



LETTER FROM THE CHAIRMAN

16 July 2012

Dear Shareholder

Over the past twelve months, Patrys Limited has made significant progress, as illustrated by achievement of the following milestones:

- The completion of the PAT-SM6 melanoma trial in February 2012 which met its primary endpoint which was to evaluate the safety and tolerability of PAT-SM6 in the treatment of melanoma. In addition, despite the low dose of PAT-SM6 relative to expected therapeutic dose levels, an increased level of cancer cell death (apoptosis) was observed to be widespread in two of the patients' post-treatment samples, compared to the same patients' pre-treatment specimens.
- Commencing the preparation of PAT-SM6 for a clinical trial in multiple myeloma (MM). The initiation of this trial follows on from preclinical studies that have shown that PAT-SM6 is able to specifically target bone marrow cells sourced from MM patients (with either advanced or multi-resistant disease).
- The appointment of Dr. Marie Roskrow as Managing Director and Chief Executive Officer, bringing significant medical and healthcare investment banking experience to Patrys.
- The appointment of Ms. Suzy Jones to the Board of Directors, complementing the Board's skills set with her experience in business development executing licensing transactions, her strong networks in the North American venture capital industry and her extensive knowledge of oncology, immunology and autoimmune disease.
- The announcement that PAT-SC1 showed a significant survival benefit in a 10 year follow-up of gastric cancer patients who were treated with the compound.
- The appointment of Dr. Masafumi Yoshimoto of PharmaBDL LLC to assist with the out-licensing of PAT-SC1.

On 22 June 2012, the Company announced a capital raising of \$2.9 million through a private placement to new and existing domestic and international sophisticated investors and the launch of a Share Purchase Plan (SPP) to Eligible Shareholders (defined below).

The placement involved a first close of \$1 million with the issue of 50,000,000 ordinary shares at \$0.02 per share. The second close is subject to shareholder approval at an extraordinary general meeting (EGM) to be convened on 15 August 2012, in order to comply with ASX Listing Rules 7.1 and 10.11. Subject to shareholder approval the second close will involve the issue of a further approximately 50 million ordinary shares at \$0.02 per share and the issue of 50 million unlisted options over ordinary shares with an exercise price of \$0.05 each.

Under the SPP, Eligible Shareholders will be able to purchase up to \$15,000 worth of new fully paid ordinary shares in the Company up to a total raising of \$800,000. This offer is irrespective of the number of shares an Eligible Shareholder currently holds.

PATRYS

LIMITED

In addition, your directors, Mr. Michael Stork and Ms. Suzy Jones, who are not eligible to participate in the SPP as they are non-resident directors, have indicated their desire to support the Company and will, subject to shareholder approval at the EGM, invest \$50,000 each in the Company at the same price as the placement.

The Notice of Meeting and Proxy Form for the EGM are enclosed with this letter.

Eligible Shareholders in respect of the SPP are those shareholders whose registered addresses are within Australia or New Zealand as at 7.00 p.m. (AEDT) on 21 June 2012 (Record Date). Shareholders with a registered address outside Australia or New Zealand at the Record Date (Excluded Shareholders) will not be eligible to participate in the SPP.

Eligible Shareholders will also receive the offer documentation in respect of the SPP during the week commencing 16 July 2012.

The funds raised from the capital raising and the SPP will be used to:

- Execute the planned PAT-SM6 Phase I/IIa open label multi-dose clinical trial in multiple myeloma
- Further prepare PAT-LM1 for clinical trial
- Support out-licensing activities in respect of PAT-SC1
- Expand the pipeline through internal R&D
- Working Capital

I ask you to read the offer document in its entirety and, on behalf of the Patrys Board, invite Eligible Shareholders to participate in the SPP.

Yours faithfully



John D. Read
Chairman

Patrys Limited

ACN 123 055 363

Notice of Extraordinary General Meeting

To be held at Arnold Bloch Leibler, Level 24 Chifley Tower, 2 Chifley Square, Sydney,
New South Wales on Wednesday, 15 August 2012 at 11 am (AEST)

THIS IS AN IMPORTANT DOCUMENT

**If you are in doubt as to what to do with this document please
immediately see your legal adviser, financial adviser or stockbroker**

Patrys Limited
ACN 123 055 363

Notice of Extraordinary General Meeting

Notice is given that an extraordinary general meeting of the members of Patrys Limited (**Company**) will be held at Arnold Bloch Leibler, Level 24 Chifley Tower, 2 Chifley Square, Sydney, New South Wales on Wednesday, **15 August 2012** at 11 am (AEST) for the purpose of considering and, if thought appropriate, passing the following resolutions:

