



Fermiscan Holdings Limited

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Australia

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www.fermiscan.com.au

ABN 51 000 689 725

ASX ANNOUNCEMENT

18 December 2008

**Notice of meeting and proxy form
for the general meeting
of Fermiscan Holdings Limited (ACN 000 689 725)
held on Wednesday 10 December 2008**

The following notice of meeting and proxy form for the general meeting held on Wednesday 10 December 2008 relate to the announcements made today (Appendix 3B and Appendix 3Y) concerning the granting of options to Dr R Shnier.

David Young
Managing Director
Phone: (02) 9245 4460 or dyoung@fermiscan.com.au

Visit Fermiscan's website at www.fermiscan.com.au

Visit Sydney Breast Clinic's website at www.sydneybreastclinic.com.au

About Fermiscan

Fermiscan's principal activity is the advancement of a non-invasive diagnostic test for the detection of breast cancer. The test is based on the discovery by an Australian scientist that a change can be detected in the molecular structure of hair from women with breast cancer and this change can be identified by using diffraction of X-rays generated in a synchrotron. The greatest application for the Fermiscan Test is in women under 70 years of age and in particular for younger women, where mammography is generally unsuitable. It is anticipated that the test will be used as an adjunct to existing screening tests for breast cancer.

Earlier this year Fermiscan announced the results of a major 2,000 patient trial which compared results from mammography and ultrasound with the Fermiscan Test. The trial results confirmed that the Fermiscan Test has a negative predictive value of 99.5% in calling almost 1400 patients negative for breast cancer where the patient was less than 70 years of age. These results also confirm the ability for the Fermiscan Test to correctly identify breast cancer in women in the same age group in 74% of the cases. ⁽¹⁾

The Fermiscan Test development path in Australia and overseas includes completion in 2008 and early 2009 of clinical research with leading hospitals in Italy and Singapore as well as the Ashford Cancer Centre, a leading cancer clinic in Adelaide. Clinical research in Japan will commence over coming months.

Fermiscan acquired Sydney Breast Clinic Pty Limited in June 2008. The Clinic has been operating for over 30 years and is one of the largest diagnostic breast clinics in Australia, testing over 10,000 women annually who are referred by more than 3,000 general practitioners.

The Clinic uses the gold standard Triple Test (medical history and clinical breast examination; mammography and ultrasound imaging; non-excision biopsy) and offers same day diagnosis and screening of breast disease in a comforting and positive environment. The multidisciplinary team at the Clinic has over 55 staff including Breast Surgeons, Breast Physicians, Radiologists, Pathologists, Radiographers, Sonographers and Nurses.

Sydney Breast Clinic is providing the Fermiscan Test free to patients attending the clinic in addition to their diagnostic and screening practices. This is the first time that the Fermiscan Test will be used by medical staff in a clinical setting where patients' results can be compared directly to their imaging (mammography and/or ultrasound) results and is the next step in Fermiscan's programme aimed at making the test widely available to Australian women.

Fermiscan was named 'Australian Innovator of the year' at the Austrade sponsored annual 'Innovation Day Shoot Out' competition in New York in January 2008.

⁽¹⁾ Excludes 4 Ductal Carcinoma in Situ (DCIS) not identified as positive by Fermiscan

Visit Fermiscan's website at www.fermiscan.com.au

Visit Sydney Breast Clinic's website at www.sydneybreastclinic.com.au

FERMISCAN HOLDINGS LIMITED

ACN 000 689 725

NOTICE OF GENERAL MEETING

TO BE HELD AT MACQUARIE GRADUATE SCHOOL OF MANAGEMENT,
MACQUARIE UNIVERSITY HOUSE, 51 PITT STREET, SYDNEY, NSW, AUSTRALIA, 2000
AT 11 AM (SYDNEY TIME) ON FRIDAY 5th DECEMBER 2008

TO BE VALID, FORMS OF PROXY (ENCLOSED) FOR USE AT THE GENERAL MEETING MUST BE
COMPLETED AND RETURNED TO FERMISCAN HOLDINGS LIMITED NO LATER THAN 11:00 AM
(SYDNEY TIME) ON 29 NOVEMBER 2008

NOTICE IS HEREBY GIVEN that a General Meeting of shareholders of Fermiscan Holdings Limited (**Company**) will be held at Macquarie Graduate School of Management, Macquarie University House, 51 Pitt Street, Sydney, New South Wales, Australia 2000 at 11 am (Sydney Time) on 1 December 2008

SPECIAL BUSINESS

1. Issue of Securities

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

That approval be given in accordance with Listing Rule 10.11 of Australian Securities Exchange Limited for the issue of a total of 5,000,000 options for ordinary shares in the capital of the Company with an exercise price of \$0.32 per share to Dr Ronald Shnier, as detailed in the Explanatory Statement.

There is no other resolution for consideration at the meeting.

Please refer to the enclosed Explanatory Statement for more information on the above resolution.

VOTING RESTRICTIONS

Resolution 1

In accordance with Listing Rule 10.13.6, the Company will disregard any votes cast on resolution 1 by:

- Dr Shnier; and
- an associate of Dr Shnier.

