



OPTISCAN IMAGING LIMITED
ABN 81 077 771 987

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Thursday, 28 November 2019

Time of Meeting:
10.00am (AEDT)

Place of Meeting:
Grant Thornton
Level 22, Tower 5, Collins Square
727 Collins Street
Melbourne Victoria 3008

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

OPTISCAN IMAGING LIMITED

ABN 81 077 771 987

Registered office: 16 Miles Street, Mulgrave, Victoria, 3170

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Optiscan Imaging Limited ("Optiscan" or the "Company") will be held at the offices of Grant Thornton, Level 22, Tower 5, Collins Square, 727 Collins Street, Melbourne, Victoria, 3008 at 10.00am (AEDT) on 28 November 2019 ("Annual General Meeting" or "Meeting").

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, includes defined terms and describes in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

ORDINARY BUSINESS

Receipt and Consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors and auditors for the financial year ended 30 June 2019.

There is no requirement for Shareholders to approve these reports. Accordingly, no Resolution will be put to Shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2019 be adopted."

Resolution 2: Re-election of Mr Graeme Mutton as a Director of the Company

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

"That Mr Graeme Mutton, who retires by rotation pursuant to the Constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Resolution 3: Ratification of prior share issue

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 37,500,000 fully paid ordinary shares in the Company at an issue price of \$0.04 (4 cents) per share on 20 June 2019 to unrelated professional, sophisticated and other exempt investors as described in the Explanatory Statement which accompanied and formed part of the Notice."

Resolution 4: Approval for the issue of Shares to Mr Darren Lurie (June 2019 Placement)

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, shareholders approve the issue of 625,000 fully paid ordinary shares in the Company to Mr Darren Lurie (and/or his nominee(s)) on the terms or conditions as described in the Explanatory Statement which accompanies and forms part of this Notice."

Resolution 5: Approval for the issue of Shares to Mr Graeme Mutton (June 2019 Placement)

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, shareholders approve the issue of 1,875,000 fully paid ordinary shares in the Company to Mr Graeme Mutton (and/or his nominee(s)) on the terms or conditions as described in the Explanatory Statement which accompanies and forms part of this Notice.”

Resolution 6: Approval for the issue of Shares to Dr Philip Currie (June 2019 Placement)

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, shareholders approve the issue of 2,500,000 fully paid ordinary shares in the Company to Dr Philip Currie (and/or his nominee(s)) on the terms or conditions as described in the Explanatory Statement which accompanies and forms part of this Notice.”

SPECIAL BUSINESS**Resolution 7: Approval of 10% Placement Facility**

To consider and, if thought fit, pass the following resolution as a special resolution:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions as described in the Explanatory Statement which accompanies and forms part of this Notice.”

By order of the Board



Justin Mouchacca
Company Secretary

22 October 2019

Notes

1. **Entire Notice:** The details of the resolution contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

3. Proxies

- a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- b. Each shareholder has a right to appoint one or two proxies.
- c. A proxy need not be a shareholder of the Company.
- d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
- e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
- g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with the corporation's constitution and the Corporations Act.
- h. If you sign the proxy form and do not appoint a proxy, you will have appointed the Chairman of the meeting as your proxy.
- i. To be effective, proxy forms must be received by the Company's share registry (Computershare Investor Services Pty Ltd) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 10.00am (AEDT) on Tuesday, 26 November 2019. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast on this Resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote:

- in accordance with a direction on the Proxy Form; or,
- by the Chairman of the meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the Proxy Form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy.

Resolutions 2

There is no voting exclusion on this Resolution.

Resolution 3

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who participated in the relevant issue or any associates of that person.

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
- by the Chairman of 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.

Resolutions 4, 5 & 6

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of a person who is to receive securities in relation to the Company or any associate of that person.

However, the Company need not disregard a vote on this Resolution 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.

Resolution 7

The Company will disregard any votes cast in favour of this Resolution by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any associate of such person.

However, the Company need not disregard a vote on this Resolution 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.

6. Enquiries

Shareholders are invited to contact the Company Secretary, Justin Mouchacca on (03) 9538 3333 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Receipt and Consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2019 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution costs associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9538 3333, and you may request that this occurs on a standing basis for future years. Alternatively, you may access the annual report at the Company's website: www.optiscan.com or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no Resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2019 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Meeting.

