

**Bioxyne Limited
ACN 084 464 193**

**Notice of Annual General Meeting
to be held on 29 November 2012**

**Explanatory Memorandum
for the Notice of Annual General Meeting**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES
YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE
PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR
OTHER PROFESSIONAL ADVISER.**

**NOTICE OF THE ANNUAL GENERAL MEETING TO BE HELD AT
THE INSTITUTE OF CHARTERED ACCOUNTANTS, THE PHILLIP ROOM, LEVEL 1,
33 ERSKINE STREET, SYDNEY NSW 2000
AT 2:30pm SYDNEY TIME ON THURSDAY, 29 NOVEMBER 2012
TO BE VALID, FORMS OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING MUST BE
COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN
12:00PM (SYDNEY TIME) ON TUESDAY, 27 NOVEMBER 2012**

Section A - Glossary

1. Definitions

The following definitions are used in the Notice of Annual General Meeting and the Explanatory Memorandum:

10% Placement Facility has the meaning given to that term in section 7.1 of Section B;

10% Placement Period has the meaning given to that term in section 7.2(a) of Section B;

Annual General Meeting means the annual general meeting of the Company to be held on Thursday, 29 November 2012 pursuant to the Notice of Annual General Meeting;

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2012;

Associate has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act;

ASX means ASX Limited ACN 008 624 691 or the securities market operated by the ASX, as the case may be;

ASX Listing Rules means the official listing rules issued and enforced by the ASX as amended from time to time;

Auditor's Report means the auditor's report on the Financial Report;

Board or **Board of Directors** means the board of Directors of the Company;

Business Day means a day which is not a Saturday, Sunday or public holiday in Sydney;

Chairman means the chairman of the Company, who is currently Ian Mutton;

Company or **BXN** means Bioxyne Limited ACN 084 464 193;

Constitution means the constitution of the Company, as amended from time to time;

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

Director means a director of the Company;

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

Explanatory Memorandum means the explanatory memorandum set out in Section C of this document;

Equity Securities has the same meaning given to that term as in the ASX Listing Rules;

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

Heads of Agreement means the binding heads of agreement between the Company and Vaxine dated 24 September 2012 in relation the Phase II Trial and the letter agreement between the Company and Vaxine;

Issue Shares has the meaning given to that term in section 6 of Section B

Listed Options means listed Options of the Company;

Officially Quoted and **Official Quotation** means, in relation to a Share, officially quoted by the ASX;

Option means an option in the issued capital of the Company which when exercised converts into one Share and **Options** means any two or more of them;

Notice of Annual General Meeting or **Notice** means the notice of Annual General Meeting set out in Section B of this document;

Phase II Trial means a follow on Phase II clinical trial to assess the clinical safety and efficiency of the HI-164OV enteric-coated tablet in a targeted sub-group of patients with respiratory conditions;

Proxy Form means the proxy form contained in Section D of this Notice of Annual General Meeting;

Related Party has the same meaning given to that term in the Corporations Act;

Remuneration Report means the remuneration report of the Company contained in the Directors' Report;

Resolution means a resolution passed by the requisite majority of members of the Company on a show of hands or by the requisite majority of votes given on a poll;

Share means a fully paid ordinary share in the issued capital of the Company and **Shares** means any two or more of them;

Shareholder means a holder of a Share;

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

Vaxine means Vaxine Pty Ltd ACN 100 787 719; and

VWAP means volume weighted average price.

2. Interpretation

For the purposes of interpreting the Notice of Annual General Meeting and the Explanatory Memorandum:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include both genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not limit or affect the meaning or interpretation of the Notice of Annual General Meeting and the Explanatory Memorandum;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to **\$, A\$, Australian Dollars** or **dollars** is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

Section B - Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Bioxyne Limited ACN 084 464 193 (**Company** or **BXN**) will be held at the Institute of Chartered Accountants, The Phillip Room, Level 1, 33 Erskine Street, Sydney NSW 2000 on Thursday, 29 November 2012 at 2:30pm (Sydney time).

Defined terms used in this Notice of Annual General Meeting have the meanings given to them in the Glossary accompanying this Notice of Annual General Meeting.

