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**BRAINZ INSTRUMENTS LIMITED**

**ARBN 116 829 675**

**NOTICE OF GENERAL MEETING**

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**TIME:** 9.30am (WST)

**DATE:** 8 February 2010

**PLACE:** Level 8, Exchange Plaza  
2 The Esplanade  
Perth WA 6000  
Australia

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6460 4960.*

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9.30am (WST) on 8 February 2010 at:

Level 8, Exchange Plaza  
2 The Esplanade  
Perth WA 6000  
Australia

**YOUR VOTE IS IMPORTANT**

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The business of the General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

(a) post to:

BrainZ Instruments Limited  
PO Box 281  
West Perth WA 6872  
Australia; or

(b) facsimile to the Company on facsimile number (+61 8) 9324 3045,

so that it is received not later than 9.30am (WST) on 6 February 2010.

**Proxy Forms received later than this time will be invalid.**

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders will be held at 9.30am (WST) on 8 February 2010 at Level 8, Exchange Plaza, 2 The Esplanade, Perth WA 6000, Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 9.30am (WST) on 6 February 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 9,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a 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.

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#### 2. RESOLUTION 2 – ISSUE OF SHARES TO MR KEITH GOODALL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 4,000,000 Shares to Mr Keith Goodall (or his nominee) and otherwise on the terms of the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Goodall if the Resolution is passed and any associates of Mr Goodall. However, the Company need not disregard a vote if it is cast by a person as a 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.

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#### 3. RESOLUTION 3 – ISSUE OF SHARES TO MR MATHEW WALKER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 2,000,000 Shares to Mr Mathew Walker (or his nominee) and otherwise on the terms of the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Walker if the Resolution is passed and any associates of Mr Walker. However, the Company need not disregard a vote if it is cast by a person as a 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.

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4. **RESOLUTION 4 – MIGRATION OF THE COMPANY TO AUSTRALIA BY REGISTRATION AS A COMPANY LIMITED BY SHARES PURSUANT TO THE CORPORATIONS ACT (CTH) 2001**

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

*“That, subject to the passing of all other Resolutions and compliance with the requirements of each of the Corporations Act and the Companies Act 1993 (as amended) of New Zealand (**New Zealand Act**), approval is given for the Company to make application for removal from the New Zealand Register of Companies pursuant to the provisions of the New Zealand Act and for registration as a public company limited by shares pursuant to the provisions of Section 601BC of the Corporations Act on the terms contained in the Explanatory Statement.”*

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5. **RESOLUTION 5 – ADOPTION OF A NEW CONSTITUTION**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, subject to the passing of all other Resolutions, pursuant to Section 136(2) of the Corporations Act and for all other purposes, the Company adopts a new constitution in the form as signed by the Chairman of the General Meeting for identification purposes, in lieu of the existing constitution of the Company, at the close of the General Meeting.”*

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DATED: 7 JANUARY 2009

BY ORDER OF THE BOARD

JAMES ROBINSON  
BRAINZ INSTRUMENTS LIMITED  
COMPANY SECRETARY

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 9.30am (WST) on 8 February 2010 at Level 8, Exchange Plaza, 2 The Esplanade, Perth WA 6000, Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

#### 1.1 General

On 31 December 2009, the Company issued 9,000,000 Shares at 4 cents per Share to sophisticated investors to raise \$360,000 (**Share Placement**).

None of the subscribers pursuant to the Share Placement were related parties of the Company.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### 1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 9,000,000 Shares were allotted;
- (b) the issue price was \$0.04 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to sophisticated clients of Alto Capital, none of whom are related parties of the Company; and
- (e) the funds raised from this issue were used for to review new business opportunities and for general working capital.

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## 2. RESOLUTIONS 2 AND 3 – ISSUE OF SHARES TO RELATED PARTIES

### 2.1 General

The Company has agreed to allot and issue:

- (a) 4,000,000 Shares to Mr Keith Goodall; and
- (b) 2,000,000 Shares to Mr Mathew Walker,

at an issue price of \$0.04 per Share to raise a total of \$240,000 (**Related Party Placement**).

The Company is not seeking shareholder approval pursuant to Chapter 2E of the Corporations Act as the Board considers the Related Party Placement to be at arm's length as the terms of the issues are the same as those of the Share Placement (pursuant to Resolution 1) and accordingly, fall within the exemption contained in Section 210 of the Corporations Act.

Shareholder approval is required pursuant to ASX Listing Rule 10.11.

### 2.2 ASX LISTING RULE 10.11

If Resolutions 2 and 3 are passed, securities will be issued to Messers Keith Goodall and Mathew Walker (**Placement Directors**). The Placement Directors are related parties of the Company by virtue of the fact that they are directors of the Company. For this reason, Shareholder approval under Listing Rule 10.11 is required prior to issuing the Shares to the Placement Directors.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares as approval is being obtained under Listing Rule 10.11. Shareholders should note that the issue of securities to the Placement Directors will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

For the purposes of Listing Rule 10.13, the following information is provided in relation to the Related Party Placement:

- (a) the maximum number of Shares to be issued by the Company is:
  - (i) 4,000,000 Shares to Mr Keith Goodall; and
  - (ii) 2,000,000 Shares to Mr Mathew Walker;
- (b) the allottees of the Shares will be Mr Keith Goodall and Mr Mathew Walker;
- (c) the Shares proposed to be issued in accordance with Resolutions 2 and 3 will rank equally in all respects with the Company's existing issued Shares;
- (d) the issue price will be \$0.04 per Share, being the same price as the Shares issued pursuant to the Share Placement proposed in Resolution 1;
- (e) the Shares will be issued not later than 1 month after the date of this meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the Shares will be issued on one date; and
- (f) the funds raised from the Related Party Placement will be used to review new business opportunities and for general working capital.