1. Resolution 1 – Ratification of the Prior Placement of Shares

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

"That, for the purposes of ASX Listing Rule 7.4 and all other purposes, the members of the Company approve and ratify the Company's allotment and issue on 29 June 2012 of 50,000,000 fully paid ordinary shares in the capital of the Company credited as fully paid to institutional and sophisticated investors (being persons described in Section 708(8) and 708(10) of the *Corporations Act 2001*) at an issue price of \$0.02 on the terms and conditions set out in the Explanatory Notes which accompany this Notice of Extraordinary General Meeting."

2. Resolution 2 – Approval to Issue Shares to Sophisticated Investors

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

"That, for the purposes of ASX Listing Rule 7.1 and all other purposes, that the members of the Company approve the Company's proposed private placement and issue of 50,000,000 fully paid ordinary shares in the capital of the Company credited as fully paid to institutional and sophisticated investors (being persons described in Section 708(8) and 708(10) of the *Corporations Act 2001*) at an issue price of \$0.02 on the terms and conditions set out in the Explanatory Notes which accompany this Notice of Extraordinary General Meeting"

3. Resolution 3 – Approval of Grant of Options

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

"That, for the purposes of ASX Listing Rule 7.1 and all other purposes, that the members of the Company approve the Company's proposed grant of a total of 50,000,000 Options over ordinary shares in the capital of the Company to Forrest Capital Pty Ltd and nominees and the issue of any shares upon the exercise of those Options on the terms and conditions set out in the Explanatory Notes which accompany this Notice of Extraordinary General Meeting"

4. Resolution 4 – Approval of Share Issue to Stork Holdings 2010 Ltd.

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

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes approval is granted for the issue to Stork Holdings 2010 Ltd. of 2,500,000 fully paid ordinary shares in the capital of the Company credited as fully paid at an issue price of \$0.02 per share, the material terms of which are stated in the Explanatory Notes which accompany this Notice of Extraordinary General Meeting."

5. Resolution 5 – Approval of Share Issue to Ms. Suzy Jones

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

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes approval is granted for the issue to Ms. Suzy Jones of 2,500,000 fully paid ordinary shares in the capital of the Company credited as fully paid at an issue price of \$0.02 per share, the material terms of which are stated in the Explanatory Notes which accompany this Notice of Extraordinary General Meeting."

Voting Entitlements

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognised as a member and the holder of Shares if that person is registered as a holder of Shares at 7.00 p.m. (AEST) on Monday 13th August 2012.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes, each proxy may exercise half of the votes (in which case any fraction of votes will be disregarded).

The proxy form (and the power of attorney or other authority, if any, under which a proxy form is signed) must be completed and returned to the Company no later than 11.00 a.m. (AEST) on Monday 13th August 2012 by:

- (a) posting it in the reply paid envelope to Computershare Investor Services Pty Limited (GPO Box 242, Melbourne, VIC 3001);
- (b) faxing it to Computershare Investor Services Pty Limited facsimile (within Australia) 1800 783 447, (outside Australia) +613 9473 2555; **or**
- (c) for Intermediary Online subscribers only (custodians) www.intermediaryonline.com

Any Proxy Form received after that time will not be valid for the scheduled meeting.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation. The proxy may, but need not, be a member of the Company. A proxy form is included with this Notice of Extraordinary General Meeting.

Statement Regarding Undirected Proxies

As disclosed on the proxy form it is the intention of the Chairman of the Meeting to vote any undirected proxies in favour of all resolutions. Pursuant to the ASX Listing Rules the proxy form is required to contain certain disclosures regarding the voting intentions of the Chairman regarding undirected proxies. Shareholders are advised to read the proxy form carefully.

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chairman of the Meeting) a natural person to act as its representative at the Meeting.

By order of the Board:

A handwritten signature in black ink, appearing to read 'R McPherson', with a long horizontal stroke extending to the right.

Roger McPherson
Company Secretary
16 July 2012

Patrys Limited
ACN 123 055 363

Explanatory Notes

These explanatory notes have been prepared to provide members with information to assess the merits of the resolutions contained in the accompanying notice of extraordinary general meeting to be held at Arnold Bloch Leibler, Level 24 Chifley Tower, 2 Chifley Square, Sydney, New South Wales on Wednesday, **15 August 2012** at 11 am (AEST).

