



30 March 2010

The Manager
Company Announcements Office
Australian Securities Exchange Ltd
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

ENTITLEMENT ISSUE AND PLACEMENT OF OPTIONS

The Board of BrainZ Instruments Limited (“Company”) is pleased to announce a 1-for-2 pro-rata non-renounceable entitlement issue of options to shareholders, to raise a total of \$187,500 (“Entitlement Issue”) before costs.

The Entitlement Issue will be offered to existing shareholders on the basis of one (1) option for every two (2) shares held at the record date at an issue price of \$0.005 per option. The options will be exercisable at \$0.20 with an expiry date of 31 May 2011.

Based on the Company’s current issued capital the Entitlement Issue will result in 37,500,000 options (or part thereof) being issued.

The monies raised will be used for working capital.

Further details of the Entitlement Issue will be detailed in a prospectus proposed to be lodged with ASIC and the ASX and despatched to eligible shareholders in accordance with the timetable below.

Lodgement of Appendix 3B with ASX	30 March 2010
Lodgement of Entitlement Issue Prospectus with the ASIC and ASX	7 April 2010
Notice sent to Shareholders	On or before 9 April 2010
Ex date	12 April 2010
Record Date for determining Entitlements	5.00pm (WST) on 16 April 2010
Entitlement Issue Prospectus despatched to Shareholders	20 April 2010
Closing Date*	5.00pm (WST) on 5 May 2010
Securities quoted on a deferred settlement basis	6 May 2010

Registered Office - Suite 9, 1200 Hay Street, West Perth WA 6005 – PO Box 281, West Perth WA 6872

Auckland Office – C/- KGA Ltd, Orica House, 123 Carlton Gore Road, Newmarket, Auckland NZ

ACN 116 829 675 - NZ Company Number 479754

ASX notified of under subscriptions

7 May 2010

Despatch of holding statements

10 May 2010

As previously announced, the Company is proposing a change in nature and scale of its activities subject to obtaining shareholder approval at a general meeting to be held on or about 10 May 2010. As a result the Company will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules, which will include, amongst other things, raising additional capital at 20 cents per share and lodging a recompliance prospectus with ASIC. The details of the placement of shares are not yet known and the Company will make a further announcement once these details have been determined.

The Board also intends to undertake a placement of 37,500,000 options on the same terms as those issued under the Entitlement Issue to raise an additional \$187,500. This placement will be subject to shareholder approval, to be sought at the general meeting to be held on or about 10 May 2010.

The monies raised from the placements will be used to fund the exploration of the Company's highly prospective Amazon prospect and working capital.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'M Walker', with a stylized flourish at the end.

Mathew Walker
Director

For further information please contact:

James Robinson, Company Secretary, BrainZ Instruments Limited, Tel: + 61 (8) 6460 4960

BrainZ Instruments Limited website – www.brainzinstrumentsltd.com

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

BrainZ Instruments Limited

ACN

116 829 675

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 37,500,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Exercisable at \$0.20 on or before 31 May 2011 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>These are a new (and the only) series of options</p>				
<p>5 Issue price or consideration</p>	<p>\$0.005</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To Fund Exploration and Working Capital</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>10 May 2010</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1556 997 1601">Number</th> <th data-bbox="997 1556 1291 1601">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1601 997 1816">75,000,000</td> <td data-bbox="997 1601 1291 1816">Fully Paid Ordinary</td> </tr> </tbody> </table>	Number	+Class	75,000,000	Fully Paid Ordinary
Number	+Class				
75,000,000	Fully Paid Ordinary				

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	N/A
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 option for every 2 shares
14	+Class of +securities to which the offer relates	Offer is to shareholders
15	+Record date to determine entitlements	16 April 2010
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Rounded down
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	USA, UK and Switzerland
19	Closing date for receipt of acceptances or renunciations	5 May 2010

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	Alto Capital
23	Fee or commission payable to the broker to the issue	\$10,000
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	20 April 2010
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

N/A

39 Class of +securities for which
 quotation is sought

N/A

40 Do the +securities rank equally in
 all respects from the date of
 allotment with an existing +class
 of quoted +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next
 dividend, (in the case of a
 trust, distribution) or interest
 payment
- the extent to which they do
 not rank equally, other than in
 relation to the next dividend,
 distribution or interest
 payment

N/A

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end
 of restriction period

(if issued upon conversion of
 another security, clearly identify
 that other security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	N/A	

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company Secretary)

Date: 30/03/2010

Print name: James Robinson

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