 **ONLINE**
<https://investor.automic.com.au/#/loginsah>



Login to the Automic website using the holding details as shown on the Proxy Voting Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, shareholders will need their Holder Number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on front of the Proxy Voting form.

 **BY MAIL**
Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012

 **BY HAND**
Automic Registry Services
Suite 310, Level 3, 50 Holt Street, Surrj Hills NSW 2010

 **ALL ENQUIRIES TO**
Telephone: 1300 288 664 Overseas: + 61 2 9698 5414

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services on 1300 288 664 or you may copy this form.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.