

IMAGION BIOSYSTEMS LIMITED
ACN 616 305 027

CLEANSING PROSPECTUS

For an offer of up to 1,000 Shares at an issue price of \$0.07 per Share to raise up to \$70 (before expenses) (**Offer**).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 19 July 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares offered by this Prospectus should be considered as highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.

Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 5.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.imagionbiosystems.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on 1300 384 692 during office hours or by emailing the Company at investor@imagionbio.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application for Shares, the Company may not be able to accept or process your Application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on 1300 384 692.

CORPORATE DIRECTORY

Directors

Robert Proulx
Executive Chairman

Mark Van Asten
Non-Executive Director

David Ludvigson
Non-Executive Director

Michael Harsh
Non-Executive Director

Brett Mitchell
Non-Executive Director

Company Secretary

Melanie Leydin

Registered Office

Level 4
96-100 Albert Road
SOUTH MELBOURNE VIC 3205

Telephone: +61 3 9692 7222
Facsimile: +61 2 9956 7355

Email: investor@imagonbio.com
Website: www.imagonbiosystems.com

Share Registry*

Boardroom Pty Limited
Level 8
210 George Street
SYDNEY NSW 2000

Telephone:
1300 668 019 (within Australia)
+61 2 8016 2897 (outside Australia)

Auditor*

RSM Australia Partners
Level 27
120 Collins Street
MELBOURNE VIC 3000

Legal Advisers

Steinepreis Paganin
Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

TABLE OF CONTENTS

1.	DETAILS OF THE OFFER.....	1
2.	PURPOSE AND EFFECT OF THE OFFER.....	5
3.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	7
4.	RISK FACTORS	10
5.	ADDITIONAL INFORMATION	16
6.	DIRECTORS' AUTHORISATION	22
7.	GLOSSARY	23

1. DETAILS OF THE OFFER

1.1 Indicative Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	19 July 2024
Opening Date	19 July 2024
Closing Date*	22 July 2024
Expected date for quotation of Shares issued under the Offer on ASX*	23 July 2024

*These dates are indicative only and may change without notice. The Directors reserve the right to extend the Closing Date at any time after the Opening Date without notice.

1.2 Background to the Offer

As announced on 7 March 2023, the Company entered into a convertible securities agreement with Mercer Street Global Opportunity Fund, LLC (**Mercer**), a US-based investment fund managed by Mercer Street Capital Partners, LLC whereby Mercer agreed to subscribe for, and the Company agreed to issue convertible notes (**Convertible Notes**) for an aggregate subscription amount of up to \$15,000,000 (**Convertible Securities Agreement**).

On 15 July 2024, the Company entered into a deed of variation with Mercer (**Deed**), pursuant to which the Company and Mercer agreed, subject to shareholder approval, to amend the terms of the Convertible Securities Agreement.

The Company's securities were suspended from quotation from 2 April 2024 to 14 June 2024 (**Suspension**), which constituted an event of default under the Convertible Securities Agreement. Under the terms of Deed, Mercer agreed to waive all rights of redemption of the Convertible Notes issued under the Convertible Securities Agreement that would otherwise have been triggered by the Suspension. In consideration, the Company agreed to issue Mercer 3,000,000 Shares (**Mercer Shares**). The Company issued 2,350,000 Mercer Shares on 16 July 2024 pursuant to its existing placement capacity under Listing Rule 7.1. The balance of the Mercer Shares, being 650,000 Shares, are to be issued subject to Shareholder approval at the Company's upcoming general meeting to be held on 22 August 2024.

1.3 The Offer

Pursuant to this Prospectus, the Company invites investors identified by the Directors to apply for up to 1,000 Shares at an issue price of \$0.07 per Share, to raise up to \$70 (before expenses).

The Offer will only be extended, and Application Forms will only be provided to specific parties on invitation from the Directors.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 3 for further information regarding the rights and liabilities attaching to the Shares.

1.4 Objective

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus). Accordingly, the Company is seeking to raise only a nominal amount of \$70 under this Prospectus as the purpose of this Prospectus is not to raise capital.

The Company is not currently able to issue a cleansing notice under section 708A(5) of the Corporations Act due to its Shares having been suspended from trading on ASX for more than 5 trading days within the last 12 months. Accordingly, the primary purpose of this Prospectus is to remove any on-sale restrictions that may affect Shares that have been issued prior to the date of lodgement, in particular the Mercer Shares to be issued pursuant to the Company's existing placement capacity under Listing Rule 7.1.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

1.5 Application for Shares

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.07 per Share.