Resolution 2: Re-election of Mr Graeme Mutton as a Director of the Company

Background

The Constitution of the Company requires that at every Annual General Meeting one third of the Directors or, if their number is not a multiple of three, then the number nearest to but not more than one third of the Directors must retire from office and will be eligible for re-election. Mr Graeme Mutton, being eligible, offers himself for re-election.

After graduating in Accounting in 1968, Graeme managed a public accounting practice for CP Bird and Associates at Bruce Rock in Western Australia for approximately five years. During this time, he purchased City Plating Company, an electroplating business which he successfully managed for 30 years until it was sold in 2000. This background exposed him to many businesses and provided a practical knowledge of all aspects required to successfully operate a small to medium enterprise. Graeme is a long standing shareholder of Optiscan and has a deep understanding of Optiscan's technology and applications.

Board Recommendation

The Board (with Mr Mutton abstaining), recommends that Shareholders vote in favour of the re-election of Mr Mutton. The Chairman of the Meeting intends to vote undirected proxies in favour of Mr Mutton's re-election.

Resolution 3: Ratification of Prior Issue of Shares

The Company is seeking Shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the prior issue of 37,500,000 fully paid ordinary shares to unrelated professional, sophisticated and other exempt investors at an

issue price of \$0.04 (4 cents) per share ("**Placement**"). Patersons Securities Limited ("**Patersons**") acted as Lead Manager of the Placement. The Appendix 3B relating to the issue was announced to ASX on 20 June 2019.

The 37,500,000 Shares were issued under the Company's 10% placement capacity pursuant to ASX Listing Rule 7.1A.

ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the Company on issue at the commencement of the twelve (12) month period.

ASX Listing Rule 7.1A provides that, subject to receipt of required shareholder approval, in addition to its 15% placement capacity under ASX Listing Rule 7.1, a company is entitled to issue additional securities up to 10% of the issued share capital through placements over a 12-month period after the company's Annual General Meeting, without need for prior shareholder approval. The Company obtained the required shareholder approval for the additional placement capacity under ASX Listing Rule 7.1A at its 2018 Annual General Meeting on 30 November 2018.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1A (provided that the previous issue of securities did not breach ASX Listing Rules 7.1 and/or 7.1A) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1A. The Company seeks approval under ASX Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under ASX Listing Rules 7.1A.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of fully paid ordinary shares in the Company that were issued was 37,500,000;
- (b) the Shares were issued at a price of \$0.04 (4 cents) per Share;
- (c) the Shares allotted and issued rank equally with the Company's existing shares;
- (d) the Shares were allotted and issued to a mix of new and existing sophisticated, professional and other exempt investors. Patersons acted as Lead Manager of the Placement and assisted the Company in identifying the participants in the placement;
- (e) the funds raised from the issue of shares have been, or will be, used towards obtaining regulatory approvals, marketing and working capital including inventory purchases; and
- (f) a voting exclusion statement is included in this Notice.

Board Recommendation

The Board unanimously recommends that the shareholders vote in favour of Resolution 3.

Resolutions 4, 5 and 6: Approval for the issue of Shares to Mr Darren Lurie, Mr Graeme Mutton and Dr Philip Currie (June 2019 Placement)

Background

On 14 June 2019 the Company announced that it had received binding commitments from new and existing professional and sophisticated investors for a capital raising of \$1.7 million (**Placement**). The Placement issue price was \$0.04 (4 cents) per share (total 42,500,000 Shares). 37,500,000 of the Shares under the Placement were issued on 20 June 2019 and ratification of the prior issue of the Shares that have been issued is sought under Resolution 3.

It was also noted in that announcement that all Directors had agreed to participate in the Placement and have applied for a total value of \$200,000 (total 5,000,000 Shares at \$0.04 (4 cents) per share). The Directors have already provided their placement funds to the Company by way of an interest free loan, with the conversion of funds provided to shares being subject to the receipt of shareholder approval at the next general meeting of shareholders.

A summary of the loan advances and Shares under the Placement proposed to be issued to the Directors is provided below:

Resolution	Director*	Loan Advances	Proposed number of Shares to be issued
4	Darren Lurie	\$25,000	625,000
5	Graeme Mutton	\$75,000	1,875,000
6	Philip Currie	\$100,000	2,500,000
-	Total	\$200,000	5,000,000

*Shares may be issued to a nominee of a Director as advised to the Company

Corporations Act

Section 208 of the Corporations Act provides that a public company must not, subject to certain exceptions, give a financial benefit to a related party without approval of the company's members.

Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)).