Business

The Company has completed a successful capital raising, through a private placement to existing and new institutional and sophisticated investors.

This Notice of Extraordinary General Meeting concerns:

- (a) Resolution 1 - The proposed ratification of the placement made by the Company prior to the issue of the Notice of Extraordinary General Meeting of 50,000,000 shares at an issue price of \$0.02 which raised in aggregate \$1,000,000. The Company issued and allotted these shares on 29 June 2012;
- (b) Resolution 2 - The proposed additional placement of 50,000,000 shares at an issue price of \$0.02 to raise in aggregate approximately \$1,000,000 which additional placement is subject to shareholder approval in accordance with ASX Listing Rule 7.1;
- (c) Resolution 3 - The proposed grant of 50,000,000 Options to Forrest Capital Pty Ltd and nominees which grant is subject to shareholder approval in accordance with ASX Listing Rule 7.1; and
- (d) Resolutions 4 and 5 – The proposed placement of 5,000,000 shares at an issue price of \$0.02 to raise a total of \$100,000 to Directors and director related entities in accordance with ASX Listing Rule 10.11.

The purpose of the capital raising is to provide the Company with the opportunity to enhance shareholder value by:

- Executing the planned PAT-SM6 Phase I/IIa open label multi-dose clinical trial in multiple myeloma
- Further preparing PAT-LM1 for clinical trial
- Supporting out-licensing activities in respect of PAT-SC1
- Expanding the pipeline through internal R&D

1. Resolution 1 – Ratification of the Prior Placement of Shares

This resolution seeks Shareholder approval for the previous issue and allotment of 50,000,000 fully paid ordinary shares in the capital of the Company to institutional and sophisticated investors.

1.1 Details of the Previous Issue of Shares

On 29 June 2012, the Company raised \$1,000,000 by the issue and allotment of 50,000,000 fully paid shares in the capital of the Company (**Placement Shares**) to institutional and sophisticated investors (being persons described in Sections 708(8) and 708(10) of the *Corporations Act 2001* (**Subscribers**) at an issue price of \$0.02 per share pursuant to the terms of subscription agreements entered with the Company and the Subscribers (**Subscription Agreements**).

Under ASX Listing Rule 7.1, the Company may in any 12-month rolling period issue up to 15% of its ordinary share capital without prior shareholder approval. The Company issued the Placement Shares pursuant to its (unused) entitlement under ASX Listing Rule 7.1 (being equivalent to an issue of approximately 15% of the Company's issued capital as at their allotment date). The issue of Placement Shares did not require prior shareholder approval.

ASX Listing Rule 7.4 permits a company to obtain ratification from its shareholders in relation to a prior share issue. Resolution 1 seeks shareholder ratification of the Placement Shares. If ratified, the Placement Shares will be excluded in the future from the calculation of Patrys' 15% entitlement under ASX Listing Rule 7.1.

1.2 Information required under ASX Listing Rules 7.5

The ASX Listing Rules set out a number of regulatory requirements that must be satisfied in relation to the ratification of the Placement Shares. ASX Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to approve the Prior Issue in accordance with ASX Listing Rule 7.4 must include the following information:

- (a) The number of securities allotted:

50,000,000

- (b) The issue price at which the securities were allotted:

\$0.02 per share

- (c) The terms of the securities:

Shares issued were fully paid ordinary shares ranking equally in all respects with all other fully paid ordinary shares then on issue in the Company

- (d) The names of the allottees or the basis upon which the allottees were determined

The allottees were institutional and sophisticated investors (being persons described in Sections 708(8) and 708(10) of the Corporations Act 2001) selected by the Company's brokers for the issue

- (e) The use (or intended use) of the funds raised:

The funds received under the Placement Shares are to be used generally for the advancement of the Company's lead products, supporting potential partnering arrangements and working capital

1.3 Effect of passing of Resolution 1

If Resolution 1 is passed, from the date of shareholder approval the Placement Shares will not be included in the calculation of its 15% entitlement under ASX Listing Rule 7.1.

1.4 Recommendation for Resolution 1

The Company's directors unanimously recommend that shareholders approve Resolution 1.

1.5 Voting Exclusion Statement – Resolution 1

Pursuant to ASX Listing Rules 7.5.6, the Company will disregard any votes cast on Resolution 1 by:

- any person who participated in the issue, namely the Subscribers; and
- an associate of that person (or those persons).

