



MICRO-X

MICRO-X LIMITED
ACN 153 273 735

Notice of Extraordinary General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Wednesday, 30 May 2018

Time of Meeting:
1.00PM (Adelaide Time)

Place of Meeting:
1284 South Road
MAB Gate 2
Tonsley, Clovelly Park
South Australia, 5042

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

MICRO-X LIMITED

ACN 153 273 735

Registered office: A14, 6 MAB Eastern Promenade, 1284 South Road, Tonsley, Clovelly Park, South Australia, 5042

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Extraordinary General Meeting of Members of Micro-X Limited (the "Company") will be held at the offices of Micro-X, 1284 South Road, MAB Gate 2, Tonsley, Clovelly Park, South Australia, 5042 at 1.00pm (Adelaide Time) on Wednesday, 30 May 2018.

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

ORDINARY BUSINESS

Resolution 1: Approval and ratification of the issue of up to 45,500 Convertible Notes

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

"That pursuant to and in accordance with the ASX Listing Rule 7.4 and for all other purposes, approval to be given to issue up to 45,500 Convertible Notes at an issue price of \$100 per Convertible Note at a Floor Price of \$0.23 (23 cents) and on the terms and conditions as described in the Explanatory Statement accompanying this Notice of Meeting."

Resolution 2: Approve an issue of 1,500 Convertible Notes to Mr Patrick O'Brien (or his nominee)

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

"That pursuant to and in accordance with the ASX Listing Rule 10.11 and for all other purposes, approval to be given to issue 1,500 Convertible Notes at a price of \$100 per Convertible Note to Mr Patrick O'Brien (or his nominee), a None-Executive Director and the Chairman of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting."

Resolution 3: Approve an issue of 200 Convertible Notes to Mr Peter Rowland (or his nominee)

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

"That pursuant to and in accordance with the ASX Listing Rule 10.11 and for all other purposes, approval to be given to issue 200 Convertible Notes at a price of \$100 per Convertible Note to Mr Peter Rowland (or his nominee), the Managing Director of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting."

Resolution 4: Approve an issue of 1,350 Convertible Notes to Mr Richard Hannebery (or his nominee)

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

"That pursuant to and in accordance with the ASX Listing Rule 10.11 and for all other purposes, approval to be given to issue 1,350 Convertible Notes at a price of \$100 per Convertible Note to Mr Richard Hannebery (or his nominee), an Executive Director of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting."

Resolution 5: Approve an issue of 500 Convertible Notes to Mr Jim McDowell (or his nominee)

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

"That pursuant to and in accordance with the ASX Listing Rule 10.11 and for all other purposes, approval to be given to issue 500 Convertible Notes at a price of \$100 per Convertible Note to Mr Jim McDowell (or his nominee), a Non-Executive Director of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting."

Resolution 6: Approve an issue of 500 Convertible Notes to Ms Yasmin King (or her nominee)

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

“That pursuant to and in accordance with the ASX Listing Rule 10.11 and for all other purposes, approval to be given to issue 500 Convertible Notes at a price of \$100 per Convertible Note to Ms Yasmin King (or her nominee), a Non-Executive Director of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting.”

Resolution 7: Approve an issue of 250 Convertible Notes to Mr Alexander Gosling (or his nominee)

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

“That pursuant to and in accordance with the ASX Listing Rule 10.11 and for all other purposes, approval to be given to issue 250 Convertible Notes at a price of \$100 per Convertible Note to Mr Alexander Gosling (or his nominee), a Non-Executive Director of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting.”

Resolution 8: Approve an issue of 200 Convertible Notes to Mr David Symons (or his nominee)

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

“That pursuant to and in accordance with the ASX Listing Rule 10.11 and for all other purposes, approval to be given to issue 200 Convertible Notes at a price of \$100 per Convertible Note to Mr David Symons (or his nominee), a Non-Executive Director of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting.”

DATED this 27 day of April 2018 at Adelaide.