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3. **RESOLUTION 4 - MIGRATION OF THE COMPANY TO AUSTRALIA BY REGISTRATIONS AS A COMPANY LIMITED BY SHARES PURSUANT TO THE CORPORATIONS ACT (CTH) 2001**

The Company is currently registered under the New Zealand Companies Act 1993 (**New Zealand Act**) however the Company's operating office is in Australia and currently has no operations in New Zealand.

It is the opinion of the Board that the interests of the Company are best served by moving the domicile and incorporation of the Company to Australia.

The removal of the Company from the New Zealand Register of Companies under Section 351 of the New Zealand Act and the registration of the Company as a Company limited by shares under the Corporations Act does not create a new legal entity, affect the Company's existing property rights or obligations or affect or render defective any legal proceedings by or against the Company or its members. From all practical points of view the Company remains the same legal entity subject to the same legal rights and liabilities. As between the Company and the members those rights will change to the extent that the Company and its relationship with members will be governed by the Corporations Act and not by the New Zealand Act. Further, because a new Constitution is to be adopted as part of the process, there will be minor changes to the rights of the members pursuant to that Constitution. Members should, however, note that the Company's existing Constitution is compliant with the ASX Listing Rules and will remain so.

Under the Corporations Act, the Company will be registered in Australia as a Company limited by shares which is its status under the New Zealand Act.

Under the New Zealand Act the transfer of registration requires various statutory approvals including obtaining written notice from the Commissioner of Inland Revenue in New Zealand that he has no objection to the Company being removed from the New Zealand Register under the new Zealand Act.

The Company is resident in New Zealand for tax purposes under the Income Tax Act 1993 by virtue of being incorporated in New Zealand but, by virtue of the provisions of the New Zealand/Australia Double Tax Agreement (**DTA**) the Company is tax resident in Australia by virtue of its place of effective management being situated in Australia and the Company only pays tax in New Zealand on a limited amount of interest income earned on its New Zealand bank accounts and deposits. In practice, the change in country of registration will make minimal (if any) difference to the Company from a taxation point of view. There are various taxation issues which apply when a New Zealand company transfers its place of registration out of New Zealand however, as the Company does not pay dividends, has no fixed assets in New Zealand nor any financial arrangements other than its New Zealand denominated interest bearing bank deposits as reflected in the Company's financial statements, such other potential tax issues do not arise in the particular case of the Company transferring its registration.

The transfer of registration to Australia will not, under New Zealand tax laws, result in any deemed disposition by any New Zealand or other shareholder of their shares nor create any deemed distributions by the Company to its shareholders which might otherwise be taxable under New Zealand tax laws.

The Company is not GST registered in New Zealand and not required to be and, consequently, there will be no GST issues which arise under New Zealand law in relation to the transfer of registration.

For the above reasons, the directors anticipate that all approvals to change incorporation as contemplated should be readily granted. The change will take place as soon as possible after the General Meeting.

When the Company's registration as a public company limited by shares under the Corporations Act comes into effect, an appropriate announcement will be made to the ASX.

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**4. RESOLUTION 5 – ADOPTION OF A NEW CONSTITUTION**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 5 is a special resolution which will enable the Company to adopt a new constitution of the type required for a company limited by shares under the Corporations Act.

The new Constitution to be adopted contains a number of provisions reflecting the requirements of the Corporations Act and ASX Listing Rules.

It is not practicable to list all of the changes to the Constitution in this Explanatory Statement and Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, a copy of the proposed new constitution is available for review by Shareholders at the office of the Company.

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**5. ENQUIRIES**

Shareholders are required to contact James Robinson on (+ 61 8) 6460 4960 if they have any queries in respect of the matters set out in these documents.



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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means BrainZ Instruments Limited (ARBN 116 829 675).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**General Meeting** means the meeting convened by the Notice of Meeting.

**Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

**PROXY FORM**

**APPOINTMENT OF PROXY  
BRAINZ INSTRUMENTS LIMITED  
ARBN 116 829 675**

**GENERAL MEETING**

I/We   
of

being a member of BrainZ Instruments Limited entitled to attend and vote at the General Meeting, hereby

Appoint   
Name of proxy

OR  the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 9.30am (WST), on 8 February 2010 at Level 8, Exchange Plaza, 2 The Esplanade, Perth WA 6000, Australia and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 2 to 3** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 2 to 3 and that votes cast by the Chair of the General Meeting for Resolutions 2 to 3 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 2 to 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 2 to 3.

**OR**

**Voting on Business of the General Meeting**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Issue of Shares to Mr Keith Goodall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of Shares to Mr Mathew Walker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Migration of Company to Australia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Adoption of New Constitution	<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.

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Member 2**

**Member 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**BRAINZ INSTRUMENTS LIMITED**  
**ARBN 116 829 675**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to BrainZ Instruments Limited, PO Box 281, West Perth WA 6872, Australia; or
  - (b) facsimile to the Company on facsimile number +61 8 9324 3045,so that it is received not later than 9.30am (WST) on 6 February 2010.

**Proxy forms received later than this time will be invalid.**