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.

2. Resolution 2 – Approval to Issue Shares to Sophisticated Investors

The Subscribers (as referred to in Resolution 1) (being persons described in Sections 708(8) and 708(10) of the *Corporations Act 2001*), pursuant to the terms of the Subscription Agreements (as referred to in Resolution 1), also agreed to subscribe for 50,000,000 shares at \$0.02 per Share (**Further Subscription**), conditional upon prior shareholder approval to this Further Subscription.

By this Resolution 2 the Company is seeking prior shareholder approval for the purposes of ASX Listing Rule 7.1. By obtaining the prior approval of Shareholders for the issue of securities proposed under this Resolution 2, Patrys will be able to issue the Patrys shares comprising the Further Subscription without being in breach of ASX Listing Rule 7.1 and those Patrys shares will not be included in the calculation of the Company's 15% entitlement under ASX Listing Rule 7.1 after the approval.

The Further Subscription is equivalent to an issue of approximately 12% of the issued capital of the Company (after allowing for the Prior Placement).

2.1 Regulatory Requirements

The ASX Listing Rules set out a number of regulatory requirements that must be satisfied in relation to the ratification of the issue of securities under Resolution 2. These are summarised below.

2.2 Information required under ASX Listing Rules 7.1

ASX Listing Rule 7.3 requires that a notice of meeting pursuant to which shareholders are required to consider approving a resolution pursuant to ASX Listing Rule 7.1 must include the following information:

- (a) the maximum number of securities to be issued:

50,000,000

- (b) the date by which the securities will be issued:

Within 3 months of the date of shareholder approval at the Extraordinary General Meeting

- (c) the issue price of securities:

\$0.02 per Share

- (d) the names of the allottees or the basis upon which the allottees were determined

The allottees will be institutional and sophisticated investors (being persons described in Sections 708(8) and 708(10) of the Corporations Act 2001) selected by the Company's brokers for the issue

- (e) the terms of the securities:

Shares to be issued will be fully paid ordinary shares ranking equally in all respects with all other fully paid ordinary shares then on issue in the Company

- (f) the intended use of the funds raised:

If the shares are allotted, the funds raised will be used by the Company for the advancement of the Company's lead products, supporting potential partnering arrangements and working capital

2.3 Recommendation for Resolution 2

The Company's directors unanimously recommend that shareholders approve Resolution 2.

2.4 Voting Exclusion Statement – Resolution 2

Pursuant to ASX Listing Rules 7.3 and 14.11.1, the Company will disregard any votes cast on the resolution by:

- (a) any person who is to participate under the proposed allotment which is the subject of Resolution 2;
- (b) any person who may obtain a benefit, except a benefit solely in their capacity as a holder of ordinary shares if Resolution 2 is passed; and
- (c) an associate of the persons described in paragraph (a) or (b) above.

However, the Company may not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the general 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.

3. Resolution 3 – Approval of Grant of Options

Resolution 3 seeks Shareholder approval for the grant of 50,000,000 Options over ordinary shares in the capital of the Company to Forrest Capital Pty Ltd and nominees and the issue of any shares upon the exercise of those Options, in part consideration for this fund raising and for advisory services.

By this Resolution 3 the Company is seeking prior shareholder approval for the purposes of ASX Listing Rule 7.1. By obtaining the prior approval of Shareholders for the issue of securities proposed under this Resolution 3, Patrys will be able to issue the Options without being in breach of ASX Listing Rule 7.1 and those Options will not be included in the calculation of the Company's 15% entitlement under ASX Listing Rule 7.1 after the approval.

The Company will receive \$2.5 million on the exercise of these Options. The conversion of these Options will be equivalent to an issue of approximately 11% of the issued capital of the Company (after allowing for the Placement which is the subject of Resolutions 1 and 2).

3.1 Regulatory Requirements

The ASX Listing Rules set out a number of regulatory requirements that must be satisfied in relation to the ratification of the issue of securities under Resolution 3. These are summarised below.