By order of the Board


Georgina Carpendale
Company Secretary

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Extraordinary General Meeting, shares registered as held at 7.00pm on the date 48 hours before the date of the Extraordinary General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Extraordinary General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Extraordinary General Meeting.
3. **Proxies**
 - a. Votes at the Extraordinary General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with the Company's constitution and the Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Computershare Limited) no later than 48 hours before the commencement of the Extraordinary General Meeting, this is no later than 1.00pm (Adelaide time) on 28 May 2018. Any proxy received after that time will not be valid for the scheduled meeting. Proxy forms can be received by the following methods:

By Mail

Computershare Investor Services Pty Limited
GPO Box 242, Melbourne Victoria 3001
By Fax
1800 783 447 (within Australia) or 61 3 9473 2555 (outside Australia)

Online

www.investorvote.com.au

To use this facility please follow the instructions on your enclosed Proxy Form.

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

4. Corporate Representative

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

5. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast in favour of this resolution by any person who may participate in the issue or any person who might obtain a benefit and any associate of such person.

The Company will not disregard a vote on this resolution if 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. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr Patrick O'Brien or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr O'Brien or his closely related parties for the purposes of Resolution 2 will not be voted on Resolution 2. Accordingly, if you intend to appoint Mr O'Brien or the Chairman of the meeting as your proxy, please ensure that you direct him how to vote.

Resolution 3

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr Peter Rowland or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr Rowland or his closely related parties for the purposes of Resolution 3 (excluding the Chairman) will not be voted on Resolution 3. Accordingly, if you intend to appoint Mr Rowland as your proxy, please ensure that you direct him how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 3. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 3.

Resolution 4

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr Richard Hannebery or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr Hannebery or his closely related parties for the purposes of Resolution 4 (excluding the Chairman) will not be voted on Resolution 4. Accordingly, if you intend to appoint Mr Hannebery as your proxy, please ensure that you direct him how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 4. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 4.

Resolution 5

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr Jim McDowell or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr McDowell or his closely related parties for the purposes of Resolution 5 (excluding the Chairman) will not be voted on Resolution 5. Accordingly, if you intend to appoint Mr McDowell as your proxy, please ensure that you direct him how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 5. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 5.

Resolution 6

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Ms Yasmin King or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Ms King or her closely related parties for the purposes of Resolution 6 (excluding the Chairman) will not be voted on Resolution 6. Accordingly, if you intend to appoint Ms King as your proxy, please ensure that you direct her how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 6. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 6.

Resolution 7

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr Alexander Gosling or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr Gosling or his closely related parties for the purposes of Resolution 7 (excluding the Chairman) will not be voted on Resolution 7. Accordingly, if you intend to appoint Mr Gosling as your proxy, please ensure that you direct him how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 7. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 7.

Resolution 8

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr David Symons or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr Symons or his closely related parties for the purposes of Resolution 8 (excluding the Chairman) will not be voted on Resolution 8. Accordingly, if you intend to appoint Mr Symons as your proxy, please ensure that you direct him how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 8. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 8.

6. Enquiries

Shareholders are invited to contact the Company Secretary, Georgina Carpendale on (08) 7099 3966 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Resolution 1: Approval of the issue of up to 45,500 Convertible Notes

Background

The Company announced on 27 March 2018 that it had completed a fully subscribed private placement of 50,000 Unsecured Mandatorily Convertible Notes to raise \$5,000,000.

The secured Convertible Notes were allotted to the following investors:

	Investor	Number of Notes	Aggregate Face Value	Issue Date
1	UBS Nominees Pty Ltd	12,500	\$1,250,000	3 March 2018
2	HSBC Custody Nominees (Australia) Ltd	2,500	\$250,000	3 March 2018
3	Newgate Absolute Return Fund	10,000	\$1,000,000	5 March 2018
4	BNP Paribas Noms Pty Ltd	1,275	\$127,500	3 March 2018
5	National Nominees Limited	5,975	\$597,500	3 March 2018
6	Mrs Angela Anne Wood	100	\$10,000	3 March 2018
7	Pal Nominees Pty Ltd	100	\$10,000	3 March 2018
8	Quest Traders Pty Ltd	100	\$10,000	3 March 2018
9	Tabrray Investments Pty Ltd	200	\$20,000	3 March 2018
10	Bronte Investments Pty Ltd	1,250	\$125,000	3 March 2018
11	Andre Szarkan and Ms Rose Braniska	230	\$23,000	5 March 2018
12	Mark Spigelman	200	\$20,000	5 March 2018
13	Raven Investment Holdings Pty Ltd	410	\$41,000	5 March 2018
14	Mr Robert Jesse Hunt	410	\$41,000	6 March 2018
15	Merrill Lynch (Australia) Nominees Pty Ltd	10,000	\$1,000,000	3 March 2018
16	JPS Distribution Pty Ltd	250	\$25,000	6 March 2018

The directors of the Company will participate in issue of the Convertible Notes subject to approval of Resolution 2 to 8 as set out in this Notice of Meeting.

The directors of the Company will participate in the issue of 4,500 Convertible Notes to raise \$450,000. No Convertible Notes will be issued to related parties under this resolution. The issue of the 4,500 Convertible Notes to related parties will approved under Listing Rule 10.11, Resolutions 2 to 8.

Listing Rule 7.4

Listing Rule 7.4 requires shareholder approval for a company to ratify the previous issue of Convertible Notes for which shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a Company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12-month period without prior approval of its shareholders.

Under Listing Rule 7.4, an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval if the issue:

1. Did not breach Listing Rule 7.1 (i.e. the issue did not exceed the 15% limit under Listing Rule 7.1); and
2. Holders of the Ordinary Securities subsequently approve the issue.

Ratification for the issue of 45,500 Convertible Notes *at an issue price of \$100 per Convertible Note* at a floor price of \$0.23 is sought in accordance with Listing 7.4. The Convertible Notes were issued on and in-between 3 March

2018 and 6 March 2018. The funds raised will provide working capital to support manufacturing and increased inventory for first customer shipments of the DRX Revolution Nano and continuing expansion of the Company's internal engineering capability, focusing on the rapid ramp up of design and development work on the Mobile Backscatter Imager.

Terms of the Convertible Notes

The terms and conditions associated with the Convertible Notes as previously published are shown in Schedule 1 on Pages 14 to 16 of this Explanatory Statement.

Dilutionary Effect

The dilutionary effect of the issue of the securities to be approved pursuant to this Resolution is shown in Schedule 2 on Page 17 of this Explanatory Statement.

Directors' Recommendation

The Board recommends that shareholders vote in favour this resolution.

Voting Exclusions

The Company will disregard any votes cast in favour of this resolution by any person who may participate in the issue or any person who might obtain a benefit and any associate of such person.

The Company will not disregard a vote on this resolution if 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. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2: Approve an issue of 1,500 Convertible Notes to Mr Patrick O'Brien (or his nominee)

Background

The Company is proposing to issue 1,500 Convertible Notes to Mr Patrick O'Brien. Mr O'Brien is a Non-Executive Director and the Chairman of the Company. The convertibles notes will have an issue price of \$100 per note and will be issued on the terms and conditions outlined in Schedule 1 to this Explanatory Statement.

The approval for Mr O'Brien (or his nominee) to subscribe for 1,500 Convertible Notes equates to a \$150,000 investment to be made into the Company on the basis of the issue price of \$100 per note.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval for a company to issue equity securities to a related party. Equity securities are defined to include convertible securities.

A "related party" for the purposes of the Listing Rules is defined widely and includes a Director of a public company or an entity controlled by a Director of a public company. Approval for the issue of Convertible Notes to Mr O'Brien (or his nominee) is sought in accordance with the provisions of Listing Rule 10.11. If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the shares issued upon conversion of the Notes will **not** have any effect on the Company's capacity under Listing Rule 7.1. If approval is given, the Company intends to allot the Convertible Notes within one (1) month after the date of the meeting.

Terms of the Convertible Notes

The terms and conditions associated with the Convertible Notes are identical to those issued to third parties or existing shareholders as announced on 27 March 2018. The terms and conditions as previously published are shown in Schedule 1 on Pages 14 to 16 of this Explanatory Statement.

As the proposed terms of issue are to be no more favourable than the terms made available to third parties or existing shareholders, it is considered that the allotment would be conducted on arm's length terms and as such, the Company can rely on an exception to section 208 of the Corporations Act in relation to Resolution 2, but shareholders' approval will be sought under LR 10.11.