Each of the proposed recipients of Shares under Resolutions 4, 5 and 6 is a Director of the Company and is therefore a related party of the Company for the purposes of Chapter 2E of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act and includes the issue of fully paid ordinary shares to a related party.

Section 210 of the Corporations Act provides an exception to the requirement to obtain shareholder approval for giving a financial benefit to a related party, where the financial benefit is on terms that would be reasonable in the circumstances if the public company and the related party were dealing at arm's length.

The Company considers the proposed issue of Shares to the Directors (and/or their nominee(s)) under Resolutions 4, 5 and 6 will be made on arm's length as the Shares form part of, and are on the same terms as, the issue of Shares to investors who are not related parties of the Company who were issued Shares under the Placement (refer to the explanatory text for Resolution 3 set out in this Memorandum).

As such, the Company considers that the proposed issue of Shares to the Directors (and/or their nominee(s)) as set out in Resolutions 4, 5 and 6 falls within the exception set out in section 210 of the Corporations Act.

The nature of the financial benefit to be given to the Directors is the interest in the Shares subscribed for by each of the Directors (and/or their nominee(s)) as set out in the table above.

ASX Listing Rules

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Each of Mr Lurie, Mr Mutton and Dr Currie are related parties of the Company by virtue of being Directors. Therefore approval is required under Listing Rule 10.11 for the issue of the Shares (as per the table above) to them respectively.

Resolutions 4, 5 and 6 seek shareholder approval pursuant to Listing Rule 10.11 for the issue of the Shares to Mr Lurie, Mr Mutton and Dr Currie (and/or their nominee(s)) respectively on the same terms as the other subscribers under the Placement. If approval is given under Listing Rule 10.11, shareholder approval is not required under Listing Rule 7.1. Furthermore, shareholder approval of the issue of the Shares the subject of Resolutions 4, 5 and 6 means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Disclosures for the purposes of ASX Listing Rule 10.13

As Mr Lurie, Dr Currie and Mr Mutton are Directors of the Company, Shareholder approval is required in respect of the proposed issue of Ordinary Shares as described above.

The following disclosures are made for the purposes of ASX Listing Rule 10.13:

- (a) the Shares will be issued to the following individuals, each of whom is a Director of the Company (and/or their nominee(s)):
 - Mr Darren Lurie and/or his nominee(s) – 625,000 Ordinary Shares.
 - Mr Graeme Mutton and/or his nominee(s) – 1,875,000 Ordinary Shares.
 - Dr Philip Currie and/or his nominee(s) – 2,500,000 Ordinary Shares.
- (b) the maximum number of securities to be issued is 5,000,000 fully paid ordinary shares in accordance with the split noted at (a) and in the table above;
- (c) Shares the subject of Resolutions 4, 5 and 6 respectively will be issued and allotted no later than one (1) month after that date of the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or the Australian Securities and Investments Commission);
- (d) The Shares will be issued at the same price as under the Placement, being \$0.04 (4 cents) per share each. The Shares will rank equally with the Company's existing Shares;
- (e) A voting exclusion statement is included in this Notice; and
- (f) The issue of shares will be used to settle the outstanding Loan Advances (per the table above) provided by Directors. Funds raised have been, or will be, used towards obtaining regulatory approvals, marketing and working capital including inventory purchases.

Board Recommendation

The Board (other than Mr Lurie, Dr Currie and Mr Mutton, who abstain from the respective Resolutions affecting their own personal interests) recommend that Shareholders vote in favour of Resolutions 4, 5 and 6. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 4, 5 and 6.

Resolution 7: Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company continues actively working on developing its products, seeking regulatory approvals and reviewing new projects and investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds to acquire new assets or investments, to conduct further work on its products, seeking regulatory approvals or to meet additional working capital requirements.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Fully Paid Ordinary Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D)–E

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 17 October 2019 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.02 50% decrease in Current Share Price	\$0.04 Current Share Price	\$0.08 100% increase in Current Share Price
Current Variable A 470,178,800 Shares	10% Voting Dilution	47,017,880 Shares		
	Funds raised	\$940,358	\$1,880,715	\$3,761,430
50% increase in current Variable A 705,268,200 Shares	10% Voting Dilution	70,526,820 Shares		
	Funds raised	\$1,410,536	\$2,821,073	\$5,642,146

100% increase in current Variable A 940,357,600 Shares	10% Voting Dilution	94,035,760 Shares		
	Funds raised	\$1,880,715	\$3,761,430	\$7,522,861