3.2 Information required under ASX Listing Rules 7.1

ASX Listing Rule 7.3 requires that a notice of meeting pursuant to which shareholders are required to consider approving a resolution pursuant to ASX Listing Rule 7.1 must include the following information:

- (a) the maximum number of securities to be issued:
50,000,000 unlisted Options over ordinary shares
- (b) the date by which the securities will be issued:
Within 3 months of the date of shareholder approval at the Extraordinary General Meeting
- (c) the issue price of securities:
\$Nil
- (d) the names of the allottees or the basis upon which the allottees were determined
The allottees will be Forrest Capital Pty Ltd and nominees. The allottees will be institutional and sophisticated investors (being persons described in Sections 708(8) and 708(10) of the Corporations Act 2001) selected by the Company's brokers
- (e) the key terms of the securities:
 - (i) *The Options will vest on grant*
 - (ii) *The Options will expire at 5.00pm AEST on 30 June 2014*
 - (iii) *Each Option shall carry the right to subscribe for one Share*
 - (iv) *Options may be exercised in whole or in part. An exercise of only some of the Options shall not affect the rights of the Option Holder to the balance of the Options held by it*
 - (v) *The issue price of the Shares the subject of the Options of \$0.05 per Share shall be payable in full on exercise of the Options*
 - (vi) *The Options will not be listed for Official Quotation on the ASX*

- (vii) *The Shares allotted pursuant to the exercise of the Options will be fully paid ordinary shares ranking equally in all respects with all other fully paid ordinary shares then on issue in the Company*
- (viii) *In accordance with Listing Rule 2.8 the Company will make application to have the Shares allotted pursuant to an exercise of Options listed for Official Quotation*
- (ix) *The Options will not carry any voting rights or the right to participate in dividends until Shares are allotted pursuant to the exercise of the Options*

3.3 Recommendation for Resolution 3

The Company's directors believe that the use of Options in this way provides a cost effective means of rewarding Forrest Capital Pty Ltd whilst at the same time incentivising them in a way which is aligned to Shareholders.

No directors will participate in the grant of these options.

The Company's directors therefore unanimously recommend that shareholders approve Resolution 3.

3.4 Voting Exclusion Statement – Resolution 3

Pursuant to ASX Listing Rules 7.3 and 14.11.1, the Company will disregard any votes cast on the resolution by:

- (a) any person who is to participate under the proposed grant of Options which is the subject of Resolution 3;
- (b) any person who may obtain a benefit, except a benefit solely in their capacity as a holder of ordinary shares if Resolution 3 is passed; and
- (c) an associate of the persons described in paragraph (a) or (b) above.

However, the Company may not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the general 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.

4. Resolution 4: Proposed Issue of Shares to Stork Holdings 2010 Ltd

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company and their controlled associates.

Subject to shareholder approval, the Company proposes to issue 2,500,000 ordinary shares to Stork Holdings 2010 Ltd. (a company associated with Mr. Michael Stork, a Patrys Director) at the same issue price as the placement shares (which are the subject of Resolutions 1 and 2 as set out in the Notice of Extraordinary General Meeting). This issue of ordinary shares is in addition to the issue of 100,000,000 ordinary shares under the placement the subject of Resolutions 1 and 2.

The Patrys Board believes the shares being offered to Stork Holdings 2010 Ltd are being offered on arms length terms, being the same terms and conditions as those shares offered under the placement to non associated persons the subject of Resolutions 1 and 2 as set out in the Notice of Extraordinary General Meeting (excluding the options the subject of Resolution 3). However, as outlined above Patrys shareholder approval is required under ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Details of Stork Holdings 2010 Ltd. existing shareholding in Patrys and where Resolutions 2 and 4 are passed and shares allotted is detailed in the table below

Shareholder	Existing percentage interest in the Company before issues in accordance with Resolutions 2 & 4 (but including issue the subject of Resolution 1)	Percentage interest in the Company after issues in accordance with Resolutions 2 & 4
Stork Holdings 2010 Ltd*	20.12	18.39
All other shareholders	79.88	81.61

*Note: In addition to the above interests Mr. Stork also holds 300,000 options, each option convertible into one Patrys share at an exercise price of \$0.2609 cents per share.

4.1 Reason for issue and Board recommendation

Mr. Michael Stork has indicated to the Board that he wishes to support the placement which is the subject of Resolution 2 and subscribe for \$50,000 in additional shares on the same terms and conditions of the placement except without any attaching options (subject to obtaining prior shareholder approval in accordance with Resolution 4).

The Board believes that the change in percentage interest of Stork Holdings 2010 Ltd. as a result of subscribing for additional shares in accordance with Resolution 4 is not material and in any event within the 3% purchase limit in any 6 months as allowed under Chapter 6 of the Corporations Act.

The Board is also of the view that the additional \$50,000 which would be subscribed by Stork Holdings 2010 Ltd further advances the Company.