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
- **the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.**

HOW TO VOTE

If you wish to vote on the resolutions contained in this notice, you should either attend the meeting in person, or appoint a proxy or proxies to attend on your behalf. A body corporate may appoint a representative to attend in accordance with the Corporations Act 2001. An executed notice evidencing the appointment of the person attending as a body corporate representative is required when registering at the General Meeting if not previously lodged with the Company. In relation to the appointment of proxies, refer to the enclosed notes on proxies.

ENTITLEMENT TO VOTE

For the purpose of the meeting, and in accordance with regulation 7.11.37 of the Corporations Regulations 2001, it has been determined that shares in the Company will be taken to be held by the persons who are registered holders as at 8:00 am (Sydney Time) on 1 December 2008. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Dated this third day of November 2008

By order of the Board

Gregory Charles West
Company Secretary

EXPLANATORY STATEMENT

RESOLUTION 1

Issue of Securities

Background

Dr Ronald Shnier MBBS FRACR is a Director of the Company and on 1 October 2008 commenced an executive position with the Company Group as Chief Medical Officer. Dr Shnier is a highly experienced radiologist, and has been a director of a number of Clinical Research and Imaging organisations with prominent medical roles in a number of leading hospitals.

Dr Shnier is also Chairman of the Company's Scientific and Medical Advisory Board and holds options to acquire 3,300,000 ordinary shares in the Company, exercisable at \$0.30 (**Options**).

As an incident of Dr Shnier accepting the position as Chief Medical Officer and working in an executive position with the Company, pursuant to an agreement between the Company and Dr Shnier dated 1 September 2008 the Company agreed to grant at zero issue price to Dr Shnier options to acquire a further 5,000,000 ordinary shares in the Company exercisable at \$0.32 cents per share if members of the Company approve such grant pursuant to ASX Listing Rule 10.11 at the next general meeting of the Company held after 1 October, 2008. The exercise price is the 14 day volume weighted average sale price of shares in the Company on ASX in the 14 days prior to the date of the agreement.

The terms of grant of the options include the provision that they are only exercisable in 3 tranches over a period of 3 years, with the first tranche of two million options being exercisable at any time after the date of grant, the second tranche of two million options on the first anniversary of grant, and the third tranche of one million options on the second anniversary of grant; and expire on the earlier of the date being seven (7) days after the date Dr Shnier ceases to be a Consultant to the Company or a director of the Company for any reason, and the fifth anniversary of the date of grant.

Other terms of grant address standard matters such as issue of bonus shares, reconstructions, equal ranking of shares upon issue, the Company's obligation to seek listing on ASX of shares issued upon exercise of options, and the right of early exercise of options if any one or more parties acting in concert acquire a relevant interest within the meaning of the Corporations Act (Commonwealth) 2001 in more than 50% of the issued capital of the Company.

The Options the subject of Resolution 1 represent an incentive for Dr Shnier to accept the role as Chief Medical Officer of the Company given the usual forms of incentive to which executives of Dr Shnier's calibre could reasonably command in the international market for Chief Medical Officers. Therefore, the Directors (other than Dr Shnier) consider it is not appropriate for these options to include additional vesting hurdles or criteria as might be the case for other option grants to existing executives of the Company.

As Chief Medical Officer Dr Shnier's duties will include liaising with radiologists and general practitioners; working with medical practitioners consulting to or employees of Sydney Breast Clinic Pty Limited; a subsidiary of the Company to provide radiology staff and expertise; and assisting the Group in assisting the Group in identification of and discussions with potential strategic partners for the Group.

The options will be issued not later than one (1) month after the date of the meeting. Funds raised on exercise of the Options will be used for general working capital purposes.

Listing Rules Requirements

Listing Rule 10.11 requires the Company to seek the approval of the members of the Company in order to issue securities to a related party. This resolution will satisfy the requirement.

Recommendation

The Directors (other than Dr Shnier) recommend that shareholders vote in favour of resolution 1 approving the issue of the Options to Dr Shnier.

Please return your Proxy forms to:

Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000
Locked Bag A14, Sydney South NSW 1235 Australia
Telephone: 1XXX XXX XXX
(02) 8280 XXXX
From outside Australia: +61 2 8280 XXXX
Facsimile: (02) 9287 0309
ASX Code: XXX
Website: www.linkmarketservices.com.au

APPOINTMENT OF PROXY

If you would like to attend and vote at the General Meeting, please bring this form with you. This will assist in registering your attendance.



X999999999999

I/We being a member(s) of Fermiscan Holdings Limited and entitled to attend and vote hereby appoint

A the **Chairman of the Meeting** (mark box)

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OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/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 instructions (or if no directions have been given, as the proxy sees fit) at the General Meeting of the Company to be held at 10:00am on Monday, 1 December 2008, at MGSM, Sydney, NSW 2000 and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

B To direct your proxy how to vote on any resolution please insert ☒ in the appropriate box below.

For Against Abstain*

Resolution 1
Issue of Securities

☐☐☐

C

☐

IMPORTANT: FOR ITEM 1 ABOVE

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of Item 1 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of that Item and that votes cast by him/her for that Item, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 1 and your votes will not be counted in calculating the required majority if a poll is called on this Item.

The Chairman of the Meeting intends to vote undirected proxies in favour of Item 1.

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

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SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the *Corporations Act 2001* (Cwlth).

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How to complete this Proxy Form

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am on Saturday, 29 November 2008, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

- by posting or facsimile to Fermiscan Holdings Limited's share registry as follows:
Fermiscan Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.