1. Ordinary Business

1.1 Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2012, which includes the Financial Report, Directors' Report and Auditor's Report.

Note: The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2012 will be laid before the meeting. There is no requirement for Shareholders to approve those reports. Shareholders will be given an opportunity to raise questions of the Directors and the Company's auditor on the Financial Report and Auditor's Report at the Annual General Meeting.

1.2 Resolution 1: Adoption of Remuneration Report

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

"That, the Remuneration Report for the year ended 30 June 2012 which is attached to the Financial Report as required under section 300A of the Corporations Act 2001 (Cth), be adopted by the Company."

Note: The Remuneration Report is set out in the Directors' Report, specifically on pages 20 to 23 of the Annual Report. In accordance with section 250R(3) of the Corporations Act, the votes cast in respect of this Resolution are advisory only and do not bind the Company.

1.3 Resolution 2: Re-election of William Harrison as Director

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

"That, William Harrison having retired from his office as a Director in accordance with Rule 8.1(e)(2) of the Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director."

1.4 Resolution 3: Re-election of Patrick Ford as Director

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

"That, Patrick Ford having retired from his office as a Director in accordance with Rule 8.1(e)(2) of the Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director."

2. Special business

2.1 Resolution 4: Past Issue of Shares

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

"That, in accordance with ASX Listing Rule 7.4, Shareholders ratify the issue of a total of 23,107,772 Shares to Vaxine Pty Ltd on the terms set out in section 6 of the Explanatory Memorandum (Section C)."

2.2 Resolution 5: Approval of 10% Placement Facility

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

"That, in accordance with ASX Listing Rule 7.1A and for all other purposes, the Company be permitted and authorised to issue the Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in section 7 of the Explanatory Memorandum (Section C)."

3. Voting exclusion statements

3.1 Resolution 1

The Corporations Act prohibits any votes being cast on Resolution 1 by or on behalf of a person who is disclosed in the Remuneration Report as a member of the key management personnel of the Company (including the Directors and the Chairperson) or a closely related party of that key management personnel. However, such a person may cast a vote on Resolution 1 as a proxy for a person who is permitted to vote and the appointment of the proxy specifies the way the proxy is to vote on the resolution.

3.2 Resolution 4

In accordance with the notice requirements of ASX Listing Rule 7.5.6 for approval under ASX Listing Rule 7.4, and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 4 by:

- (a) a person who participated in the issue of Issue Shares referred to in Resolution 4; and
- (b) any Associate of that person(s).

However, the Company will not disregard a vote if:

- (c) 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
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3.3 Resolution 5

In accordance with the notice requirements of ASX Listing Rule 7.3.A.7 for approval under ASX Listing Rule 7.1A and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 5 by:

- (a) a person who may participate in the issue of the Equity Securities referred to in Resolution 5;
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed, and

- (c) any Associate of those persons.

However, the Company will not disregard a vote if:

- (d) 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
- (e) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Determination of membership and voting entitlement

For the purpose of determining a person's entitlement to vote at the Annual General Meeting, a person will be recognised as a member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 5:00 pm Sydney time on 27 November 2012.

5. Votes of members

On a show of hands, each member present in person or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting who is entitled to vote shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) who is entitled to vote shall have one vote for each Share held by him, her or it.

6. Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies;
- (b) an instrument appointing a proxy must be in the form of the proxy form attached to this Notice of Annual General Meeting;
- (c) where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If a Shareholder appoints two proxies, neither person may vote on a show of hands and on a poll, each person may only exercise the voting rights for the portion of votes the person holds;
- (d) a proxy may be a Shareholder of the Company;
- (e) a proxy need not be a Shareholder of the Company;
- (f) where a Shareholder appoints 2 proxies, the following rules apply:
 - (i) each proxy may exercise half of the Shareholder's voting rights if the appointment does not specify a proportion or number of the Shareholder's voting rights the proxy may exercise;
 - (ii) on a show of hands, neither proxy may vote; and
 - (iii) on a poll, each proxy may only exercise the voting rights the proxy represents;
- (g) a proxy has the authority to vote on the Shareholder's behalf as he or she thinks fit, on any motion to adjourn the Annual General Meeting, or any other procedural motion, unless the Shareholder gives a direction to the contrary;

- (h) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (i) to be valid, a proxy form must be signed by the Shareholder or the Shareholder's attorney or, if the Shareholder is a corporation, executed in accordance with the corporation's constitution and the Corporations Act (and may be signed on behalf of the corporation by its attorney); and
- (j) to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than 12.00 pm (Sydney time) on Tuesday, 27 November 2012:

by Computershare Investor Services Pty Limited

- by mail Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, VIC 3001 AUSTRALIA

or - by facsimile: (within Australia) 1800 783 447
(outside Australia)+61 3 9473 2555

By order of the Board:

Ian Mutton
Chairman

Dated: 22 October 2012

Section C - Explanatory Memorandum

1. Introduction

This Explanatory Memorandum contains the information needed for Shareholders to assess the Resolutions to be put to them at the Annual General Meeting of the Company on Thursday, 29 November 2012. A Notice of Annual General Meeting accompanies this Explanatory Memorandum.

This Explanatory Memorandum, as well as the Notice of Annual General Meeting, should be read carefully and in their entirety.

The Explanatory Memorandum and Proxy Form are part of this Notice of Annual General Meeting.

2. Annual Report

The Annual Report of the Company for the year ended 30 June 2012 will be laid before the meeting. There is no requirement for Shareholders to approve the Annual Report. Shareholders will be given an opportunity to:

- (a) raise questions to the Directors or make comment on the management of the Company; and
- (b) ask the Company's auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

3. Resolution 1 – Adoption of Remuneration Report

Resolution 1 is proposed for the adoption of the Remuneration Report contained in the Directors' Report referred to in the first item of the agenda set out in the Notice. Under the Corporations Act, the Company is required to present its Remuneration Report to Shareholders for adoption at its Annual General Meeting. The Remuneration Report of the Company for the financial year ended 30 June 2012 is set out in the Directors' Report, specifically on pages 20 to 23 of the Annual Report.

The Annual Report may be accessed at <http://www.bioxyme.com/> or on the ASX company announcements platform using the ASX code: BXN. Shareholders will be given a reasonable opportunity to raise questions of the Directors and make comments on the Remuneration Report prior to the Resolution being put to Shareholders. The Resolution to adopt the Remuneration Report is a non-binding Resolution on the Company and its Directors.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Board's proposed action in response or explain why no action has been taken.

In the following year, if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption, Shareholders will then vote to determine whether the Directors will need to stand for re-election. If more than 50% of the votes cast on the resolution are in favour, a separate re-election meeting must be held within 90 days.

The Board recommends that Shareholders vote in favour of adopting the Remuneration Report.

4. Resolution 2 – Re-election of William Harrison

Resolution 2 relates to the re-election of William Harrison as a Director of the Company. Under Rule 8.1(e)(2) of the Constitution, one third of the Company's Directors must resign.

Rule 8.1(h) of the Constitution provides that a Director who retires under Rule 8.1(e)(2) of the Constitution is eligible for re-election.

In accordance with the Constitution, Mr William Harrison will retire by rotation and seek re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

All Directors except Mr William Harrison recommend that Shareholders vote in favour of this Resolution.

5. Resolution 3 – Re-election of Patrick Ford

Resolution 2 relates to the re-election of Patrick Ford as a Director of the Company. Under Rule 8.1(e)(2) of the Constitution, one-third of the Company's Directors must resign.

Rule 8.1(h) of the Constitution provides that a Director who retires under Rule 8.1(e)(2) of the Constitution is eligible for re-election.

In accordance with the Constitution, Mr Patrick Ford will retire by rotation and seek re-election.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

All Directors except Mr Patrick Ford recommend that Shareholders vote in favour of this Resolution.

6. Resolution 4: Past issue of Shares

6.1 General

Under the Heads of Agreement (as varied), the Company agreed to issue 23,107,772 Shares (**Issue Shares**) at an issue price of \$0.023 per Share to Vaxine upon execution of formal transaction documents. The Directors are confident that the Issue Shares will be issued to Vaxine on or before 12 November 2012, prior to the holding of the Annual General Meeting. In the unlikely event the Issue Shares has not been issued or allotted prior to the holding of the Annual General Meeting, this Resolution 4 will be withdrawn and will therefore not be put to Shareholders on the day of the Annual General Meeting.

6.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not issue equity securities, or agree to issue equity securities (which includes shares and options) without the approval of shareholders if the number of equity securities to be issued in any 12-month period (including equity securities issued on the exercise of any convertible securities) exceeds 15% of the issued capital of the company preceding the issue. ASX Listing Rule 7.4 allows for subsequent shareholder approval if the company did not breach ASX Listing Rule 7.1 at the time of issue and the holders of ordinary shares subsequently approve it.

Although Shareholder approval was not required for the issue of the Issue Shares, the Company now seeks Shareholder approval for these issues in the manner provided by ASX Listing Rule 7.4, because this will enable the Company to issue, pursuant to ASX Listing Rule 7.1, further equity securities up to the 15% limit from time to time as required by the Company, to capitalise on future opportunities without needing to obtain prior Shareholder approval.

6.3 Specific information required by ASX Listing Rule 7.5

Pursuant to ASX Listing Rule 7.5, the following information is provided regarding ASX Listing Rule 7.4 approval:

(a) **ASX Listing Rule 7.5.1:** *Number of securities allotted*

23,107,772 Shares.

(b) **ASX Listing Rule 7.5.2:** *Price at which the securities were issued*

\$0.023 per Share.

(c) **ASX Listing Rule 7.5.3:** *Terms of the securities*

These Shares rank equally with all the other Shares on issue.

(d) **ASX Listing Rule 7.5.4:** *Names of the allottees or the basis on which allottees were determined*

Vaxine Pty Ltd.

(e) **ASX Listing Rule 7.5.5:** *The use (or intended use) of the funds raised.*

The Issue Shares are issued as part consideration for Vaxine to conduct the Company's Phase II Trial.

(f) **ASX Listing Rule 7.5.6:** *Voting exclusion statement*

A voting exclusion statement is included in section 3.2 of the Notice of Annual General Meeting (Section B).

6.4 Recommendation by Directors

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

The Directors recommend that Shareholders vote in favour of this Resolution.

7. Resolution 5: Approval of 10% Placement Facility

7.1 General

ASX Listing Rule 7.1A, which came into effect on 1 August 2012, provides eligible mid- to small-cap listed entities with the ability to seek shareholder approval to issue equity securities up to 10% of the number of ordinary securities on issue by way of placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An "eligible entity" for the purposes of ASX Listing Rule 7.1A is an entity which, as at the date of this Resolution, is not included in the S&P/ASX 300 Index, and has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) equal to or less than \$300 million. The Company is an "eligible entity" for the purposes of ASX Listing Rule 7.1A.

Accordingly, the Company now seeks Shareholder approval by way of special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

If Shareholders approve this Resolution 5, the number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula in ASX Listing Rule 7.1A.2 (refer to section 7.2(b) below).

7.2 Description of ASX Listing Rule 7.1A

(a) *Shareholder approval*

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

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of special resolution at an annual general meeting. This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid for the period commencing on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

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

(10% Placement Period).

(b) *Formula for calculating 10% Placement Facility*

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the 10% Placement Period, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A= the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2,
- (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months,
- (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.;
- (iv) less the number of fully paid ordinary securities cancelled in the 12 months.

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

D= 10%;

E= the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are *not* issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

(c) *ASX Listing Rule 7.1 and ASX Listing Rule 7.1A*

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

As at date of this Notice of Annual General Meeting, the Company has 154,051,815 Shares on issue and all of those Shares fall within the definition of "A" above, with no Shares cancelled in the last 12 months. Accordingly the Company has the capacity to issue:

- (i) 23,107,772 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under this Resolution 5, 15,405,181 Equity Securities under ASX Listing Rule 7.1A.

If Resolution 4 is passed, an additional 23,107,772 Shares will fall within the definition of "A" above. Accordingly, the Company will have the capacity to issue:

- (i) 26,573,938 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under this Resolution 5, 17,715,958 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 7.2(b) above).

(d) *Equity Securities*

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

The Company, as at date of this Notice of Annual General Meeting, has on issue two classes of Equity Securities, Shares and Listed Options.

(e) *Minimum Issue Price*

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

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

7.3 Specific information required by ASX Listing Rule 7.3A

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

- (a) **ASX Listing Rule 7.3A.1:** *Statement of the minimum price at which the equity securities may be issued for the purposes of ASX Listing Rule 7.1A.3*

The Equity Securities will be issued at a price being not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades were recorded immediately before:

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

- (b) **ASX Listing Rule 7.3A.2:** *A statement of the risk of economic and voting dilution of existing Shareholders that may result from an issue of equity securities under ASX Listing Rule 7.1A.2.*

If this Resolution is approved by Shareholders and the Company issues the Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as show in the table below (in the case of Listing Options, only if the Listed Options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price of the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below indicates the potential dilution of existing Shareholders on the basis of the current market price of the Shares and the current number of Shares for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice.

The table below also shows:

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

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.0145 50% decrease in Issue Price	\$0.029 Issue Price	\$0.0435 50% increase in Issue Price
Current Variable A 15,405,1818 Shares	10% voting dilution	15,405,181Shares	15,405,181 Shares	15,405,181 Shares
	Funds raised	\$ 223,375	\$ 446,750	\$ 670,125
50% increase in current Variable A 23,107,771	10% voting dilution	23,107,771 Shares	23,107,771 Shares	23,107,771
	Funds raised	\$ 335,062	\$ 670,125	\$ 1,005,188
100% increase in current Variable A 30,810,362 Shares	10% voting dilution	30,810,362 Shares	30,810,362 Shares	30,810,362 Shares
	Funds raised	\$ 446,750	\$ 893,500	\$ 1,340,250

The table has been prepared on the following assumptions:

- (i) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (ii) Resolution 4 being not being passed
 - (iii) no Listed Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - (iv) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (v) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting;
 - (vi) the table shows only the effect of the Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
 - (vii) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders; and
 - (viii) the issue price is \$0.029, being the closing price of the Shares on the ASX on 18 October 2012.
- (c) **ASX Listing Rule 7.3A.3:** *The date by which the equity securities may be issued, as determined under ASX Listing Rule 7.1A.1, including a statement that the approval will cease to be valid in the event that holders of the eligible entity's ordinary securities approve a transaction under ASX Listing Rules 11.1.2 or 11.2.*

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under this Resolution for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction

under ASX Listing Rules 11.1.2 (significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

- (d) **ASX Listing Rule 7.3A.4:** *A statement of the purposes for which the equity securities may be issued, including whether the eligible entity may issue any of them for non-cash consideration*

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards the Company's Phase II Trial or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) **ASX Listing Rule 7.3A.5:** *Details of the eligible entity's allocation policy for issues under the approval*

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The Company's allocation policy will not include Related Parties of the Company.

- (f) **ASX Listing Rule 7.3A.6:** *Previous approval under ASX Listing Rule 7.1A*

The Company has not previously obtained Shareholder approval under ASX Listing Rule 7.1A.

- (g) **ASX Listing Rule 7.3A.7:** *Voting exclusion statement*

A voting exclusion statement is included at section 3.3 of the Notice of Annual General Meeting (Section B). At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

Bioxyne Limited

ABN 97 084 464 193

Lodge your vote:



By Mail:

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

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

000001 000 BXN
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 12:00pm (Sydney time) on Tuesday, 27 November 2012.

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 as they choose. 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 information tab, "Downloadable 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

IND

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 Bioxyne Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Bioxyne Limited to be held at The Institute of Chartered Accountants, The Phillip Room, Level 1, 33 Erskine Street, Sydney NSW 2000 on Thursday, 29 November 2012 at 2:30pm (Sydney time) and at any adjournment or postponement of that Meeting.

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

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you **do not** wish to direct your proxy how to vote as your proxy in respect of a Resolution, please mark this box.

☐

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the Resolutions and that votes cast by the Chairman of the Meeting for those Resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution.

If no directions are given, the Chairman will vote in favour of all the Resolutions

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
1 Adoption of Remuneration Report (the vote on this resolution is advisory only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of William Harrison as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Patrick Ford as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/

/