Completed Application Forms and accompanying cheques, made payable to "**Imagion Biosystems Limited**" and crossed "**Not Negotiable**", must be mailed or delivered to the Company at the address set out in the Application Form by no later than the Closing Date.

1.6 Minimum subscription

There is no minimum subscription.

1.7 Oversubscriptions

No oversubscriptions will be accepted by the Company.

1.8 Underwriting

The Offer is not underwritten.

1.9 Issue of Shares

As noted in Section 1.4, the primary purpose of the Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

If the Directors decide to issue Shares under the Offer, the issue of Shares under the Offer will be issued in accordance with the ASX Listing Rules and will take place as soon as practicable after the Closing Date.

Application moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, the surplus monies will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Shares is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

Holding statements for Shares issued under this Prospectus will be mailed as soon as practicable after the issue of Shares as soon as practicable after their issue.

1.10 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

1.11 Applicants outside Australia

The distribution of this Prospectus outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws.

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an Application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

2. PURPOSE AND EFFECT OF THE OFFER

2.1 Purpose of the Offer

The purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$70 (before expenses) may be raised. The funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 5.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

2.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

Shares¹

	Number
Shares currently on issue	32,646,551
Shares offered under this Prospectus	1,000
Total Shares on issue after completion of the Offer	32,647,551

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 3 of this Prospectus.

Options

	Number
Options currently on issue ¹	5,352,612
Options offered under this Prospectus	Nil
Total Options on issue after completion of the Offer	5,352,612

Notes:

1. Comprising:
 - (a) 75,000 unquoted Options exercisable at \$0.64 each on or before 28 February 2029;
 - (b) 1,164,597 unquoted Options exercisable at \$0.90 each on or before 25 August 2026;
 - (c) 353,474 unquoted Options exercisable at \$1.496 each on or before 20 March 2026;
 - (d) 68,750 unquoted Options exercisable at \$1.12 each on or before 1 May 2026;
 - (e) 68,750 unquoted Options exercisable at \$1.12 each on or before 1 May 2027;
 - (f) 50,000 unquoted Options exercisable at \$1.12 each on or before 1 May 2028;
 - (g) 21,775 unquoted Options exercisable at \$1.68 each expiring on various dates;
 - (h) 702,247 unquoted Options exercisable at various exercise prices on various dates;
 - (i) 100,000 unquoted Options exercisable at \$3.488 each expiring on various dates;
 - (j) 699,897 unquoted Options exercisable at \$1.496 each on or before 26 May 2026; and
 - (k) 2,048,122 unquoted Options exercisable at \$1.11284 each on or before 29 May 2027.

Performance Rights

	Number
Performance Rights currently on issue	25,000
Performance Rights offered under this Prospectus	Nil
Total Performance Rights on issue after completion of the Offer	25,000

Convertible Notes

	Number
Convertible Notes currently on issue	3,792,000
Convertible Notes offered under this Prospectus	Nil
Total Convertible Notes on issue after completion of the Offer	3,792,000

2.3 Financial effect of the Offer

After expenses of the Offer of approximately \$10,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$70) will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$70 less costs of making the Offer of approximately \$10,000.

3. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4. RISK FACTORS

4.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors to consider the risk factors set out in this Section 4, together with information contained in this Prospectus.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 4, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 4 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

4.2 Company specific

Risk Category	Risk
Additional requirements for capital	The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing to develop its business. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its research, development and commercialisation of its technology / products and its other longer-term objectives as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Going Concern	<p>The Company's annual report for the financial year ended 31 December 2023 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that the Company will have sufficient funds to adequately meet the Company's current operations and short term working capital requirements. However, it is</p>

Risk Category	Risk
	highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.
Product Risk	<p>The MagSense® specific cancer imaging agents are still at various stages of development and each is a new applications and has not been fully proven. The detection of a specific type of cancer depends on the availability and functionality of tumor specific targeting moieties, e.g. antibodies, peptides, or ligands. The Company cannot guarantee that targeting moieties will be available to achieve the bio-functionality needed for any given application. Additionally, whilst a sample of in human safety and efficacy data has been collected for the Company's first product, a test for HER2 Breast Cancer, further in-human studies will be required to confirm clinical use. Although the Company has obtained approval for a recent Phase 1 study in Australia there has been no regulatory approval in any other country and that regulatory approval has not yet been, and may not be, granted. There is an inherent risk that development of the technology will not progress as planned or achieving further regulatory clearance may take longer than planned which could require the Company to raise more capital.</p>
Commercialisation Risk	<p>Due to limited clinical data, there is no certainty that the MagSense® technology will be commercially viable, and the profitability and sustainability of the Company's business model is uncertain. There is no guarantee that any of the Company's research, development or commercialization plans and activities in relation to the MagSense® technology will be successful, that the Company will reach further development milestones or that the MagSense® technology tests will be commercially exploitable. There can be no assurance that the Company will attract a commercial licensee or partner, which may delay commercial progress or require the Company to raise more capital.</p> <p>There is no certainty that medical professionals or other potential customers will take up Imagination's products. The products retailed by the Company, its licensee, or partner may be unable to compete with established medical imaging methods on price or accuracy or may be unsuited to the established preferences or methods of medical professionals or other potential consumers.</p>
Regulatory Risks	<p>The diagnostic imaging industry is highly regulated in Australia, the United States, and other countries in which the Company may conduct business operations. Whilst the Company is not aware of any reason why its MagSense® imaging agents will not continue to be able to be used in further clinical settings for HER 2 breast cancer as well as transitioning from phase 1 to further clinical product development for other cancer indications and uses, the Company cannot guarantee</p>

Risk Category	Risk
	<p>that this will occur in a timely manner or at all. The capabilities, testing, maintenance and stability of the MagSense® technology is subject to regulatory and legal requirements, and any amendment to existing legislation or regulations in countries where the Company operates or plans to operate may adversely affect the Company's operations. Any actual or alleged breach of such legislation or regulations could results in the Company or any of its subsidiaries being subject to delayed filings or review, remedial actions, such as product recalls, or penalties, or litigation. Following commercialization of the MagSense® technology, the Company will be subject to United States, Australian or any other applicable jurisdictional laws and regulations concerning the post market surveillance of imaging agents.</p>
Product Liability	<p>Developing and commercializing imaging agents carries an inherent risk of product liability. Even though the Company has insurance cover, any product liability claims are likely to disrupt the Company's business operations and may cause reputational harm by leading medical professionals and other consumers to doubt product accuracy, safety or quality, adversely impacting the Company's performance.</p>
Dependence on service providers and third-party collaborators	<p>The Company relies upon independent third-party service providers, third-party collaborators including academic institutions and clinical study sites to complete the development and commercialisation of its products. The Company therefore is exposed to the risk that any of these parties can experience problems related to operations, financial strength or other issues, which in turn could negatively impact the progress or success of the Company's product development efforts.</p>
Reliance on key personnel	<p>The Company's research and development and its operations success will substantially depend on the continued employment of senior executives, technical staff and other key personnel. The loss of key personnel is likely to have an adverse effect on the Company's operation and performance.</p>
Intellectual Property	<p>The prospect of obtaining patent protection for its imaging agents that the Company proposes to develop is highly uncertain and involves complex and continually evolving factual and legal questions. The Company may incur significant costs in applying for, prosecuting or defending its intellectual property rights.</p> <p>The Company may rely on trade secret and first-mover advantage to assist in the protection of its imaging agents. Although the development of these imaging agents is highly complex there is still a risk that competitors could attempt to replicate the technology.</p> <p>The detection of a specific type of cancer depends on the availability of tumour specific targeting moieties, e.g. antibodies, peptides, or ligands. The Company cannot</p>

Risk Category	Risk
	guarantee that targeting moieties will be available to license for any given application or at commercially reasonable terms.
Competition Risk	The biotechnology sector is highly competitive and subject to rapid and significant technology change. The development of imaging agents is very difficult and demanding; even more so if this competition is against competitors who may have larger resources than the Company. A number of companies, both in Australia and overseas, may be developing imaging technology that target similar markets that the Company is targeting. The Company may face competition from companies with superior technologies or greater resources. As a result, there is the risk that the Company may be beaten to the market by one or more competitors.
Currency Risk	Revenue and expenditure in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. The Company carries on part of its business outside of Australia and intends to continue to do so. Accordingly, revenues and payments will be made in those countries' currencies and may deviate from budgeted expectations if there are adverse currency fluctuations against the Australian dollar.
Insurance	The Company insures its business and operations. However, the Company's insurance may not be of a nature or level to provide adequate insurance cover to insure against the occurrence of all events that may impact on the operations of the Company. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial conditions and results of the Company.
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p>

Risk Category	Risk
	<p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>

4.3 General risks

Risk Category	Risk
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's operations, as well as on its ability to fund those activities.
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Litigation risks	The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.
Dividends	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general

Risk Category	Risk
	business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>

4.4 Speculative investment

The risk factors described above, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide any return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

5. ADDITIONAL INFORMATION

5.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

5.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
18 July 2024	Notice of General Meeting/Proxy Form
17 July 2024	Application for quotation of securities - IBX
17 July 2024	Variation of Convertible Securities Agreement

Date	Description of Announcement
16 July 2024	Proposed issue of securities - IBX
2 July 2024	Change of Registered Office & Principal Place of Business
28 June 2024	Change of Director's Interest Notice - BM
20 June 2024	Change of Director's Interest Notice - BM
14 June 2024	Change of Director's Interest Notice - DL
14 June 2024	Change of Director's Interest Notice - MH
14 June 2024	Change of Director's Interest Notice - MVA
14 June 2024	Change of Director's Interest Notice - RP
14 June 2024	Appendix 3Y Cover Note
14 June 2024	Initial Director's Interest Notice - BM
14 June 2024	Reinstatement to Quotation
14 June 2024	Imagion appoints new Non-Executive Director
7 June 2024	Notification regarding unquoted securities - IBX
5 June 2024	Proposed issue of securities - IBX
5 June 2024	Notification regarding unquoted securities - IBX
31 May 2024	Results of Meeting
31 May 2024	AGM Investor Presentation
31 May 2024	Chairman's Address to Shareholders
21 May 2024	Prospectus - Convertible Notes
14 May 2024	Re-instatement to Official Quotation Imminent
13 May 2024	Change of Company Secretary
10 May 2024	Notification of cessation of securities - IBX
10 May 2024	Appendix 4G and Corporate Governance Statement
10 May 2024	Proposed issue of securities - IBX

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website, <https://imagionbiosystems.com/>.

5.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.097	19 June 2024
Lowest	\$0.062	15 and 18 July 2024
Last	\$0.062	18 July 2024

5.4 Details of substantial Shareholders

Based on publicly available information as at the date of this Prospectus, there are no persons which have a relevant interest in 5% or more of the Shares on issue.

In the event the Offer is fully subscribed there will be no change to the substantial holders on completion of the Offer.

5.5 Directors' interests

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Brett Mitchell	520,908 ¹	Nil
David Ludvigson	13,625	12,500 ²
Michael Harsh	6,500	12,500 ²
Mark Van Asten	15,329	12,500 ²

Director	Shares	Options
Robert Proulx	154,082	2,100,000 ³

Notes

1. Held indirectly by Mr Brett Mitchell and Mrs Michelle Mitchell ATF Lefthanders Super Fund A/C of which Mr Mitchell is a trustee and beneficiary.
2. Comprising 6,250 Options exercisable at \$1.12 each on or before 1 May 2026 and 6,250 Options exercisable at \$1.12 each on or before 1 May 2027.
3. Comprising 50,000 Options exercisable at \$1.12 each on or before 1 May 2026, 50,000 Options exercisable at \$1.12 each on or before 1 May 2027 and 2,000,000 Options exercisable at \$1.12 each on or before 1 May 2028.

No Director or any of their associates intend to participate in the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's Annual Report for the financial year ended 31 December 2023 and proposed annual remuneration for the financial year ending 31 December 2024.

Director	Remuneration for the financial year ended 31 December 2023	Proposed remuneration for the financial year ending 31 December 2024
Brett Mitchell	Nil ¹	\$125,704 ²
David Ludvigson	\$46,564	Nil
Michael Harsh	\$46,564	Nil
Mark Van Asten	\$41,352	Nil
Robert Proulx	\$409,301	\$203,995 ³

Notes:

1. Appointed as a Director on 14 June 2024.
2. Comprising Directors' fees of \$32,266 and share-based payments of \$93,438.

3. Comprising Directors' fees of US\$36,750 and share-based payments of \$149,500.

5.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received any other fees for any other services.

5.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

5.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$10,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

Expense	(\$)
ASIC fees	3,206
Legal fees	\$5,000
Miscellaneous, printing and other distribution	\$ 1,794
Total	\$10,000

6. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

7. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application means an application for Shares made on an Application Form.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Closing Date means the date specified in the timetable set out in Section 1.1 of this Prospectus (unless varied).

Company means Imagion Biosystems Limited (ACN 616 305 027).

Constitution means the constitution of the Company as at the date of this Prospectus.

Convertible Securities has the meaning given in Section 1.2.

Convertible Securities Agreement has the meaning given in Section 1.2.

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

Deed has the meaning given in Section 1.2.

Directors means the directors of the Company as at the date of this Prospectus.

Mercer means Mercer Street Global Opportunity Fund, LLC.

Mercer Shares has the meaning given in Section 1.2.

Offer means the offer of Shares referred to in Section 1.2 of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the date specified in the timetable set out in Section 1.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Performance Right means a right to acquire a Share, subject to satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide the Share.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.

Suspension has the meaning given in Section 1.2.