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - No Options are exercised into Shares before the date of the issue of the Equity Securities;
 - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - The Current Share Price is **\$0.04** (4 cents), being the closing price of the Shares on ASX on **17 October 2019**.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition) and on the Company's current assets and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.
- (f) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Equity Issues over the Last 12 Months – Listing Rule 7.3A.6

For the purposes of Listing Rule 7.3A.6(a), the Company advises as follows:

Number of Equity Securities on issue at commencement of 12 month period	432,678,800
Equity securities issued in the prior 12 month period*	65,700,000
Percentage of share issues represent of total number of Equity Securities on issue at commencement of 12 month period	15.18%

* For full details of the issues of equity securities made by the Company since the date of the last Annual General Meeting, see Appendix 1. Included in this Appendix is a summary of the amount of funds raised as a result of the capital raisings during the previous 12 month period. Does not include Shares proposed to be issued with shareholder approval under Resolutions 4, 5 and 6.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 7.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2019;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHESS approved securities;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**CHESS**” has the meaning in Section 2 of the ASX Settlement Operating Rules;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Optiscan Imaging Limited ABN 81 077 771 987;

“**Constitution**” means the Memorandum and Articles of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Option**” means an option to acquire a Share;

“**Performance Right**” means the right to acquire a Share;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Optiscan Imaging Limited for the financial year ended 30 June 2019 and which is set out in the 2019 Annual Report;

“**Resolution**” means a resolution referred to in the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

“**VWAP**” means volume weighted average price.

APPENDIX 1

CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
20 June 2019	37,500,000	FPO	FPO	Issue of shares	Unrelated professional, sophisticated and other exempt investors identified by the Company with assistance from Patersons.	\$0.04	12.5% discount	\$1,500,000	Spent: \$360,000 Remaining: \$1,140,000 Funds raised have been, or will be, used towards obtaining regulatory approvals, marketing and working capital requirements including inventory purchases.
Total								\$1,500,000	

NON-CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
20 Dec 2018	2,600,000	Performance Rights	Performance Rights	Grant of Performance Rights	Directors and Employees with shareholder approval where required.	Nil	N/A	No funds raised	Performance rights issued for nil cash as incentive performance rights with shareholder approval (where required). The current value of the performance rights using the share price at 17 October 2019 of \$0.04 is \$104,000.
20 Dec 2018	25,600,000	Unlisted Options	Unlisted Options	Grant of unlisted options	Directors and Employees with shareholder approval where required.	Nil	N/A	N/A	Options issued for nil cash as incentive options with shareholder approval (where required). Funds raised upon exercise of options (if any) will be used to meet working capital requirements of the Company at the time of exercise. The value of the unlisted options was calculated as \$752,073.

Terms of options and performance rights were as set out in the Company's Notice of 2018 Annual General Meeting released to ASX on 30 October 2018 as follows:

- 6,400,000 unlisted options exercisable at \$0.05 on or before 31 May 2022 (subject to vesting conditions);
- 6,400,000 unlisted options exercisable at \$0.05 on or before 30 November 2022 (subject to vesting conditions);
- 6,400,000 unlisted options exercisable at \$0.065 on or before 31 May 2023 (subject to vesting conditions);
- 6,400,000 unlisted options exercisable at \$0.08 on or before 30 November 2023 (subject to vesting conditions);



Optiscan Imaging Limited
ACN 077 771 987



OIL

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

Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.00am (AEDT)**
Tuesday 26 November 2019

Proxy Form

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 or abstain as they choose (to the extent permitted by law). 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 FOR POSTAL FORMS

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

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

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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 Optiscan Imaging 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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Optiscan Imaging Limited to be held at the offices of Grant Thornton, Level 22, Tower 5, Collins Square, 727 Collins Street, Melbourne, Victoria, 3008 at 10.00am (AEDT) on Thursday, 28 November 2019 and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

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	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Mr Graeme Mutton as a Director of the Company	☐	☐	☐
Resolution 3	Ratification of prior share issue	☐	☐	☐
Resolution 4	Approval for the issue of Shares to Mr Darren Lurie (June 2019 Placement)	☐	☐	☐
Resolution 5	Approval for the issue of Shares to Mr Graeme Mutton (June 2019 Placement)	☐	☐	☐
Resolution 6	Approval for the issue of Shares to Dr Philip Currie (June 2019 Placement)	☐	☐	☐
Resolution 7	Approval of 10% Placement Facility	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

____/____/____

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Computershare +