

# 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

CathRx Ltd

ABN

23 089 310 421

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   | Fully paid ordinary shares ("Shares")  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | Approximately 20,468,560 Shares pursuant to a 1 for 7 non renounceable entitlement offer. The precise number will be advised to ASX following closing of the entitlement offer. The number of Shares to be issued is dependent on the rounding of entitlements and the number of employee options exercised prior to the record date of the entitlement offer of 24 October 2011 |
| 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) | Fully paid ordinary shares   |

4	<p>Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"><li>• the date from which they do</li><li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul>	Yes										
5	Issue price or consideration	\$0.10 per Share										
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To fund working capital and to continue the development and testing of high growth product opportunities										
7	Dates of entering <sup>+</sup> securities into uncertificated holdings or despatch of certificates	Anticipated to be 17 November 2011										
8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	<table><tr><th>Number</th><th><sup>+</sup>Class</th></tr><tr><td>Approximately 163,748,480</td><td>Fully paid ordinary shares</td></tr></table>	Number	<sup>+</sup> Class	Approximately 163,748,480	Fully paid ordinary shares						
Number	<sup>+</sup> Class											
Approximately 163,748,480	Fully paid ordinary shares											
9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	<table><tr><th>Number</th><th><sup>+</sup>Class</th></tr><tr><td>473,512</td><td>Options expiring on 30 December 2013 with an exercise price of \$0.097.</td></tr><tr><td>20,000</td><td>Options expiring on 12 July 2014 with an exercise price \$0.097.</td></tr><tr><td>345,000</td><td>Options expiring on 23 August 2015 with an exercise price of \$0.847.</td></tr><tr><td></td><td>Options expiring on 20</td></tr></table>	Number	<sup>+</sup> Class	473,512	Options expiring on 30 December 2013 with an exercise price of \$0.097.	20,000	Options expiring on 12 July 2014 with an exercise price \$0.097.	345,000	Options expiring on 23 August 2015 with an exercise price of \$0.847.		Options expiring on 20
Number	<sup>+</sup> Class											
473,512	Options expiring on 30 December 2013 with an exercise price of \$0.097.											
20,000	Options expiring on 12 July 2014 with an exercise price \$0.097.											
345,000	Options expiring on 23 August 2015 with an exercise price of \$0.847.											
	Options expiring on 20											

<sup>+</sup> See chapter 19 for defined terms.

35,000	June 2016 with an exercise price of \$1.377.
2,500	Options expiring on 15 November 2016 with an exercise price of \$1.487.
188,188	Options expiring on 22 August 2017 with an exercise price of \$2.127.
7,500	Options expiring on 21 November 2017 with an exercise price of \$2.627.
5,000	Options expiring on 20 February 2018 with an exercise price of \$2.077.
1,000,000	Options expiring on 18 June 2018 with an exercise price of \$0.797.
50,000	Options expiring on 19 March 2018 with an exercise price of \$1.357.
25,000	Options expiring on 17 February 2019 with an exercise price of \$0.397.
10,000	Options expiring on 29 June 2019 with an exercise price of \$0.407.
121,667	Options expiring on 17 November 2019 with an exercise price of \$0.657.
10,000	Options expiring on 16 February 2020 with an exercise price of \$0.247
1,000,000	Options expiring on 27 April 2020 with an exercise price of \$0.164
1,020,000	Options expiring on 17 August 2020 with an exercise price of \$0.179
1,000,000	Options expiring on 31 August 2020 with an exercise price of \$0.16
240,000	Options expiring on 27 October 2020 with an exercise price of \$0.252
30,000	Options expiring on 17 February 2021 with an exercise price of \$0.207

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 new Shares for every 7 ordinary shares held
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	24 October 2011
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements are rounded up to the nearest whole number
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>	All countries other than Australia and New Zealand. The Company will also extend the offer to certain shareholders who are known by CathRx at the date of this document to be professional or sophisticated investors or who attest to being professional or sophisticated investors and who do not require a disclosure document in their jurisdiction.
19	Closing date for receipt of acceptances or renunciations	9 November 2011
20	Names of any underwriters	Cybotel Industries Sdn Bhd
21	Amount of any underwriting fee or commission	3% of the amount raised (being a fee of approximately \$61,405.68 excluding any GST)
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A

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+ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders	N/A
25	If the issue is contingent on <sup>+</sup> 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	Anticipated to be 25 October 2011
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	14 October 2011
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	<sup>+</sup> Despatch date	17 November 2011

### 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

## Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 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
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+ See chapter 19 for defined terms.

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)

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42 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (*including* the securities in clause 38)

Number	<sup>+</sup> Class

## 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:



Cameron Billingsley - Company Secretary  
Date: 14 October 2011

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+ See chapter 19 for defined terms.