4.2 ASX Listing Rules

ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information:

- (a) The name of the person to whom the securities will be issued:

Stork Holdings 2010 Ltd. a company associated with Mr. Michael Stork

- (b) The number of securities to be issued to the person:

2,500,000 ordinary shares in the capital of the Company, credited as fully paid

- (c) The date by which the entity will issue the securities:

Subject to Resolution 4 being passed, no later than one month after the date of this Extraordinary General Meeting

- (d) The issue price of the securities and a statement of the terms of the issue:

\$0.02 per share. The shares being issued will rank equally in all respects with all other issued ordinary shares of the Company from the date of the issue

- (e) The intended use of the funds raised:

The funds raised will be used by the Company to advance its lead products, support potential partnering arrangements and working capital

4.3 Voting Exclusion Statement – Resolution 3

The Company will disregard any votes cast in respect of Resolution 3 by:

- (a) Stork Holdings 2010 Ltd.;
- (b) Mr. Michael Stork or any associate of Mr. Michael Stork.

However, the Company may not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the general 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.

5. Resolution 5: Proposed Issue of Shares to Ms. Suzy Jones

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company and their controlled associates.

Subject to shareholder approval, the Company proposes to issue 2,500,000 ordinary shares to Ms. Suzy Jones, a Patrys Director at the same issue price as the placement shares except without any attaching options (which are the subject of Resolutions 1 and 2 as set out in the Notice of Extraordinary General Meeting). This issue of ordinary shares is in addition to the issue of 100,000,000 ordinary shares under the placement the subject of Resolutions 1 and 2.

The Patrys Board believes the shares being offered to Ms. Jones are being offered on arms length terms, being the same terms and conditions as those shares offered under the placement to non associated persons the subject of Resolutions 1 and 2 as set out in the Notice of Extraordinary General Meeting (excluding the options the subject of Resolution 3). However, as outlined above Patrys shareholder approval is required under ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Details of Ms. Jones' existing shareholding in Patrys and where Resolutions 2 and 5 are passed and shares allotted is detailed in the table below

Shareholder	Existing percentage interest in the Company before issues in accordance with Resolutions 2 & 5 (but including issue the subject of Resolution 1)	Percentage interest in the Company after issues in accordance with Resolutions 2 & 5
Ms. Suzy Jones	0.00	0.54
All other shareholders	100.00	99.46

5.1 Reason for issue and Board recommendation

Ms. Suzy Jones has indicated to the Board that she wishes to support the placement which is the subject of Resolution 2 and subscribe for \$50,000 in additional shares on the same terms and conditions of the placement (subject to obtaining prior shareholder approval in accordance with Resolution 5).

The Board believes that the change in percentage interest of Ms. Jones as a result of subscribing for additional shares in accordance with Resolution 5 is not material.

The Board is also of the view that the additional \$50,000 which would be subscribed by Ms. Jones further advances the Company. .

5.2 ASX Listing Rules

ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information:

- (a) The name of the person to whom the securities will be issued:

Ms. Suzy Jones

- (b) The number of securities to be issued to the person:

2,500,000 ordinary shares in the capital of the Company, credited as fully paid

- (c) The date by which the entity will issue the securities:

Subject to Resolution 5 being passed, no later than one month after the date of this Extraordinary General Meeting

- (d) The issue price of the securities and a statement of the terms of the issue:

\$0.02 per share. The shares being issued will rank equally in all respects with all other issued ordinary shares of the Company from the date of the issue

- (e) The intended use of the funds raised:

The funds raised will be used by the Company to advance its lead products, support potential partnering arrangements and working capital

5.3 Voting Exclusion Statement – Resolution 5

The Company will disregard any votes cast in respect of Resolution 5 by Ms. Suzy Jones or any associate of Ms. Suzy Jones.

However, the Company may not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the general 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.

Further information

The Directors recommend members read these Explanatory Notes in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed resolutions before making any decision in relation to the proposed resolutions.

000001 000
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 11:00am (AEST) Monday 13 August 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Patrys Limited hereby appoint

the Chairman of the meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Patrys Limited to be held at Arnold Bloch Leibler, Level 24 Chifley Tower, 2 Chifley Square, Sydney, New South Wales on Wednesday, 15 August 2012 at 11:00am (AEST) and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Ratification of the Prior Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to Issue Shares to Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Grant of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Share Issue to Stork Holdings 2010 Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Share Issue to Ms. Suzy Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /