

EUROGOLD LIMITED
(to be renamed 'BARD1 Life Sciences Limited')
ACN 009 070 384

**NOTICE OF GENERAL
MEETING**

relating to
the General Meeting of the Company to be held
at the offices of DLA Piper Australia, Level 31,
Central Park, 152-158 St Georges Terrace,
Perth, Western Australia on 24 March 2016 at
2:00pm (WST)

This Notice and the accompanying Explanatory Memorandum 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 adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9381 9550

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EUROGOLD LIMITED

ACN 119 070 384

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Eurogold Limited will be held at the offices of DLA Piper Australia, Level 31 Central Park, 152-158 St Georges Terrace, Perth Western Australia on 24, March 2016 at 2:00pm (WST).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 22 March 2016 at 2:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

- 1.1 To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, Shareholders authorise the Company to make a significant change to the nature and scale of its activities resulting from the BARDIAG Acquisition on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

- 1.2 The Company will disregard any votes cast on this Resolution by any person (or any associate of such a person) who might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if this Resolution is passed.
- 1.3 However, the Company will not disregard a vote if:
- 1.3.1 it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
 - 1.3.2 it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – APPROVAL OF NEW CLASS OF SECURITIES

- 2.1 To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of section 246B(1) of the Corporations Act and Article 2.3 of the Constitution and for all other purposes, the Company is authorised to create a new class of share on the terms and conditions set out in Schedule 2 ("**Performance Shares**")."*

3. RESOLUTION 3 – ISSUE OF SHARES AND PERFORMANCE SHARES TO THE BARDIAG SWAP VENDORS

3.1 To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to:

- a) 217,003,236 Shares; and
- b) 217,003,236 Performance Shares,

to the BARDIAG SWAP Vendors (or their nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

3.2 The Company will disregard any votes cast on this Resolution by the BARDIAG Vendors or any person who might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if this Resolution is passed or an associate of any such persons.

3.3 However, the Company will not disregard a vote if:

3.3.1 it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

3.3.2 it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO UNIGE / HUG

4.1 To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 12,500,000 Shares to UNIGE / HUG (or their nominee) at a deemed issue price of \$0.02 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

4.2 The Company will disregard any votes cast on this Resolution by UNIGE / HUG or any person who might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if this Resolution is passed or an associate of any such persons.

4.3 The Company will not disregard a vote if:

4.3.1 it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

4.3.2 it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – APPROVAL TO ISSUE CAPITAL RAISING SHARES

- 5.1 To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 150,000,000 Shares ("**Capital Raising Shares**") under the Prospectus at an issue price of \$0.02 per Share ("**Capital Raise**") and otherwise on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

- 5.2 The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of Capital Raising Shares and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any associates of those persons.
- 5.3 The Company will not disregard a vote if:
- 5.3.1 it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- 5.3.2 it is cast by the Chairperson 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. RESOLUTION 6 – CHANGE OF COMPANY NAME

- 6.1 To consider, and, if thought fit, to pass with or without amendment, as a special resolution the following:

"That, subject to each of the other Acquisition Resolutions being passed, with effect from the date that ASIC alters the details of the Company's registration in accordance with section 157 of the Corporations Act, the name of the Company be changed to 'BARD1 Life Sciences Limited'."

7. RESOLUTION 7 – APPOINTMENT OF DR IRMGARD IRMINGER-FINGER AS A DIRECTOR

- 7.1 To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Acquisition Resolutions being passed, in accordance with Article 6.2(c) of the Constitution, and with effect from Completion, Dr Irmgard Irminger-Finger be appointed as a Director."

8. RESOLUTION 8 – APPOINTMENT OF PROFESSOR GEOFFREY LAURENT AS A DIRECTOR

- 8.1 To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Acquisition Resolutions being passed, in accordance with Article 6.2(c) of the Constitution, and with effect from Completion, Professor Geoffrey Laurent be appointed as a Director."

9. RESOLUTION 9 – APPROVAL OF DIRECTOR'S PARTICIPATION IN PUBLIC OFFER (PETER GUNZBURG)

9.1 To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise Peter Gunzburg (or his nominee) to participate in the Public Offer to the extent of up to 5,000,000 Shares at an issue price of \$0.02 per Share on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

9.2 The Company will disregard any votes cast on this Resolution by Peter Gunzburg and his associates.

9.3 The Company will not disregard a vote if:

9.3.1 it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

9.3.2 it is cast by the Chairperson 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.

10. RESOLUTION 10 – APPROVAL OF DIRECTOR'S PARTICIPATION IN PUBLIC OFFER (BRETT MONTGOMERY)

10.1 To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise Brett Montgomery (or his nominee) to participate in the Public Offer to the extent of up to 5,000,000 Shares at an issue price of \$0.02 per Share on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

10.2 The Company will disregard any votes cast on this Resolution by Brett Montgomery and his associates.

10.3 The Company will not disregard a vote if:

10.3.1 it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

10.3.2 it is cast by the Chairperson 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.

11. RESOLUTION 11 - DEEDS OF INSURANCE, ACCESS & INDEMNITY

11.1 To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with chapter 2D of the Corporations Act and for all other purposes, approval be given to the Company to:

- a) *indemnify each Director and officer of the Company from time to time (together, the **Officers**) during their Office and after the cessation of that Office, in respect of certain claims made against the Officers in relation to the period of their Office;*
- b) *use its reasonable endeavours to procure an insurance policy and pay the premiums of insurance as assessed at market rates for the Officers in respect of certain claims made against the Officers in relation to the period of their Office (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company);*
- c) *use its reasonable endeavours to ensure that the Officers are at all times covered under an insurance policy for the period of seven years from the date that the Officers cease to hold Office (**Insurance Run-Off Period**), which will be on terms not materially less favourable to the Officers than the terms of insurance applicable at the date of termination of their Office, and to continue to pay those premiums during that Insurance Run-Off Period (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company); and*
- d) *provide the Officers with access, upon the termination of their Office, for a period of not less than seven years following that termination, to any Company records which are either prepared or provided by them during the period of their Office,*

on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

- 11.2 The Company will disregard any votes cast on this Resolution by the Officers and any of their associates.
- 11.3 The Company will not disregard a vote if:
 - 11.3.1 it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
 - 11.3.2 it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- 11.3.3 the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- 11.3.4 the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

12. RESOLUTION 12 – SECTION 195 APPROVAL

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolutions 9 and 10 (inclusive)."

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'P. Gunzburg', with a horizontal line underneath it.

Peter Gunzburg

Executive Chairperson

Dated: 22 February 2016

EUROGOLD LIMITED
ACN 119 070 384

EXPLANATORY MEMORANDUM

1. INTRODUCTION

- 1.1 This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the general meeting to be held at the offices of DLA Piper Australia, Level 31 Central Park, 152-158 St Georges Terrace, Perth Western Australia on 24, March 2016 at 2:00pm (WST).
- 1.2 This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.
- 1.3 This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

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| Section 2: | Action to be taken by Shareholders |
| Section 3: | Overview of the BARD1AG Acquisition, the BARD Intellectual Property and proposed Change to Nature and Scale of Activities |
| Section 4: | Resolution 1 - Change to Nature and Scale of Activities |
| Section 5: | Resolution 2 – Approval of New Class of Securities |
| Section 6 | Resolution 3 – Approval of BARD1AG Acquisition and issue of Shares and Performance Shares to the BARD1AG SWAP Vendors |
| Section 7 | Resolution 4- Approval to Issue Shares to UNIGE / HUG |
| Section 8: | Resolution 5 – Approval to Issue Capital Raising Shares |
| Section 9: | Resolution 6 – Change of Company Name |
| Section 10: | Resolution 7 – Appointment of Dr Irmgard Irminger-Finger as a Director Resolution 8 – Appointment of Professor Geoffrey Laurent as a Director |
| Section 11: | Resolution 9 – Approval of Director's Participation in Public Offer (Peter Gunzburg) Resolution 10 – Approval of Director's Participation in Public Offer (Brett Montgomery) |
| Section 12 | Resolution 11 - Deeds of Insurance, Access and Indemnity |
| Section 13 | Resolution 12 - Section 195 Approval |

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| SCHEDULE 1: | Definitions and Interpretation |
| SCHEDULE 2: | Terms and Conditions of Performance Shares |
| SCHEDULE 3: | Company Plans, Proposed Expenditure Program and Budget |
| SCHEDULE 5: | Proposed Director Appointments |
| SCHEDULE 4: | Pro Forma Statement of Financial Position |
| SCHEDULE 5: | Risk Factors |

1.4 A Proxy Form is enclosed with the Notice and this Explanatory Memorandum.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

2.1 The business of the Meeting affects your shareholding and your vote is important.

2.2 Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

Proxies

2.3 A Proxy Form is enclosed with the Notice and this Explanatory Memorandum. This is to be used by Shareholders if they wish to appoint a representative (a "*proxy*") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

2.4 To vote by proxy, please complete and sign the enclosed Proxy Form and return it by:

2.4.1 post to Unit B1 Tempo Building, 431 Roberts Road Subiaco WA 6000; or

2.4.2 facsimile to the Company on +61 8 9388 7559,

so that it is received not later than 2.00pm (WST) on 22 March 2016. Proxy Forms received later than this time will be invalid.

2.5 Please note that:

2.5.1 a proxy need not be a Shareholder;

2.5.2 a Shareholder may appoint a body corporate or an individual as its proxy;

2.5.3 a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and

2.5.4 Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

2.6 If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or

letter executed in accordance with the Corporations Act authorising him or her to act as that body corporate's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

3. OVERVIEW OF THE BARD1AG ACQUISITION, THE BARD1AG INTELLECTUAL PROPERTY AND PROPOSED CHANGE TO NATURE AND SCALE OF ACTIVITIES

Background to the BARD1AG Acquisition

3.1 As announced on 1 December 2015, the Company has executed conditional share sale and purchase agreements with the BARD1AG Vendors and BARD1AG ("**BARD1AG Share Purchase Agreements**"). The effect of the BARD1AG Share Purchase Agreements is that, subject to satisfaction (or, if applicable, waiver) of certain Conditions Precedent (summarised below), the Company has agreed to acquire all of the issued shares in the capital of BARD1AG from the BARD1AG Vendors.

3.2 The key terms of the BARD1AG Share Purchase Agreements are summarised below:

3.2.1 The BARD1 Share Purchase Agreements fall into one of four separate classes:

3.2.1.1 a long form share sale and purchase agreement, executed by Dr Irmgard Irminger-Finger. Under this agreement Dr Irminger-Finger (in her capacity as vendor) agrees, subject to the satisfaction (or to the extent permitted, waiver) of a range of conditions precedent (described in paragraph 3.2.2 below), to sell her 1,299,081 BARD1AG shares to the Company for consideration of 108,252,420 Shares and 108,252,420 Performance Shares. Dr Irminger-Finger (in her capacity as the vendor):

(a) provides the Company with the benefit of commercial/management warranties; and

(b) provides the Company with the benefit of a tax indemnity,

on terms considered customary for a transaction of this type.

3.2.1.2 a long form share sale and purchase agreement, executed by Tony Walker. This agreement is in substantially the same form as the share sale and purchase agreement signed by Dr Irminger-Finger. However:

(a) Mr Walker agrees to transfer 1,062,062 BARD1AG shares to the Company for consideration of 88,501,626 Shares and 88,501,626 Performance Shares;

(b) the sole condition precedent to completion occurring is the simultaneous completion of each other BARD1AG Share Purchase Agreement (which in effect incorporates all conditions precedent from the BARD1AG Share Purchase Agreement signed by Dr Irminger-Finger into the agreement); and

(c) the commercial/management warranties and tax indemnity provided by Mr Walker to the purchaser are given as at 1 July 2015 (as Mr Walker ceased to be a director of BARD1AG with effect from 1 July 2015).

3.2.1.3 a short form share sale and purchase agreement, executed by the balance of the BARD1AG SWAP Vendors. Under this agreement each vendor agrees,

subject to the satisfaction (or to the extent permitted, waiver) of a condition precedent (being the simultaneous completion occurring under each other BARD1AG Share Purchase Agreement, which in effect incorporates all conditions precedent from the BARD1AG Share Purchase Agreement signed by Dr Irminger-Finger into these agreements), to sell their respective BARD1AG shares to the Company for Shares and Performance Shares. The only warranties given by each vendor under this form of agreement is in respect of their title to the BARD1AG shares, and their capacity to transfer title to those shares.

3.2.1.4 a short form share sale and purchase agreement executed by the BARD1AG CASH Vendors. Under this agreement each vendor agrees, subject to the satisfaction (or to the extent permitted, waiver) of a condition precedent (being the simultaneous completion occurring under each other BARD1AG Share Purchase Agreement, which in effect incorporates all conditions precedent from the BARD1AG Share Purchase Agreement signed by Dr Irminger-Finger into these agreements), to sell their respective BARD1AG shares to the Company for cash consideration. The only warranties given by each vendor under this form of agreement is in respect of their title to the BARD1AG shares, and their capacity to transfer title.

3.2.2 The conditions precedent to completion occurring under Dr Irminger-Finger's BARD1AG Share Purchase Agreement are:

3.2.2.1 General

- (a) the Company completes due diligence on BARD1AG to its satisfaction, in its sole and absolute discretion;
- (b) the Company completes the capital raise under the Public Offer;
- (c) Dr Irmgard Irminger-Finger signs an employment agreement with the Company (on terms acceptable to the Company); and
- (d) there having been no event, occurrence or change that has had, or is reasonably likely to have a material adverse effect on the financial condition, assets, liabilities, results of operation or profitability of BARD1AG as at 5.00pm on the day immediately prior to the scheduled Completion Date.

3.2.2.2 Shareholder approvals

- (a) approval to change the nature or scale of the Company's activities in accordance with Listing Rule 11.1.2 and/or Listing Rule 11.1.3, with effect on and from Completion;
- (b) approval for the creation of the Performance Share class;
- (c) approval for the issue of the Shares and the Performance Shares to Dr Irminger-Finger pursuant to ASX Listing Rule 7.1;
- (d) approval to undertake the Public Offer pursuant to ASX Listing Rule 7.1;

- (e) approval, with effect on and from Completion, to the appointment of Dr Irminger-Finger as a director and the proposed change of Company name;

3.2.2.3 Other Approvals

- (a) any waivers required from ASX in connection with:
 - (i) the issue of the Shares and Performance Shares to the BARD1AG SWAP Vendors;
 - (ii) the issue of Shares in connection with the Public Offer;
- (b) the Company's re-compliance with Chapters 1 and 2 of the Listing Rules;
- (c) following the Company's re-compliance with Chapters 1 and 2 of the Listing Rules, ASX resolving to re-admit the Company to the official list on terms acceptable to the Company; and
- (d) the reinstatement of the Shares (except for any shares that are subject to a trading restriction) to Official Quotation;

3.2.2.4 any other waivers, approvals, consents or authorisations required by or from a regulatory authority or third party that are required to implement the BARD1AG Acquisition and the Public Offer; or necessary to ensure that, from Completion BARD1AG and the Company have the legal and beneficial interest in, and unfettered right to use and exploit, the BARD1AG Intellectual Property; and

3.2.2.5 any other waivers, approvals, consents or authorisations the Company considers (acting reasonably) are required in connection with the BARD1AG Acquisition and the Public Offer.

3.2.3 If Completion does not occur by 11.59pm on 31 March 2016, the BARD1AG Share Purchase Agreements can be terminated (by a BARD1AG Vendor or the Company) by written notice.

Overview of BARD1AG

3.2.4 BARD1AG is a Swiss public company limited by shares which was founded in 2010 to:

3.2.4.1 develop simple, non-invasive and cost-effective tests to screen for and diagnose cancers based on the gene and protein BARD1, which is aberrantly expressed in cancer cells; and

3.2.4.2 cultivate strategic partnerships to expand the use and application of its tests (once developed).

It has pioneered the development of a simple blood test for screening and diagnosing lung cancer at early stages of disease progression ("**BARD1AG Lung Cancer Test**").

Why is the development of a simple blood test for screening and diagnosing lung cancer important?

- 3.2.5 Lung cancer is the third most frequently diagnosed cancer in both men and women and accounts for about 13% of all new cancers¹. However, it is by far the leading cause of cancer deaths for both men and women; it accounts for about 27% of all cancer deaths, which is more than those caused by colon, breast and prostate cancers combined². Globally, there were 14.1 million new cases of cancer and 8.2 million deaths caused by cancer in 2012³. The American Cancer Society estimates that approximately 221,200 new cases of lung cancer will be diagnosed and 158,040 deaths will be caused by lung cancer in the US in 2015⁴. The Australian Institute of Health and Welfare estimates that approximately 11,880 new cases of lung cancer will be diagnosed and 8,790 deaths will be caused by lung cancer in Australia in 2015, and reports that the 5-year survival rate for patients diagnosed with lung cancer is currently 14%.⁵
- 3.2.6 The earlier cancer is diagnosed and treated the better chance that treatment will be successful. A key factor attributed to the high mortality rate for lung cancers is that diagnosis is currently only possible when a patient becomes symptomatic, which occurs at the later stages of the cancer's development. There is currently no screening test that can be used to routinely detect and diagnose lung cancers at a time when the disease is asymptomatic, and treatment is more likely to be effective.
- 3.2.7 Currently, the "gold standard" test to screen for lung cancer is a computed tomography scan ("CT scan"), a form of x-ray radiography. While CT scans are a useful tool for detecting suspicious pulmonary nodules, they cannot alone be used to diagnose lung cancer. Rather, if a suspicious nodule is identified in a CT scan, an invasive and costly biopsy must then be performed to determine whether the nodule is "malignant" (cancerous) or "benign" (non-cancerous).
- 3.2.8 BARD1AG (and the Company) believes that there is a critical medical need for a simple test capable of screening for and diagnosing lung cancer at an earlier stage in the progression of the disease than is currently possible using CT scans. There is also a pressing medical need for a non-invasive diagnostic test which is capable of being used (in conjunction with CT scans) to determine the malignant or benign nature of suspicious nodules. Such a test will assist with avoiding unnecessary biopsies, and reducing the necessity for surgical intervention to cancer diagnosis.
- 3.2.9 BARD1AG is developing the BARD1AG Lung Cancer Test to meet these medical needs: it is a simple, non-invasive blood test that exploits the "BARD1 protein signatures" that are expressed in lung cancer cells from the earliest stages of the disease.

The BARD1AG Intellectual Property

- 3.3 The BARD1AG Lung Cancer Test is based on the BARD1AG Intellectual Property. A key part of this is an exclusive license granted to BARD1AG by HUG and UNIGE (collectively, the "Institutions") to:

¹ <http://www.wcrf.org/int/cancer-facts-figures/worldwide-data>

² <http://www.cancer.org/cancer/lungcancer-non-smallcell/detailedguide/non-small-cell-lung-cancer-key-statistics>

³ <http://www.cancerresearchuk.org/health-professional/cancer-statistics/worldwide-cancer>

⁴ http://www.cancer.org/cancer/lungcancer-non-smallcell/detailedguide/non-small-cell-lung-cancer-key-statistics?&gclid=CLqg9Zzm9ccCFYYsvQod_oYK_g

⁵ <http://canceraustralia.gov.au/affected-cancer/cancer-types/lung-cancer/lung-cancer-statistics>

- 3.3.1 use and exploit intellectual property relating to "BARD1 ISOFORMS IN LUNG AND COLORECTAL CANCER AND USE THEREOF" UNIGE invention disclosure Nr. 648-A495 ("**Background IP**"); and
- 3.3.2 use and commercialise the BARD1 mRNA and protein isoforms and peptides that are expressed in lung and colon cancers.

The term of the license is until the last of the 'patent rights' granted expire (unless terminated earlier).

3.4 It is a condition of the UNIGE License Agreement that:

- 3.4.1 the Institutions also benefit from the commercial exploitation of the Background IP;
- 3.4.2 the Institutions are not prevented from conducting further research and collaboration; and
- 3.4.3 BARD1AG grant a 'Consortium License' to its 'European Project' consortium partners⁶. This means full access and license to the Background IP on fair and reasonable conditions during the post-European Project exploitation phase. As at the date of this Explanatory Memorandum, BARD1AG has not received any request to grant a Consortium License. To the extent that such a license is granted, the Company does not consider there will be any adverse impact on the BARD1AG Intellectual Property, or its ability to commercialise the diagnostic test.

- 3.5 The consideration granted to the Institutions by BARD1AG for the UNIGE License Agreement comprises a right to equity in BARD1AG, plus a trailing commission of 2% of net sales. Specifically, the Institutions have the right (beginning with the first commercial use) to a payment of 2% (+VAT) of the net sales of the licensed products sold by BARD1AG (either directly or through any distributors).
- 3.6 The Company has proposed to the Institutions that, subject to Completion occurring, their right to equity in BARD1AG be satisfied through the issue (to the Institutions or their nominee) of 12,500,000 EUG Shares. The Company is not aware of any reason why this proposal will not be accepted (the Institutions have an internal approval process underway), and accordingly is seeking the shareholder approval set out in Resolution 4.

Lead product development - the BARD1AG Lung Cancer Test

- 3.7 The development of the BARD1AG Lung Cancer Test is the result of extensive research by Dr Irmgard Irminger-Finger, senior researcher, Privat Dozent, head of the Molecular Gynecology and Obstetrics Laboratory at UNIGE and HUG and leading BARD1 biology researcher.
- 3.8 By way of background, 'BARD1' is a tumor suppressor gene coding for the protein BARD1, an important protein binding and stabilizing the BRCA1 protein. Cancer cells express a number of aberrant BARD1 molecules generated by alternative splicing. The combination of aberrant BARD1 molecules is specific for different cancers, and in particular lung cancer. The mechanism that regulates the expression of cancer-specific isoforms is not completely understood, but could be caused by mutations affecting the splicing pattern or regulated by other means.

⁶ BARD1AG was a participant in and co-ordinator of Specific Targeted Research Project: "BARDiag - Biomarker tests for early cancer detection (no. 262318)" under the Seventh Research and Technological Development Framework Programme of the European Commission ("**European Project**"). In addition to BARD1AG and UNIGE, the consortium members comprise: Genorama OU (Estonia), pluriSelect GmbH (Germany), Zenteris GmbH (Germany), Universitaet Leipzig (Germany), University of Tartu (Estonia) and Medizinische Universitaet Wien (Austria).

- 3.9 Cancer cells release aberrant BARD1 proteins into the extracellular environment, causing the body to generate circulating BARD1-specific antibodies. The BARD1AG Lung Cancer Test exploits the presence of these circulating antibodies, which serve as "biomarkers" for the announcement and progression of cancer cells.
- 3.10 Using a routine laboratory assay technique known as 'ELISA', Dr Irminger-Finger and her team have screened more than 200 lung cancer and 200 non-symptomatic healthy individuals for anti-BARD1 antibodies. By screening a peptide library of possible BARD1 antigens for capturing anti-BARD1 antibodies in the blood of lung cancer patients, Dr Irminger-Finger and her team were able to define an "optimal" combination of BARD1 peptide antigens, and accurately detect the presence of cancer in 95% of the lung cancer samples tested, with a "false positive" rate of no more than 5% of the control samples tested.
- 3.11 While this initial work could have been developed, and is covered by the BARD1AG Intellectual Property, it was not pursued completely (by BARD1AG or the consortium partners in relation to the European Project - see section 3.4.3 above) because the European Union grant funding was provided only for the initial period, and for the specific purpose of performing the "proof of concept" study.

Planned further study

- 3.12 BARD1AG has undertaken limited further studies seeking to validate the results of the initial "proof of concept" studies. In particular, the samples of lung cancer and controls were divided into a "training" set and a "validation" set. The training set was used to define a peptide antigen signature for lung cancer, using statistical modeling techniques, which was then applied onto the validation set. The division into training set and validation set was performed repeatedly with statistical randomization. The average result for the validation set was clearly above 90% detection with less than 10% false positives. These results demonstrated that the BARD1AG Lung Cancer Test was statistically validated. However, primarily owing to cost constraints, BARD1AG has been unable to extend these studies to sample sizes sufficient to produce statistically significant results for defined groups of patient age, gender, or origin, or of lung cancer type and stage. Furthermore, to date BARD1AG has not had the financial resources necessary to validate the BARD1AG Lung Cancer Test using different devices, and further optimize the test.
- 3.13 In order to take the BARD1AG Lung Cancer Test beyond "proof of concept" studies, the Company (via BARD1AG) plans to:
- 3.13.1 **Improve the technical aspects of the BARD1AG Lung Cancer Test** - including standardising test componentry, and developing and optimising internal standards. For example, ELISA tests can be performed on test supports from various suppliers. While the results obtained with the current supplier are satisfactory, there may be scope for improvement in the quality of test supports from other suppliers.
 - 3.13.2 **Perform tests on larger sample sizes and a broader range of samples** - including lung cancers of different types and stages, and lung cancers and controls from different geographical and ethnic origins. Antibodies are made against antigenic regions of the BARD1 proteins produced by cancer cells. There might be antigenic responses that are prevalent in a geographic region of a subset of the population.
 - 3.13.3 **Perform a prospective clinical study** - on a cohort of at-risk individuals and in conjunction with CT scans. At risk individuals (smokers and former smokers) will be recruited for CT scans and the BARD1AG Lung Cancer Test. This prospective study will determine the capacity of the BARD1AG Lung Cancer Test for early detection of lung cancer in non-symptomatic individuals.

- 3.14 Further details regarding the planned clinical study is set out in Part 1 of Schedule 3. The commercial goals will be to:
- 3.14.1 verify that the BARD1AG Lung Cancer Test achieves a lung cancer detection rate of greater than 90%, and a false positive rate of less than 10% . Based on the study defining these respective values for a “training” set and a “validation” set (see section 3.10 above), these values appear reasonable and achievable;
 - 3.14.2 position the BARD1AG Lung Cancer Test as a highly effective diagnostic tool for commercialisation; and
 - 3.14.3 develop an affordable lung cancer detection test that is capable of screening for early-stage lung cancer in a central pathology laboratory.

Business Model

- 3.15 As the BARD1AG Lung Cancer Test remains under development, no decision has yet been made about how it will be commercialised. However, BARD1AG has considered the following commercialisation strategies:
- 3.15.1 licensing the BARD1AG Lung Cancer Test to diagnostic companies including ELISA-based platform providers, CT scan providers and clinical diagnostics laboratories; or
 - 3.15.2 trade sale or other exit.

Public Offer of Shares under a Prospectus to raise capital

- 3.16 Subject to Shareholder approval, the Company is proposing to raise up to \$3,000,000 (before costs) through the offer of up to 150,000,000 Shares under a Prospectus at an issue price of \$0.02 per Share ("**Public Offer**") to:
- 3.16.1 assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules;
 - 3.16.2 provide the Company with sufficient funding to:
 - 3.16.2.1 fund the Proposed clinical study;
 - 3.16.2.2 develop and exploit the BARD1AG Intellectual Property; and
 - 3.16.2.3 provide the Company with additional working capital for its current and future expanded business.

Change of company name and proposed Director appointments

- 3.17 Subject to Completion of the BARD1AG Acquisition, the Company proposes to:
- 3.17.1 change its name to "BARD1 Life Sciences Limited"; and
 - 3.17.2 change the composition of the Board, with:
 - 3.17.2.1 Pauline Collinson stepping down from her position as a Director; and
 - 3.17.2.2 the appointments of Dr Irmgard Irminger-Finger and Professor Geoffrey Laurent as Directors.

Shareholder approvals for these changes is being sought pursuant to Resolutions 6, 7 and 8.

Pro-forma Capital Structure

- 3.18 On the basis that the Company completes the BARD1AG Acquisition, the conditions of the Public Offer are satisfied, the Public Offer is fully subscribed and UNIGE / HUG agree to hold shares in a listed public company, the Company's capital structure will be as follows:

| Item | |
|---|-------------|
| Shares on issue at the date of this Notice | 172,493,350 |
| Shares to be issued to the BARD1AG SWAP Vendors | 217,003,236 |
| Shares to be issued to HUG and UNIGE | 12,500,000 |
| Shares to be issued under the Public Offer | 150,000,000 |
| Total Shares following completion of the Offers | 551,996,586 |
| Performance Shares | 217,003,236 |
| Fully diluted Share capital | 768,999,822 |

Notes: the fully diluted Share capital assumes that the Milestone is achieved and the Performance Shares convert to Shares in accordance with their terms of issue.

Company plans and pro-forma statement of financial position

- 3.19 Further details regarding the Company's plans on completion of the BARD1AG Acquisition are set out in Schedule 3.
- 3.20 A pro-forma statement of financial position for the Company following completion of the BARD1AG Acquisition and the Public Offer is set out in Schedule 4.

Advantages of the BARD1AG Acquisition

- 3.21 The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's determination on how to vote on the Acquisition Resolutions:
- 3.21.1 in the current market environment there is a greater likelihood of restoring shareholder value by changing the nature of the Company's business to focus on the medical diagnostic industry rather than remaining an investor in the resources sector;
 - 3.21.2 the potential increase in market capitalization of the Company following completion of the BARD1AG Acquisition and the associated Public Offer may lead to increased coverage from investment analysts, access to improved equity capital market opportunities and increased liquidity; and
 - 3.21.3 while there can be no certainty, if the planned clinical study ultimately results in the development of an affordable, minimally invasive lung cancer detection test that is capable of being routinely performed in a standard clinical laboratory then, in addition to the incredible social benefit of such a test, the commercial prospects of the BARD1AG Lung Cancer Test are exciting.

Disadvantages of the BARD1AG Acquisition

- 3.22 The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's determination on how to vote on the Acquisition Resolutions:
- 3.22.1 the Company will be changing the nature of its activities to become a company focused on the development of a diagnostic test for lung cancer, which may not be consistent with the objectives of some shareholders;
 - 3.22.2 the Company will seek to re-comply with the Listing Rules if shareholder approval is obtained. There is no guarantee that the Company will successfully re-comply with the requirements or that ASX will quote all securities of the Company on passing the Resolutions;
 - 3.22.3 the BARD1AG Acquisition will result in the issue of Shares and Performance Shares to the BARD1AG SWAP Vendors, the issue of Shares under the Public Offer and may result in the issue of Shares to UNIGE / HUG (or its nominee), all of which will have a dilutive effect on the current holdings of Shareholders. Current Shareholders will hold 31.25% of the issued capital of the Company post the BARD1AG Acquisition, assuming \$3,000,000 is raised under the Public Offer and UNIGE / HUG agrees to hold shares in a listed company. This will decrease to 22.43% if the Performance Shares are converted upon the satisfaction of the Milestone;
 - 3.22.4 there can be no certainty that the planned clinical study will ultimately result in the development of an affordable, minimally invasive lung cancer detection test that is capable of being routinely performed in a standard clinical laboratory and successfully commercialised; and
 - 3.22.5 there are risk factors associated with the medical diagnostic industry which the Company will be exposed to (some of these risks are set out in Schedule 6).

Risk Factors

- 3.23 Shareholders should be aware that if the Acquisition Resolutions are approved and the BARD1AG Acquisition is completed, the Company will be changing the nature and scale of its activities which will result in it being subject to various risk factors (in addition to those that are presently applicable). These risks are both specific to the industry in which the Company will operate and also relate to the general business and economic environment in which the Company will operate. Based on the information available, a non-exclusive list of these risk factors is detailed in Schedule 6.

Plans for the Company if the BARD1AG Acquisition is not completed

- 3.24 If the Company does not complete the BARD1AG Acquisition, it will continue to investigate, and as required, undertake due diligence on, new opportunities.
- 3.25 Shareholders should note that:
- 3.25.1 if the Company does not complete the BARD1AG Acquisition, the Company will not proceed with the Public Offer in its current proposed form; and
 - 3.25.2 ASX will automatically remove the Company from the Official List if the Company does not have sufficient activities to warrant re-quotations by 5 June 2016.

Indicative Timetable

- 3.26 The following is an indicative timetable for, amongst other things, completion of the BARD1AG Acquisition and the Public Offer.

| Event | Indicative Date |
|---|-------------------------------|
| Despatch of Notice | 22 February 2016 |
| Lodgement of Prospectus with ASIC and ASX | 4 March 2016 |
| Lodgement of listing application with ASX | 11 March 2016 |
| Last day for lodgement of Proxy Form | 22 March 2016 at 2.00pm (WST) |
| Snapshot date for eligibility to vote at Meeting | 22 March 2016 at 2.00pm (WST) |
| Meeting | 24 March 2016 at 2.00pm (WST) |
| Public Offer closes | 4 April 2016 |
| Despatch of holding statements | 11 April 2016 |
| Completion of the BARD1AG Acquisition | 11 April 2016 |
| Satisfaction of Chapters 1 and 2 of the Listing Rules | 20 April 2016 |
| Expected date for reinstatement of the Company's securities to trading on the ASX | 20 April 2016 |

*The above timetable is indicative only and subject to change. The Directors reserve the right to amend the timetable without notice and will keep Shareholders updated (via ASX announcements) on the timing of the completion of the BARD1AG Acquisition as it progresses.

Directors' Recommendation

- 3.27 The Directors unanimously recommend that Shareholders vote in favour of the Acquisition Resolutions.

Interdependence of Resolutions

- 3.28 The Acquisition Resolutions are interdependent, meaning that Shareholders must pass each of the Acquisition Resolutions for the BARD1AG Acquisition and the Public Offer to proceed.

Forward Looking Statements

- 3.29 The forward looking statements in this Explanatory Memorandum are based on the Company's current expectations about future events. However, they are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Explanatory Memorandum. These risks include but are not limited to, the risks detailed in

Schedule 6. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

4. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

General

- 4.1 Resolution 1 (an ordinary resolution) seeks approval from Shareholders for a change to the nature and scale of the activities of the Company as a result of the BARD1AG Acquisition and the Public Offer.
- 4.2 Resolution 1 is subject to Shareholder approval of each of the other Acquisition Resolutions.
- 4.3 The Chairperson will cast all available proxies in favour of Resolution 1.

Listing Rule 11.1

- 4.4 Chapter 11 of the Listing Rules requires Shareholders to approve any significant change to the nature or scale of an ASX listed company's activities. The completion of the BARD1AG Acquisition will have the effect of changing the nature, and increasing the scale, of the Company's activities.
- 4.5 Where an ASX listed company seeks to change the nature or scale of its activities, it must:
 - 4.5.1 under Listing Rule 11.1.1, notify ASX of the proposed change;
 - 4.5.2 under Listing Rule 11.1.2, obtain shareholder approval to undertake the change, if required by ASX; and
 - 4.5.3 under Listing Rule 11.1.3, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the Company was applying for admission to the official list of ASX, if required by ASX. The ASX has confirmed that the Company will need to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. The Company proposes to undertake the Public Offer pursuant to Resolution 4 to satisfy the requirements of re-compliance.
- 4.6 As detailed in section 3 of this Explanatory Memorandum (which includes detailed information on the BARD1AG Acquisition and the likely effect of the acquisition on the Company), the Company:
 - 4.6.1 has agreed to undertake the BARD1AG Acquisition, subject to the satisfaction of certain Conditions Precedent (refer to clause 3.2.1), including but not limited to, the obtaining of Shareholder approval; and
 - 4.6.2 is proposing to undertake the Public Offer.
- 4.7 If Shareholders pass all of the Acquisition Resolutions, trading of Shares on ASX will not automatically be reinstated. Rather, the Shares will remain suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3. It is anticipated that the re-quotations of the Company's Shares will occur around 20 April 2016 (refer to clause 3.24).
- 4.8 A voting exclusion statement in respect to Resolution 1 is included in the Notice.

Listing Rule Waiver

- 4.9 Listing Rule 2.1, Condition 2 provides that the issue price or sale price of all securities for which an entity seeks quotation (except options) must be at least \$0.20. ASX has granted the Company a

waiver from Listing Rule 2.1 Condition 2 to the extent necessary to allow the issue price of the Shares proposed to be issued pursuant to the Public Offer to be less than \$0.20, on the condition that the issue price is not less than \$0.02 each and Shareholders approve the issue price (as contemplated by Resolution 4).

Director Recommendation

4.10 The Directors recommend that Shareholders vote in favour of Resolution 1.

5. RESOLUTION 2 – APPROVAL OF NEW CLASS OF SECURITIES

5.1 Resolution 2 (a special resolution) seeks Shareholder approval to create the Performance Shares as a new class of shares. The proposed terms and conditions of issue for Performance Shares are set out in Schedule 2.

5.2 Resolution 2 is subject to Shareholder approval of each of the other Acquisition Resolutions.

5.3 Under Article 2.1 of the Constitution and subject to the Corporations Act, the Directors may allot and issue unissued shares on any terms (including the creation of a new class of security), at any time and for any consideration, as the Directors resolve.

5.4 Section 246C(5) of the Corporations Act provides that if a company has one class of share and seeks to issue a new class of share, such issue is taken to vary the rights attached to the shares already issued.

5.5 Under section 246B(1) of the Corporations Act, if a company has a constitution which sets out the procedure for varying or cancelling rights attached to shares in a particular class those rights may be varied or cancelled in accordance with the procedure.

5.6 In accordance with Article 2.3 of the Constitution, the Company may vary rights attached to shares in a particular class by:

5.6.1 a special resolution passed at a meeting of the Shareholders holding shares in that class;
or

5.6.2 the written consent of the Shareholders who are entitled to at least 75% of the votes that may be cast in respect of the shares in that class.

5.7 Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares as a new class of shares on the terms set out in Schedule 2.

5.8 The Company will also seek approval from Shareholders to the issue of Performance Shares to the BARD1AG SWAP Vendors under Resolution 3.

5.9 Listing Rule 6.1 provides that the terms that apply to each class of equity securities must, in ASX's opinion, be appropriate and equitable. ASX has advised that it considers the proposed terms of the Performance Shares are appropriate and equitable for the purposes of listing rule 6.1, subject to the following conditions (all of which are either consistent with the proposed terms of issue set out in Schedule 2, or the shareholder approval sought under Resolution 2):

5.9.1 the Company obtains shareholder approval for the issue of the Performance Shares and the notice of meeting seeking shareholder approval for the Acquisition and Public Offer, including the issue of the Performance Shares includes sufficient information about the terms and conditions of the Performance Shares including, if applicable, approval for the issue of the Performance Shares which are held by a related party pursuant to Chapter 2E of the *Corporations Act 2001 (Cth)*;

- 5.9.2 the Performance Shares are not quoted;
- 5.9.3 the Performance Shares are not transferable;
- 5.9.4 the Performance Shares do not have voting rights, subject to those required by law;
- 5.9.5 the Performance Shares do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues;
- 5.9.6 the Performance Shares do not carry an entitlement to a dividend;
- 5.9.7 each Performance Share is converted into one fully paid ordinary share on achievement of the relevant milestones;
- 5.9.8 if the milestone relating to the Performance Shares is not achieved by the fifth anniversary of the issue of the Performance Shares (“Expiry Date”), then the Performance Shares that remains on issue at the Expiry Date will convert into one Share;
- 5.9.9 the Company makes an announcement upon the conversion of any of the Performance Shares;
- 5.9.10 the terms and conditions of the Performance Shares including without limitation the relevant milestones that have to be satisfied before the Performance Shares may be converted into fully paid ordinary shares, are not to be changed without the prior approval of ASX and the Company's shareholders;
- 5.9.11 the Company discloses the following in each annual report, annual audited accounts, half-yearly report and quarterly cashflow report issued by the Company in respect of any period during which any of the Performance Shares remain on issue or were converted or cancelled:
 - 5.9.11.1 the number of Performance Shares on issue during the relevant period;
 - 5.9.11.2 a summary of the terms and conditions of the Performance Shares, including without limitation the number of fully paid ordinary shares into which they are convertible and the milestones that have to be satisfied in order for the Performance Shares to be converted;
 - 5.9.11.3 whether any of the Performance Shares were converted or cancelled during that period;
 - 5.9.11.4 whether a milestone for the Performance Shares was met during that period; and
- 5.9.12 the Company discloses the following in item 9 of each Appendix 3B lodged by the Company while any of the Performance Shares remain on issue:
 - 5.9.12.1 the number of Performance Shares on issue at the time of lodgement of the Appendix 3B; and
 - 5.9.12.2 the conversion ratio of the Performance Shares into Shares upon achievement of a relevant milestone.

Director Recommendation

- 5.10 The Directors recommend that Shareholders vote in favour of Resolution 2.

6. RESOLUTION 3 – APPROVAL OF ISSUE OF SHARES AND PERFORMANCE SHARES TO THE BARD1AG SWAP VENDORS

General

- 6.1 As outlined in section 3 of this Explanatory Memorandum, the Company has executed conditional share sale and purchase agreements with the BARD1AG Vendors and BARD1AG ("**BARD1AG Share Purchase Agreements**"). The effect of the BARD1AG Share Purchase Agreements is that, subject to satisfaction (or, if applicable, waiver) of certain Conditions Precedent (summarised below), the Company has agreed to acquire all of the issued shares in the capital of BARD1AG from the BARD1AG Vendors.
- 6.2 The Conditions Precedent include the requirement to obtain Shareholder approval.
- 6.3 A detailed description of the BARD1AG Acquisition, the BARD1AG Intellectual Property and the proposed change to the nature and scale of the Company's activities that will result from the BARD1AG Acquisition is set out in section 3 above.
- 6.4 Resolution 3 (an ordinary resolution) seeks Shareholder approval to the issue of up to:
- 6.4.1 217,003,236 Shares; and
- 6.4.2 217,003,236 Performance Shares,
- to the BARD1AG SWAP Vendors (or their nominees) on the terms and conditions set out in the Explanatory Memorandum.
- 6.5 Resolution 3 is subject to Shareholder approval of each of the other Acquisition Resolutions.
- 6.6 The Chairperson will cast all available proxies in favour of Resolution 3.

Listing Rule 7.1

- 6.7 Listing Rule 7.1 provides, subject to certain exceptions, that shareholder approval is required for any issue of equity securities by a listed company, where the equity securities proposed to be issued represent more than 15% of the Company's ordinary securities then on issue.
- 6.8 Given the Shares and Performance Shares to be issued under Resolution 3 will exceed the 15% threshold set out in Listing Rule 7.1 and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required under Listing Rule 7.1.

Specific Information Required by Listing Rule 7.3

- 6.9 For the purposes of Shareholder approval of the issue of the Shares and Performance Shares to the BARD1AG SWAP Vendors and the requirements of Listing Rule 7.3, the following information is provided:
- 6.9.1 the maximum number of securities to be issued under Resolution 3 is 217,003,236 Shares and 217,003,236 Performance Shares;
- 6.9.2 the deemed issue price of the Shares will be \$0.02 per share. The issue price of the Performance Shares will be NIL. No funds will be raised from the issue of the Shares or Performance Shares to the BARD1AG SWAP Vendors (because they form part of the total consideration for the BARD1AG Acquisition).

It is noted that in accordance with the proposed terms of issue for the Performance Shares, the Company will allot and issue Shares immediately upon conversion of the Performance Shares (i.e. upon the Milestone being achieved) for no consideration;

- 6.9.3 The persons to whom the Shares and Performance Shares will be issued are:
- 6.9.3.1 Dr Irmgard Irminger - 108,252,420 Shares and 108,252,420 Performance Shares;
 - 6.9.3.2 Tony Walker - 88,501,626 Shares and 88,501,626 Performance Shares;
 - 6.9.3.3 Professor Geoffrey Laurent - 9,999,600 Shares and 9,999,600 Performance Shares;
 - 6.9.3.4 David Finger - 5,124,795 Shares and 5,124,795 Performance Shares; and
 - 6.9.3.5 Florian Irminger - 5,124,795 Shares and 5,124,795 Performance Shares;
- 6.9.4 the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares;
- 6.9.5 the Performance Shares have the terms and conditions set out in Schedule 2;
- 6.9.6 the Shares and Performance Shares will be issued to all BARD1AG SWAP Vendors on the same date, and no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow); and
- 6.9.7 a voting exclusion statement is included in the Notice.

Director Recommendation

- 6.10 The Directors recommend that Shareholders vote in favour of Resolution 3.

7. RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO UNIGE / HUG

- 7.1 As outlined in section 3 of this Explanatory Memorandum, the consideration granted to the Institutions by BARD1AG for the UNIGE License Agreement comprises a right to equity in BARD1AG.
- 7.2 The Company has proposed to the Institutions that, subject to Completion occurring, their right to equity in BARD1AG under the UNIGE License Agreement be satisfied through the issue of 12,500,000 Shares to the Institutions (or their nominee).
- 7.3 The Institutions have an internal approval process to complete before they can confirm their agreement to hold shares in a listed company. Accordingly, as at the date of this Explanatory Memorandum the Institutions have not agreed to hold shares in the Company.
- 7.4 Resolution 4 (an ordinary resolution) seeks Shareholder approval pursuant to Listing Rule 7.1 to the issue of up to 12,500,000 Shares to UNIGE / HUG (or their nominee) on the terms and conditions set out in the Explanatory Memorandum.
- 7.5 A summary of Listing Rule 7.1 is provided in section 6.7 above. While the Shares to be issued under Resolution 4 will not exceed the 15% threshold set out in Listing Rule 7.1, Shareholder approval to the proposed Share issue is sought under Listing Rule 7.1 so that, from Completion, the Company has its full placement capacity available.

- 7.6 Resolution 4 is subject to Shareholder approval of each of the other Acquisition Resolutions.
- 7.7 The Chairperson will cast all available proxies in favour of Resolution 4.

Specific Information Required by Listing Rule 7.3

- 7.8 For the purposes of Shareholder approval of the issue of the Shares to UNIGE / HUG (or their respective nominees) and the requirements of Listing Rule 7.3, the following information is provided:
- 7.8.1 the maximum number of securities to be issued under Resolution 4 is 12,500,000 Shares;
- 7.8.2 Consistent with the Capital Raise, the deemed issue price of the Shares will be \$0.02 per share. No funds will be raised from the issue of the Shares to UNIGE / HUG, which are effectively required under the terms of the UNIGE License Agreement and form part of the BARDIAG Acquisition.
- 7.8.3 The persons to whom the Shares will be issued are UNIGE / HUG (or their respective nominees):
- 7.8.4 the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares;
- 7.8.5 the Shares will be issued to UNIGE / HUG on the same date, and no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow); and
- 7.8.6 a voting exclusion statement is included in the Notice.

Director Recommendation

- 7.9 The Directors recommend that Shareholders vote in favour of Resolution 4.

8. RESOLUTION 5 - APPROVAL TO UNDERTAKE CAPITAL RAISE

General

- 8.1 Resolution 5 (an ordinary resolution) seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 150,000,000 Shares each at an issue price of \$0.02 to raise up to approximately \$3,000,000 (before costs of the offer).
- 8.2 The Company intends to raise capital from the general public pursuant to a Prospectus issued in accordance with the Corporations Act ("**Public Offer**"). The proposed use of funds raised from the Public Offer is set out in clause 8.5.6.
- 8.3 A summary of Listing Rule 7.1 is provided in section 6.7 above.
- 8.4 Resolution 5 is subject to Shareholder approval of each of the other Acquisition Resolutions.

Specific Information Required by Listing Rule 7.3

- 8.5 For the purposes of Shareholder approval of the issue of the Shares under the Public Offer and the requirements of Listing Rule 7.3, the following information is provided:

- 8.5.1 the maximum number of Shares to be issued under the Public Offer is 150,000,000 Shares;
 - 8.5.2 the Company will issue the Shares no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
 - 8.5.3 the Shares will be issued at an issue price of \$0.02 each;
 - 8.5.4 the Shares will be issued to the general public, which will exclude related parties of the Company (other than as approved under Resolution 9);
 - 8.5.5 the Shares issued will be fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue;
 - 8.5.6 the funds raised from the Public Offer will be applied towards:
 - 8.5.6.1 funding the planned clinical study;
 - 8.5.6.2 developing and exploiting the BARD1AG Intellectual Property; and
 - 8.5.6.3 the satisfaction of the costs associated with the BARD1AG Acquisition and the Public Offer.
- A proposed expenditure program and budget is set out in Part 2 of Schedule 3;
- 8.5.7 the issue of the Shares under the Public Offer may occur progressively, subject to paragraph 8.5.2 above; and
 - 8.5.8 a voting exclusion statement is included in the Notice.

Director Recommendation

- 8.6 As each Director is proposing to participate in the Public Offer (completion of which is conditional on each of the Acquisition Resolutions being passed), the Directors do not believe that it is appropriate for them to make a recommendation as to whether or not Shareholders should approve Resolution 4.

9. RESOLUTION 6 – CHANGE OF COMPANY NAME

- 9.1 As part of the BARD1AG Acquisition, the Directors have determined to change the Company name to "BARD1 Life Sciences Limited". This name has been reserved by the Company and is currently available.
- 9.2 Resolution 6 (a special resolution) seeks Shareholder approval to the change of Company name in accordance with section 157 of the Corporations Act.
- 9.3 Resolution 6 is subject to Shareholder approval of each of the other Acquisition Resolutions. If passed, the change of name will take effect from the date ASIC alters the details of the Company's registration.

Director Recommendation

- 9.4 The Directors recommend that Shareholders vote in favour of Resolution 6.

10. RESOLUTION 7 AND 8– APPOINTMENT OF DIRECTORS

Background

- 10.1 Article 6.2(c) of the Constitution provides that the Company in general meeting may by ordinary resolution appoint any person as Director.
- 10.2 Each of Dr Irmgard Irminger-Finger and Professor Geoffrey Laurent, having consented to act, seek approval to be appointed as Directors with effect from the completion of the BARD1AG Acquisition.
- 10.3 It is noted that:
- 10.3.1 Dr Irminger-Finger does not currently hold any shares in the Company, but on and from Completion, will hold 108,252,420 Shares and 108,252,420 Performance Shares; and
- 10.3.2 Professor Geoffrey Laurent currently holds 571,000 shares in the Company and, on and from Completion, will hold 10,570,600 Shares and 9,999,600 Performance Shares.
- 10.4 A summary of the respective expertise of Dr Irmgard Irminger-Finger and Professor Geoffrey Laurent is set out in Schedule 5.

Director Recommendation

- 10.5 The Directors consider that the appointments of Dr Irminger-Finger and Professor Geoffrey Laurent to the Board are particularly important for their scientific expertise (in the context of the Company's change in nature of activities and commercial objectives from Completion) and recommend that Shareholders vote in favour of Resolutions 7 and 8.

11. RESOLUTIONS 9 & 10 – APPROVAL OF DIRECTOR'S PARTICIPATION IN PUBLIC OFFER

General

- 11.1 Resolutions 9 and 10 (each an ordinary resolution) seeks Shareholder approval pursuant to Listing Rule 10.11 to enable Peter Gunzburg and Brett Montgomery (or their respective nominees) to participate in the Capital Raise on the same terms and conditions as other investors under the Public Offer.
- 11.2 Subject to obtaining the approval of Shareholders (and completed application forms), the Company will issue up to 5,000,000 Shares to each of Peter Gunzburg and Brett Montgomery (or their respective nominees) for a maximum of 10,000,000 in aggregate.
- 11.3 If Shareholders do not approve:
- 11.3.1 Resolution 9, the Company will not issue any Shares to Peter Gunzburg (or his nominee) pursuant to the Public Offer.
- 11.3.2 Resolution 10, the Company will not issue any Shares to Brett Montgomery (or his nominee) pursuant to the Public Offer.
- 11.4 Resolutions 9 and 10 will only be relevant if the Shareholders approve the Acquisition Resolutions.
- 11.5 The Chairperson will cast all available proxies in favour of Resolutions 9 and 10.

Section 208 of Corporations Act

- 11.6 In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.
- 11.7 Each of Peter Gunzburg and Brett Montgomery are a related party of the Company by reason of their position as a Director and the issue of Shares under the Prospectus to Peter Gunzburg and Brett Montgomery (or their respective nominees) will constitute the giving of a financial benefit for the purposes of section 208 of the Corporations Act.
- 11.8 The Board considers that Shareholder approval under section 208 of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. Any Shares ultimately issued to Peter Gunzburg and Brett Montgomery (or their respective nominees) will be issued on the same terms as non-related party participants in the Public Offer and as such the giving of the financial benefit will be on arm's length terms.

Listing Rule 10.11

- 11.9 In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.
- 11.10 As approval of Shareholders is being sought pursuant to Listing Rule 10.11, Shareholder approval under Listing Rule 7.1 is not required, in accordance with Exception 14 of Listing Rule 7.2.

Specific information required by Listing Rule 10.13

- 11.11 For the purposes of Shareholder approval to the issue of Shares to Peter Gunzburg and Brett Montgomery (or their respective nominees) and the requirements of Listing Rule 10.13, the following information is provided:
- 11.11.1 the Shares will be issued to Peter Gunzburg and Brett Montgomery (or their respective nominees).
- 11.11.2 a maximum of 5,000,000 Shares will be issued to each of Peter Gunzburg and Brett Montgomery (or their respective nominees) for a maximum of 10,000,000 Shares in aggregate.
- 11.11.3 the Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- 11.11.4 the Shares will each be issued at a price of \$0.02 per Share.
- 11.11.5 the Shares will be fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- 11.11.6 the funds raised from the issue of the Shares will be aggregated with and used for the same purposes as the funds raised from the Public Offer - see paragraph 8.5.6 above.
- 11.11.7 A voting exclusion statement is included in the Notice.

Director Recommendations

- 11.12 Each of Peter Gunzburg and Brett Montgomery, as a Director proposing to participate in the Public Offer (completion of which is conditional on each of the Acquisition Resolutions being passed), does

not believe that it is appropriate for them to make a recommendation as to whether or not Shareholders should approve Resolutions 9 or 10.

12. RESOLUTION 11- DEEDS OF INSURANCE, ACCESS AND INDEMNITY

General

12.1 The purpose of Resolution 10 (an ordinary resolution) is to enable the Company to provide its Directors and Officers with a reasonable level of protection in relation to claims made against them in relation to the period of their Office.

12.2 Given the duties and responsibilities of directors and officers of a public company and their potential liabilities, the Directors consider it appropriate that they be suitably protected from certain claims made against them. The proposed protection will not extend to the extent it is prohibited by the Corporations Act.

12.3 As a person may be called to account for his or her actions several years after ceasing to hold Office; it is considered reasonable that suitable protection should extend for a period of time after a Director has ceased to hold Office.

12.4 It is generally recognised that a director or officer or former director or officer of a company may face considerable difficulty in properly answering or defending any claim made against them, particularly, as is often the case, where the claim is brought after the director ceases to hold Office. Difficulties may arise by reason of the following:

12.4.1 **No indemnity after cessation of Office** - while the Constitution provides Directors with an indemnity in respect of claims made while they hold Office, the indemnity arguably ceases if they cease to hold Office. Without the benefit of an indemnity, the cost of defending such a claim in respect of the actions of a Director or former Director, even if the claim is ultimately proven to be without merit, can be considerable and beyond the financial resources of the individual Director.

12.4.2 **Maintenance of insurance policies** - directors' and officers' insurance policies generally only provide cover for claims made during the currency of the insurance policy. Generally, unless insurance premiums continue to be paid after the time a person ceases to hold Office, claims made after cessation of Office will not be covered by the insurance policy. The cost to a former Director of personally maintaining insurance cover after ceasing to hold Office can be prohibitive, particularly given the number of years for which insurance must be maintained and given the former Director is unlikely to be receiving income from the Company.

12.4.3 **Access to Board papers** - in accordance with section 198F of the Corporations Act, directors have a right to inspect the books of the Company:

12.4.3.1 whilst they hold Office; and

12.4.3.2 for 7 years after ceasing to hold Office,

at all reasonable times for the purposes of a legal proceeding to which the person is a party, that the person proposes in good faith to bring or that the person has reason to believe will be brought against him or her.

Despite this statutory right, Directors may require access to company documents which are relevant to the director's Office and not strictly required for the purpose of anticipated, threatened or commenced legal proceedings. Furthermore, although a proceeding may be instituted within six years after a cause of action arises, that six year

period is calculated from the date the damage is found to have occurred – this may be long after the conduct which allegedly caused the damage suffered.

Given these difficulties, a person may be unwilling to become or to remain as a director of a public company without suitable protection being provided by the Company. The benefit to the Company in providing such protection is that it will continue to be able to attract persons of suitable expertise and experience to act as Directors.

- 12.5 The Chairman intends to exercise all available proxies in favour of Resolution 10.
- 12.6 If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 10, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Summary of the Deed of Indemnity, Insurance and Access

- 12.7 The Company will, subject to Shareholder approval, enter into a deed, which will require:
- 12.7.1 the Company to indemnify the Officers during their Office and after the cessation of that Office, in respect of certain claims made against the Officers in relation to the period of their Office to the extent allowable under the Corporations Act;
- 12.7.2 the Company to use its reasonable endeavours (subject to cost and availability) to maintain an insurance policy and pay the premiums of insurance as assessed at market rates for the Officers to the extent available under the Corporations Act, in respect of certain claims made against the Officers in relation to the period of their Office (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company) and to continue to pay those premiums for a period of up to seven years following the termination of their Office;
- 12.7.3 the Company to provide the Officers with access, upon ceasing for any reason to hold Office and for a period of up to seven years following that cessation, to any Company records which are either prepared or provided by the director during the period which the person held Office.
- 12.8 The deed will also require the Officers to maintain confidentiality and to protect the Company's intellectual property.

Summary of indemnity and insurance provisions under the Corporations Act

- 12.9 In considering Resolution 10, please note the following limitations in the Corporations Act concerning the provision of indemnities and insurance to Company officers. The deed for which Shareholder approval is sought under Resolution 10 complies with these limitations.

Section 199A of the Corporations Act

- 12.10 The Corporations Act sets out specific prohibitions to the Company's ability to grant indemnities for liabilities and legal costs. The Company is prohibited from indemnifying its officers against a liability if it is a liability:
- 12.10.1 to the Company and any of its related bodies corporate;
- 12.10.2 to a third party that arose out of conduct involving a lack of good faith; or

12.10.3 for a pecuniary penalty order or a compensation order under the Corporations Act (such orders being made for breaches such as breaches of director's duties, the related party rules and insolvent trading rules).

12.11 The Company is also prohibited from indemnifying its officers against legal costs incurred:

12.11.1 in defending actions where an officer is found liable for a matter for which he or she cannot be indemnified by the Company as set out immediately above;

12.11.2 in defending criminal proceedings where the officer is found guilty;

12.11.3 in defending proceedings brought by ASIC or a liquidator for a court order if the grounds for making the order are found by the court to be established; or

12.11.4 in connection with proceedings for relief to the director under the Corporations Act where the court denies the relief.

Section 199B of the Corporations Act

12.12 If the Company, or a related body corporate of the Company, pays the premium on an insurance policy in favour of a Director, section 199B of the Corporations Act requires the Company to ensure that the relevant contract of insurance does not cover liabilities incurred by the officer arising out of conduct involving either:

12.12.1 a wilful breach of duty in relation to the Company; or

12.12.2 contravention of the provisions relating to an officer making improper use of information or improper use of his or her position for his or her advantage or gain, or to the detriment of the Company.

Section 200B of the Corporations Act

12.13 In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office, the Company must obtain Shareholder approval in the manner set out in section 200E of the Corporations Act.

12.14 The Directors consider that as the:

12.14.1 proposed payment of insurance premiums;

12.14.2 benefit of the indemnity in relation to liabilities incurred during the period a Director and officer holds office; and

12.14.3 Director's and Officer's access to Company records,

which continue for a period of up to 7 years after the relevant director ceases to hold Office, each may be viewed as the provision of a benefit given "in connection with" the retirement for the purposes of section 200B of the Corporations Act.

Section 208 of the Corporations Act

12.15 In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

- 12.16 The provision of insurance and indemnity to the Directors (or a proposed Director) may involve the provision of a financial benefit to a related party of the Company within the prohibition of section 208 of the Corporations Act. However, the Directors consider that the payment of insurance premiums and the provision of indemnities by the Company are "reasonable in the circumstances" of the Company and, therefore, are exceptions from the prohibition in section 208 of the Corporations Act and, as a result, Shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act.

Director recommendation

- 12.17 As the Directors have a personal interest in the outcome of Resolution 10, they do not wish to make a recommendation as to how to vote on Resolution 10.

13. RESOLUTION 12 – SECTION 195 APPROVAL

- 13.1 In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.
- 13.2 Each of the Directors may have a material personal interest in the outcome of Resolutions 9 and 10 (inclusive).
- 13.3 In the absence of this Resolution 12, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 9 and 10 (inclusive).
- 13.4 The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.
- 13.5 Resolution 12 is an ordinary resolution.

SCHEDULE 1: DEFINITIONS AND INTERPRETATION

1. In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

"Acquisition Resolutions" means Resolutions 1 to 7;

"ASIC" means the Australian Securities and Investment Commission;

"ASX" means ASX Limited (ABN 98 008 624 691) and, where the context requires, the Australian Securities Exchange operated by ASX Limited;

"BARD1AG" means BARD1AG S.A. a company limited by shares registered with the commercial register of the Canton of Geneva under the number CHE- 115.850.025;

"BARD1AG Acquisition" means the acquisition of all of the shares in BARD1AG pursuant to the BARD1AG Share Purchase Agreements;

"BARD1AG CASH Vendors" means each of:

- (a) Rolin Wavre - 90,000 BARD1AG Shares for cash consideration of CHF 50,400;
- (b) Martine Reindle - 54,000 BARD1AG Shares for cash consideration of CHF 30,240;
- (c) Roman Vuille - 54,000 BARD1AG Shares for cash consideration of CHF 30,240;
- (d) Antoine Van Caloen - 45,000 BARD1AG Shares for cash consideration of CHF 25,200;
- (e) Eric Favre - 45,000 BARD1AG Shares for cash consideration of CHF 25,200;
- (f) Frank Gerritzen - 45,000 BARD1AG Shares for cash consideration of CHF 25,200;
- (g) Jacques Billy - 36,000 BARD1AG Shares for cash consideration of CHF 20,160; and
- (h) Christophe Bonny - 26,857 shares for cash consideration of CHF 15,039.92;

"BARD1AG Intellectual Property" means the following:

- (a) the UNIGE Licence Agreement;
- (b) the patent application titled: "Lung Cancer Diagnosis", Application Number: 13191739.5, number: EP 2 871 480 filed 6 November 2013 and published on 13 May 2015; and
- (c) all other Intellectual Property owned or being developed by BARD1AG in connection with the license and patent family described in paragraphs (a) and (b) above;

"BARD1AG Share Purchase Agreements" means the conditional share sale and purchase agreements between the Company, each BARD1AG Vendor and BARD1AG;

"BARD1AG Share" means a fully paid ordinary share in the capital of BARD1AG;

"BARD1AG SWAP Vendors" means each of:

- (a) Dr Irmgard Irminger - 1,299,081 BARD1AG Shares for 108,252,420 Shares and 108,252,420 Performance Shares;

- (b) Tony Walker - 1,062,062 BARD1AG Shares for 88,501,626 Shares and 88,501,626 Performance Shares;
- (c) Geoffrey Laurent - 120,000 BARD1AG Shares for 9,999,600 Shares and 9,999,600 Performance Shares;
- (d) David Finger - 61,500 BARD1AG Shares for 5,124,795 Shares and 5,124,795 Performance Shares; and
- (e) Florian Irminger - 61,500 BARD1AG Shares for 5,124,795 Shares and 5,124,795 Performance Shares;

"BARD1AG Vendors" means, collectively the BARD1AG SWAP Vendors and the BARD1AG CASH Vendors;

"Board" means the board of Directors from time to time;

"Capital Raising Shares" has the meaning given in Resolution 5;

"Chairperson" means the person appointed to chair the Meeting;

"Company" means Eurogold Limited ACN 119 070 384;

"Completion" means completion under the BARD1AG Share Purchase Agreements;

"Conditions Precedent" means the conditions precedent to Completion, as described in clause 3.2;

"Constitution" means constitution of the Company;

"Corporations Act" means the *Corporations Act 2001* (Cth);

"Director" means any director of the Company and **Directors** means all of them;

"ELISA" means enzyme-linked immunosorbent assay;

"Explanatory Memorandum" means this explanatory memorandum;

"Key Management Personnel" has the meaning given in the Corporations Act;

"Listing Rules" means the official listing rules of ASX;

"Meeting" means the general meeting of the Company to be held at the offices of DLA Piper Australia, Level 31 Central Park, 152-158 St Georges Terrace, Perth Western Australia on 24, March 2016 at 2:00pm (WST);

"Milestone" in relation to the Performance Shares has the meaning given in Schedule 2;

"Notice" means the notice convening the Meeting which accompanies this Explanatory Memorandum;

"Official List" means the official list of the ASX;

"Performance Shares" has the meaning given in Resolution 2;

"Prospectus" has the meaning given in the Corporations Act;

"Proxy Form" means the proxy form attached to the Notice;

"Public Offer" has means the offer of Shares under a Prospectus, as described in paragraph 8.2;

"Resolution" means a resolution in the Notice;

"Schedule" means a schedule to this Explanatory Memorandum;

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

"Shareholder" means a registered holder of a Share;

"UNIGE Licence Agreement" means the licence agreement made on 8 March 2012 by and between Universite de Geneve and Hopitaux Universitaires de Geneve as licensor and BARD1AG as licensee, as varied by subsequent amendments dated 21 January 2013 and 20 May 2013, and conferring on BARD1AG an exclusive and worldwide licence in respect of, amongst other things:

- (a) PCT/IB2011/053635 filed on August 17, 2011 (WO 2012/023112) for "BARD1 isoforms in lung and colorectal cancer and use thereof", I Irminger-Finger and YQ Zhang (Hôpitaux Universitaires de Genève and University of Geneva) as well as any future related patent application or extension; and
- (b) PCT/EP2008/053881 filed on April 1st, 2008 (WO 2008/119802) for "Deletion bearing BARD1 isoforms and use thereof", I Irminger-Finger, S Ryser, and L Li (University of Geneva) April 2007 as far as the latter would apply to its proprietary technology.

"WST" means Western Standard Time, being the time in Perth, Western Australia.

2. In the Notice and this Explanatory Memorandum, headings and words in bold are for convenience only and do not affect the interpretation of the Notice and this Explanatory Memorandum and, unless the context otherwise requires:

2.1 words importing the singular include the plural and vice versa;

2.2 words importing a gender include any gender;

2.3 other parts of speech and grammatical forms of a word or phrase defined in the Notice or this Explanatory Memorandum have a corresponding meaning;

2.4 a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;

2.5 a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;

2.6 a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:

2.6.1 which ceases to exist; or

2.6.2 whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

2.7 “**include**” and “**including**” are not words of limitation; and

2.8 “\$” is a reference to Australian currency.

SCHEDULE 2: TERMS AND CONDITIONS OF PERFORMANCE SHARES

1. DEFINITIONS

1.1 In these terms and conditions, unless the context otherwise requires:

"**ASX**" means ASX Limited and where the context permits the Australian Securities Exchange operated by ASX Limited;

"**Change of Control Event**" means:

- (a) the occurrence of:
 - (i) the offeror under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (ii) that takeover bid has become unconditional; or
- (b) the announcement by the Company that:
 - (i) shareholders of the Company have at a court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party; and
 - (ii) the court, by order, approves the proposed scheme of arrangement,

but shall not include a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company;

"**Company**" or "**Eurogold**" means Eurogold Limited ACN 009 070 384;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Expiry Date**" means five years from the date of issue;

"**Milestone**" means an announcement to ASX that:

- (a) the clinical trial of the blood test developed by BARD1AG S.A. for the detection of lung cancer (**BBLC Test**) has been completed;
- (b) the clinical trial involved at least 2000 participants, and returned a detection rate greater than 80%, and false positive results of less than 20%; and
- (c) the results of the clinical trial provide statistically significant evidence that the BBLC Test provides an outcome equal or superior to the current "gold standard" computed tomography x-ray scan (**CT scan**), which has a detection rate of less than 80%, and returns false positive results of more than 20%.

"**Performance Share**" means a Performance Share issued as part of the consideration under a Share Sale Agreement;

"Performance Shareholder" means the holder of a Performance Share;

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

"Shareholder" means a holder of Shares; and

"Share Sale Agreement" means the share sale agreements between the Company and each of Dr Irmgard Irminger-Finger, Tony Walker, David Finger, Florian Irminger and Professor Geoff Laurent.

2. DIVIDEND

- 2.1 Performance Shareholders are not entitled to a dividend.

3. CONVERSION

Conversion

- 3.1 Subject to clauses 3.3 and 4.1, each Performance Share will convert into one Share upon the satisfaction of the Milestone prior to the Expiry Date.

Conversion on Change of Control

- 3.2 Subject to clauses 3.3 and 4.1, if prior to the Expiry Date a Change of Control Event occurs then each Performance Share will convert into one Share.
- 3.3 The maximum number of Performance Shares that can be converted into Shares and issued pursuant to clause 3.3 upon a Change of Control Event must not exceed 10% of the issued Share capital of the Company (as at the date of the Change of Control Event). The Company shall ensure a pro-rata allocation of Shares issued pursuant to clause 3.3 to all Performance Shareholders. Performance Shares that are not converted into Shares will continue to be held by the Performance Shareholder on the same terms and conditions.

Conversion after Expiry Date

- 3.4 If the Milestone is not met by 5.00pm (Perth time) on the Expiry Date the Company will, as soon as reasonably practical and in any event no later than 90 days after the Expiry Date, convert the total number of Performance Shares on issue into one Share.

4. TAKEOVER PROVISIONS

- 4.1 If the conversion of Performance Shares (or part thereof) pursuant to clause 3.1 or 3.2 would result in any person being in contravention of section 606(1) of the Corporations Act then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1) of the Corporations Act.
- 4.2 The Performance Shareholders shall give notification to the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under clause 3.1 or 3.2 may result in the contravention of section 606(1) of the Corporations Act failing which the Company shall assume that the conversion of Performance Shares (or part thereof) under clause 3.1 or 3.2 will not result in any person being in contravention of section 606(1) of the Corporations Act.
- 4.3 The Company may (but is not obliged to) by written notice request the Performance Shareholders to give notification to the Company in writing within seven days if they consider that the conversion of Performance Shares (or part thereof) under clause 3.1 or 3.2 may result in the contravention of

section 606(1) of the Corporations Act. If the Performance Shareholders do not give notification to the Company within seven days that they consider the conversion of Performance Shares (or part thereof) under clause 3.1 or 3.2 may result in the contravention of section 606(1) of the Corporations Act then the Company shall assume that the conversion of Performance Shares (or part thereof) under clause 3.1 or 3.2 will not result in any person being in contravention of section 606(1) of the Corporations Act.

After Conversion

- 4.4 The Shares issued on conversion of any Performance Share will as and from 5.00pm (WST) on the date of allotment rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares upon the date of conversion. Subject to the terms of the Share Sale Agreement, Shares issued on conversion of the Performance Shares must be free from all encumbrances, securities and third party interests. The Company must ensure that Shares issued on conversion of the Performance Shares are freely tradeable, without being subject to on-sale restrictions under section 707 of the Corporations Act, on and from their date of issue.

5. ISSUE OF SHARES FOR NO CONSIDERATION

- 5.1 The Company shall allot and issue Shares immediately upon conversion of the Performance Shares for no consideration and shall record the allotment and issue in the manner required by the Corporations Act.

6. RECONSTRUCTION

- 6.1 In the event of any reconstruction, consolidation or division into (respectively) a lesser or greater number of securities the Performance Shares shall be reconstructed, consolidated or divided in the same proportion as the Shares are reconstructed, consolidated or divided and, in any event, in a manner which will not result in any additional benefits being conferred on the Performance Shareholders which are not conferred on the Shareholders.

7. WINDING UP

- 7.1 If the Company is wound up prior to conversion of all of the Performance Shares into Shares then the Performance Shareholders will have:
- 7.1.1 no right to be paid cash for the Performance Shares; and
 - 7.1.2 no right to participate in surplus assets or profits of the Company on winding up.

8. NON-TRANSFERABLE

- 8.1 The Performance Shares are not transferrable.

9. COPIES OF NOTICES AND REPORTS

- 9.1 The Performance Shareholders have the same right as Shareholders to receive notices, reports and audited accounts and to attend general meetings of the Company but are only entitled to vote in the circumstances referred to in clause 10.

10. VOTING RIGHTS

- 10.1 The Performance Shareholders shall have no right to vote, subject to the Corporations Act.

11. PARTICIPATION IN NEW ISSUES

- 11.1 There are no participation rights or entitlements inherent in the Performance Shares and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Shares.

12. QUOTATION

- 12.1 The Performance Shares are unquoted. No application for quotation of the Performance Shares will be made by the Company.

SCHEDULE 3: COMPANY PLANS, PROPOSED EXPENDITURE PROGRAM AND BUDGET

Part 1: Planned clinical study

1. BARD1AG has designed a study to validate the BARD1AG Lung Cancer Test in a sample size capable of yielding statistically significant results across geographical regions and cohorts from different origins. The study design will also enable BARD1AG to further optimize the BARD1 antigen peptide combination for use in the BARD1AG Lung Cancer Test.
2. Several world-renowned research and clinical centres⁷ have agreed in principle to participate in the planned clinical study, and to apply the BARD1AG Lung Cancer Test in a clinical setting. In each participating centre, blood samples will be taken, processed and stored after a unique protocol. All patients and control persons participating in the study will be fully informed, and will sign (or will already have signed) an agreement to participate, and all centres have the approval of their respective ethics committees.
3. The study will involve performing the BARD1AG Lung Cancer Test on at least 500 samples from patients diagnosed with lung cancer and samples from a healthy control group. Importantly, a broad range of samples would be screened and analysed, including those from:
 - 3.1 cancer patients diagnosed at an early stage in lung cancer progression;
 - 3.2 cancer patients with a variety of different types of lung cancer;
 - 3.3 control patients with respiratory diseases other than lung cancer; and
 - 3.4 a healthy control group.
4. The objective for the first year of the study will be to further optimise the peptide antigen combination for the BARD1AG Lung Cancer Test and to understand the limitations of the test (for example, the earliest stage at which lung cancer can be detected with the test and the implications, if any, of the ethnic background of the patient).
5. The objective for second year of the study will be to analyse the results of the study, and to compare the results of the BARD1AG Lung Cancer Test to those which can be obtained by CT scans.
6. As noted in paragraph 3.14 above, the commercial goals of the clinical study will be to:
 - 6.1 verify that the BARD1AG Lung Cancer Test achieves a lung cancer detection rate of greater than 90%, and a false positive rate of less than 10% . Based on the study defining these respective values for a “training” set and a “validation” set (see section 3.10 above), these values appear reasonable and achievable;
 - 6.2 position the BARD1AG Lung Cancer Test as a highly effective diagnostic tool for commercialisation; and
 - 6.3 develop an affordable lung cancer detection test that is capable of screening for early-stage lung cancer in a central pathology laboratory.

Part 2: Proposed expenditure program and budget

7. As at 31 December 2015, the Company had cash reserves of approximately \$1,236,000.

⁷ BARD1AG has in principle agreement with the University College London, UK., Hospitale Monaldi, Italy; and University Hospital Vienna, Austria.

8. If the Public Offer is fully subscribed, the Company's expected use of funds in the 24 month period following Completion is as follows:

| Item | (\$) | % of funds available on completion of the Public Offer |
|---|--|---|
| Cash on hand 31 December 2015 | \$1,236,000 | - |
| Capital raised under Public Offer | \$3,000,000, less costs of \$383,652 | - |
| Total Funds Available | \$3,852,348 | - |
| Payments to UNIGE / HUG (reimbursement of costs incurred to develop and register the BARD1AG Intellectual Property) | \$186,000 | 4.83% |
| Repayment of a convertible note issued by BARD1AG | \$60,902 | 1.58% |
| Costs associated with enhancement of the existing "proof of principle" BARD1AG Lung Cancer Test | \$102,000 | 2.65% |
| External Costs associated with the planned Clinical Study | \$830,000 | 21.55% |
| Cost of full time employees to run the Clinical Trial & undertake statistical analysis | \$432,000 | 11.21% |
| Salary for Chief Scientific Officer | \$300,000 | 7.78% |
| Maintenance & Development of the BARD1AG Intellectual Property | \$120,000 | 3.11% |
| Corporate and Admin | \$1,023,000 | 26.56% |
| General Working Capital ⁽²⁾ | 798,446 | 20.73% |
| TOTAL FUNDS ALLOCATED | \$3,852,348 | |

Notes:

1. Certain projected costs have been budgeted by BARD1AG in CHF or €. The Company's expected use of funds has been determined by converting the amounts budgeted by BARD1AG in CHF or € to A\$.
 2. Unallocated working capital will be utilised by the Company to meet general corporate costs up to the completion of the Offers, to pay for cost overruns in budgeted expenditures (if any), or in additional testing or trial expenditure and in the administration of the Company.
9. The above estimated expenditures will be subject to modification on an on-going basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities or any number of other factors (including the risk factors outlined in Schedule 5), actual expenditure levels may differ significantly to the above estimates. The Company also intends

to capitalise on other opportunities as they arise (for example, if in enhancing the BARD1AG Lung Cancer test other possible diagnostic or therapeutic applications of the BARD1AG Intellectual Property are identified, costs may be expended on exploring the relative prospects and merits of those possible applications) which may result in costs being incurred that are not included in the above estimates.

10. The Board believes that its current cash reserves and the funds raised from the Public Offer will provide the Company with sufficient working capital to achieve the Company's objectives following completion of the BARD1AG Acquisition, being to:
 - 10.1 demonstrate that the performance of the BARD1AG Lung Cancer Test in a clinical setting is better than the current "gold standard" for lung cancer testing and diagnosis;
 - 10.2 undertake the planned clinical study; and
 - 10.3 commercialise the BARD1AG Lung Cancer Test, potentially through licensing of the method to prospective partners (which could include diagnostic companies, ELISA-based platform providers, CT-scan providers and clinical diagnostics labs) or a trade sale to a pharmaceutical company or medical device manufacturer.

SCHEDULE 4: PRO FORMA STATEMENT OF FINANCIAL POSITION

| | Eurogold Audited 31 December 2015 \$ | Bard1AG Audited 31 December 2015 \$ | Pro forma adjustments \$ | Eurogold Unaudited pro forma 31 December 2015 \$ |
|----------------------------------|--|---|--------------------------------|---|
| Current Assets | | | | |
| Cash and cash equivalents | 1,236,629 | 67,164 | 2,239,597 | 3,543,390 |
| Trade and other receivables | 39,252 | 5,050 | - | 44,302 |
| Held for trading Assets | 3,620 | - | - | 3,620 |
| Other current assets | 21,304 | - | - | 21,304 |
| Total Current Assets | 1,300,805 | 72,214 | 2,239,597 | 3,612,616 |
| Non-Current Assets | | | | |
| Property, plant and equipment | - | 12,261 | - | 12,261 |
| Held for sale investments | 112,920 | - | - | 112,920 |
| Intellectual property | 31,373 | - | - | 31,373 |
| Total Non-Current Assets | 144,293 | 12,261 | - | 156,554 |
| TOTAL ASSETS | 1,445,098 | 84,475 | - | 3,769,170 |
| Current Liabilities | | | | |
| Trade and other payables | 106,494 | 324,187 | - | 430,681 |
| Provisions | 12,044 | - | - | 12,044 |
| Borrowings | - | 69,902 | (69,902) | - |
| Total Current Liabilities | 118,538 | 394,089 | (69,902) | 442,725 |
| NET ASSETS | 1,326,560 | (309,614) | 2,309,499 | 3,326,445 |
| EQUITY | | | | |
| Contributed equity | 61,538,458 | 415,260 | (55,472,243) | 6,481,475 |
| Reserves | 45,676 | - | (45,676) | - |
| Accumulated losses | (60,257,574) | (724,874) | 57,827,418 | 3,155,030 |
| Total Equity | 1,326,560 | (309,614) | 2,309,499 | 3,326,445 |

Assumptions adopted in compiling the pro-forma statement of financial position:

1. Capital raising of \$3,000,000, less costs of \$383,652
2. The issue of 217,003,236 ordinary fully paid shares at a deemed issue price of \$0.02 (the price of the Capital Raising) and 217,003,236 Performance Shares at zero value to the holders of securities in BARD1AG. There are currently no reasonable grounds on which to assess the likelihood of the performance milestone being met. Therefore there has been no adjustment in the pro-forma statement of financial position in respect to the Performance Shares.
3. The issue of 12,500,000 ordinary fully paid shares at a deemed issue price of \$0.02 (the price of the Capital Raising) to UNIGE / HUG in satisfaction of obligations owed by BARD1AG under the UNIGE Intellectual Property Licence.

4. The repayment of the BARD1AG convertible note of \$60,902.
5. The adoption of reverse acquisition accounting in accordance with the Accounting Standards which results in the legal parent (in this case Eurogold) being accounted for as the subsidiary, whilst the legal acquiree (in this case BARD1AG) being accounted for as the parent. The excess value of the deemed consideration paid over the net tangible assets of Eurogold of \$2,430,156 has been expensed to the statement of profit and loss and other comprehensive income.

These pro-forma adjustments are considered provisional with the final acquisition accounting being assessed at the Completion Date.

SCHEDULE 5: PROPOSED DIRECTOR APPOINTMENTS

1. **Dr Irmgard Irminger-Finger PD, PhD - Executive Director**

Dr Irmgard Irminger-Finger is head of the Molecular Gynaecology and Obstetrics Laboratory at UNIGE and HUG, and is founder of BARD1AG. With more than 40 publications on BARD1 and cancer, over 30 collaborations worldwide, and more than 150 presentations at conferences, Dr Irminger is renowned as the expert on BARD1.

2. **Professor Geoffrey Laurent PhD, FRCP (Hon), FRCPATH, FMedSci - Non-Executive Director**

Professor Geoff Laurent is the Director of the Centre for Cell Therapy and Regenerative Medicine at The University of Western Australia and Director of the Institute for Respiratory Health as well as an Honorary Fellow at University College London.

Prior to his appointment at the University of Western Australia in June 2012 he was the Vice-Dean of Enterprise and Head of the Research Department of Internal Medicine at University College London. Professor Laurent has published over 300 peer-reviewed articles in international journals of biomedical research and was awarded the European Respiratory Societies Presidential Award for his contribution to lung science. He is the Editor-in-Chief of the International Journal of Biochemistry and Cell Biology and has edited several books including a four volume Encyclopaedia of Respiratory Medicine. He is a Fellow of the Academy of Medical Sciences and Past President of the British Association for Lung Research.

Professor Laurent has lead the development of the cell and molecular biology program investigating key mediators regulating inflammation and tissue remodelling. He has also made discoveries relating to the key cytokines and proteases regulating fibroblast function as well as lipid mediators as inhibitors of cell function in respiratory disorders. These studies have led to partnerships with industry to develop new drugs to treat chronic lung diseases.

SCHEDULE 6: RISK FACTORS

There are a number of risks associated with the BARD1AG Acquisition that may have an impact on the financial returns received by Shareholders. These risks are important for Shareholders to understand.

Shareholders are already exposed to a number of risks through their existing shareholding in the Company. A number of these risks are inherent in investing in securities generally.

The risk factors include, but are not limited to, those detailed below. Additional risks not presently known to the Company, or if known, not considered material, may also have an adverse impact.

Specific Risks

- 1.1 Conditional acquisitions and re-compliance with Chapters 1 & 2 of the ASX Listing Rules - as part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. A Prospectus will be issued to assist the Company to re-comply with these requirements. The Shares will remain suspended until Completion, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements, and that its Shares will consequently remain suspended from quotation.

Further, if any of the Conditions Precedent are not satisfied (or waived), the BARD1AG Acquisition will not proceed.

- 1.2 Commercialisation - the BARD1AG Intellectual Property is only at the development stage. It is yet to be commercialised. There is a risk that the Company will not be able to successfully commercialise the BARD1AG Intellectual Property.
- 1.3 Potential liabilities in relation to European Union Grant - BARD1AG was the 'Co-ordinator' under the a grant agreement with the European Union from 2011 to April 2013. Under the terms of the grant, certain work product and deliverables were required. An audit is currently underway, and it is possible that BARD1AG could have liabilities associated with the grant of up to EUR 180,000.

In addition to the potential liabilities associated with the grant, the University of Vienna and the University of Geneva have made payment claims against the Company that may not be covered by the Company's entitlement to payment under the grant.

- 1.4 Intellectual property protection - the value of BARD1AG is strongly linked to the BARD1AG Intellectual Property. Maintaining this value is therefore dependent on the Company's ability to protect the BARD1AG Intellectual Property. Third parties may challenge the BARD1AG Intellectual Property or infringe BARD1AG's proprietary rights in the BARD1AG Intellectual Property, which could result in costly and uncertain patent litigation. Further, a recent decision of the High Court of Australia (*D'Arcy v Myriad Genetics [2015] HCA 35*) has held that claims to isolated nucleic acids (in particular a nucleic acid coding for a BRCA1 protein with one or more specified variations indicative of susceptibility to breast or ovarian cancer) are not patentable subject matter, and it is unclear whether the decision will only impact nucleic acids (which are considered to essentially relate to genetic information), or will also apply to isolated nucleic acids that are functional in nature (for example, inhibitory RNA, ribozymes etc.).

While the BARD1AG patents are not limited to sequences of isolated nucleic acids, ultimately there is no guarantee that the Company will be able to maintain and successfully exploit the BARD1AG Intellectual Property.

- 1.5 *Infringement of third party intellectual property claim* - a third party may claim that, in developing the BARD1AG Intellectual Property, the Company is infringing its intellectual property rights. If the third party commences litigation against the Company, the Company may incur significant costs defending such an action, even if it ultimately prevails in the litigation. Defending significant litigation can also result in a diversion of management's time.

If the third party is successful against the Company, the third party may be able to prevent the Company from further developing or commercialising the BARD1AG Intellectual Property. Further, the Company may have to pay damages or pay the third party for a licence to use their intellectual property. These outcomes could delay or ultimately prevent the successful commercialisation of the BARD1AG Intellectual Property.

- 1.6 *Future capital needs and additional funding* - the future capital requirements of the Company will depend on many factors, including its research and development activities. While the Company believes its available cash, when combined with the net proceeds of the Public Offer should be adequate to fund its research & development activities, business plan and other Company objectives in the short to medium term (as detailed in Part 2 of Schedule 3, changes to operational requirements, market conditions and business opportunities may mean further funding is required by the Company and/or BARD1AG at an earlier stage than is currently anticipated.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional funding, if required, would have a material adverse effect on the Company's business and its financial condition and performance and the Company's ability to continue as a going concern.

- 1.7 *Reliance on key employee* - following the BARD1AG Acquisition, the Company's ability to commercialise the BARD1AG Intellectual Property and execute its growth strategies depends upon the performance and expertise of Dr Irmgard Irminger-Finger.

While Dr Irmgard Irminger-Finger has signed an executive service agreement with the Company, if she ceases to be involved with the Company for any reason this could have a material adverse effect on the Company's ability to commercialize the BARD1AG Intellectual Property.

- 1.8 *Industry competition* - BARD1AG is involved in the highly competitive and rapidly evolving cancer diagnostic industry. Some of BARD1AG's competitors are much larger in terms of geographic reach and access to capital and resources. The Company has no control over its competitors and they may develop tests or diagnostic products that are materially superior to the BARD1AG Lung Cancer Test, or they may act to hinder the commercialisation of the BARD1AG Intellectual Property through challenges to the underlying patents. In both cases, the Company's revenues, margins and ultimately its profitability could be negatively affected.

- 1.9 *Special reputational risks* - if the BARD1AG Intellectual Property is successfully commercialised, any products developed using the BARD1AG Intellectual Property will operate in an industry where a product failure could have serious consequences. The medical industry and the general public's trust in the effectiveness of any products developed to successfully diagnose lung cancer is crucial to its commercial success. Negative publicity, whether founded or unfounded, could have a large and possibly disproportionate effect on customer loyalty and sales of the product. Additionally, customer complaints could lead to increased regulatory scrutiny, which could lead to a material increase in costs.

- 1.10 *No trading history* - BARD1AG's focus to date has been on developing the BARD1AG Intellectual Property and limited financial information is therefore available to assess its future profitability. Shareholders should therefore consider the Company and BARD1AG's prospects in light of this lack of historical financial information.

- 1.11 Liability claims - if the BARDIAG Lung Cancer Test is successfully commercialised, the Company may be exposed to liability if any products ultimately developed using the BARDIAG Intellectual Property fail to properly diagnose lung cancer. If this occurs, the Company may have to expend significant financial resources to defend the proceedings. Further, if the action against the Company is successful the Company may be sanctioned with a significant fine and its reputation will be negatively impacted. The Company may also be subject to more stringent regulatory controls. All of these outcomes would have a negative impact on the profitability of the Company
- 1.12 Regulatory environment - the Company will be based in Australia and will therefore have to comply with the *Therapeutic Goods Act 1989* (Cth) ("**TGA**"). The Company will also be subject to the laws and regulations of each other country in which it operates, which may be more stringent than those in Australia. There is a risk that a final BARDIAG Lung Cancer Test is successfully developed but either the test or the platform on which the test is performed does not satisfy regulatory approval requirements (whether under the TGA or equivalent regimes in other key markets), which in turn could delay or ultimately prevent the successful commercialisation of the BARDIAG Intellectual Property. Further, customers, patients, members of the public or regulators may allege a breach of the TGA. An investigation of an alleged breach could lead to litigation and ultimately a fine or a requirement to pay compensation. The Company's operations may also become subject to stricter licencing or reporting requirements, which if not followed may result in public warnings, infringement notices and the imposition of a fine. Further, media speculation that an investigation is being considered could have a significant impact on the Company's reputation. Any of these consequences could have a material impact on the Company's profitability.
- 1.13 Foreign exchange risks - some of BARDIAG's costs and expenses in Switzerland, and some of the Company's expenses in relation to the BARDIAG Acquisition, are in CHF. A significant appreciation of the CHF against the Australian dollar would result in an increase in the Company's costs.
- 1.14 Potential acquisitions - as part of its overall business strategy, the Company may from time to time make acquisitions of or significant investments in companies, products, intellectual property or technologies. Any such future transaction would be accompanied by the risks commonly encountered in making acquisitions of companies, products, intellectual property or technologies.

General Risks

- 1.15 Securities investments - there are risks associated with any securities investment. The prices at which the Shares trade on the Official List may fluctuate in response to a number of factors including:
- 1.15.1 the recruitment or departure of key personnel;
 - 1.15.2 actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
 - 1.15.3 variations in the Company's financial results or those of companies that are perceived to be similar to the Company including changes caused by changes in financial accounting standards or practices, or taxation rules or practices;
 - 1.15.4 announcements regarding litigation or other proceedings that involve the Company;
 - 1.15.5 war or acts of terrorism or catastrophic disasters that disrupt world trade or adversely affect confidence in financial markets;
 - 1.15.6 other general economic, industry and market conditions; and
 - 1.15.7 other factors described in this Schedule 6.

- 1.16 Share market conditions - the market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
- 1.17 Liquidity risk - there is no guarantee that there will be an on-going liquid market for the Shares. Accordingly, there is a risk that, should the market for the Shares become illiquid, Shareholders will be unable to realise their investment in the Company.
- 1.18 Economic risk - factors such as inflation, currency fluctuations, interest rates and supply and demand of capital have an impact on business costs and stock market prices. The Company's operating costs, possible future revenues and future profitability can be affected by these factors which are beyond the control of the Company.
- 1.19 Insurance - the Company will, where possible and economically practicable, endeavour to mitigate some business risks by procuring relevant insurance coverage. However, such insurance coverage may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance coverage.
- 1.20 Policies and legislation - the introduction of new legislation or amendments to existing legislation by governments, and the decisions of courts and tribunals, can impact adversely on the assets, operations and, ultimately, the financial performance of the Company.

Any adverse developments in political and regulatory conditions in the countries in which the Company could conduct business, could materially affect the Company's prospects. Political changes, such as changes in both monetary and fiscal policies, expropriation, methods and rates of taxation and currency exchange controls may impact the performance of the Company as a whole.

Eurogold Limited

ABN 58 009 070 384

Lodge your vote:



By Mail:

Eurogold Limited
Unit B1 Tempo Building
431 Roberts Road
Subiaco Western Australia 6000

Alternatively you can fax your form to
(within Australia) 08 9388 7559
(outside Australia) +61 8 9388 7559

For all enquiries call:

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

EUG

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

Proxy Form

XX

For your vote to be effective it must be received by 2:00pm (WST) Tuesday, 22 March 2016

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

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

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Attending the Meeting

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

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

Turn over to complete the form →



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

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



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

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Eurogold 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 General Meeting of Eurogold Limited to be held at the offices of DLA Piper Australia, Level 31, Central Park, 152-158 St Georges Terrace, Perth, Western Australia on Thursday, 24 March 2016 at 2:00pm (WST) and at any adjournment or postponement of that Meeting.

STEP 2 Items of Business

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

| | | For | Against | Abstain |
|---------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Change to Nature and Scale of Activities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Approval of New Class of Securities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Issue of Shares and Performance Shares to the BARD1AG SWAP Vendors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Approval to Issue Shares to UNIGE / HUG | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Approval to Issue Capital Raising Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Change of Company Name | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | Appointment of Dr Irmgard Irminger-Finger as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 | Appointment of Professor Geoffrey Laurent as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9 | Approval of Director's Participation in Public Offer (Peter Gunzburg) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 10 | Approval of Director's Participation in Public Offer (Brett Montgomery) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11 | Deeds of Insurance, Access & Indemnity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 12 | Section 195 Approval | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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