Use of Funds

The funds raised will provide working capital to support manufacturing and increased inventory for first customer shipments of the DRX Revolution Nano and continuing expansion of the Company's internal engineering capability, focusing on the rapid ramp up of design and development work on the Mobile Backscatter Imager.

Dilutionary Effect

The dilutionary effect of the issue of the securities to be approved pursuant to this Resolution is shown in Schedule 2 on Page 17 of this Explanatory Statement.

Directors' Recommendation

The Board (with Mr O'Brien abstaining), recommends that shareholders vote in favour this resolution.

Voting Exclusions

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr Patrick O'Brien or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr O'Brien or his closely related parties for the purposes of Resolution 2 will not be voted on Resolution 2. Accordingly, if you intend to appoint Mr O'Brien or the Chairman of the meeting as your proxy, please ensure that you direct him how to vote.

Resolution 3: Approve an issue of 200 Convertible Notes to Mr Peter Rowland (or his nominee)

Background

The Company is proposing to issue 200 Convertible Notes to Mr Peter Rowland. Mr Rowland is the Managing Director of the Company. The convertibles notes will have an issue price of \$100 per note and will be issued on the terms and conditions outlined in Schedule 1 to this Explanatory Statement.

The approval for Mr Rowland (or his nominee) to subscribe for 200 Convertible Notes equates to a \$20,000 investment to be made into the Company on the basis of the issue price of \$100 per note.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval for a company to issue equity securities to a related party. Equity securities are defined to include convertible securities.

A "related party" for the purposes of the Listing Rules is defined widely and includes a Director of a public company or an entity controlled by a Director of a public company. Approval for the issue of Convertible Notes to Mr Rowland (or his nominee) is sought in accordance with the provisions of Listing Rule 10.11. If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the shares issued upon conversion of the Notes will **not** have any effect on the Company's capacity under Listing Rule 7.1. If approval is given, the Company intends to allot the Convertible Notes within one (1) month after the date of the meeting.

Terms of the Convertible Notes

The terms and conditions associated with the Convertible Notes are identical to those issued to third parties or existing shareholders as announced on 27 March 2018. The terms and conditions as previously published are shown in Schedule 1 on Pages 14 to 16 of this Explanatory Statement.

As the proposed terms of issue are to be no more favourable than the terms made available to third parties or existing shareholders, it is considered that the allotment would be conducted on arm's length terms and as such, the Company can rely on an exception to section 208 of the Corporations Act in relation to Resolution 3, but shareholders' approval will be sought under LR 10.11.

Use of Funds

The funds raised will provide working capital to support manufacturing and increased inventory for first customer shipments of the DRX Revolution Nano and continuing expansion of the Company's internal engineering capability, focusing on the rapid ramp up of design and development work on the Mobile Backscatter Imager.

Dilutionary Effect

The dilutionary effect of the issue of the securities to be approved pursuant to this Resolution is shown in Schedule 2 on Page 17 of this Explanatory Statement.

Directors' Recommendation

The Board (with Mr Rowland abstaining), recommends that shareholders vote in favour this resolution.

Voting Exclusions

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr Peter Rowland or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr Rowland or his closely related parties for the purposes of Resolution 3 (excluding the Chairman) will not be voted on Resolution 3. Accordingly, if you intend to appoint Mr Rowland as your proxy, please ensure that you direct him how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 3. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 3.

Resolution 4: Approve an issue of 1,350 Convertible Notes to Mr Richard Hannebery (or his nominee)

Background

The Company is proposing to issue 1,350 Convertible Notes to Mr Richard Hannebery. Mr Hannebery is an Executive Director of the Company. The convertibles notes will have an issue price of \$100 per note and will be issued on the terms and conditions outlined in Schedule 1 to this Explanatory Statement.

The approval for Mr Hannebery (or his nominee) to subscribe for 1,350 Convertible Notes equates to a \$135,000 investment to be made into the Company on the basis of the issue price of \$100 per note.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval for a company to issue equity securities to a related party. Equity securities are defined to include convertible securities.

A "related party" for the purposes of the Listing Rules is defined widely and includes a Director of a public company or an entity controlled by a Director of a public company. Approval for the issue of Convertible Notes to Mr Hannebery (or his nominee) is sought in accordance with the provisions of Listing Rule 10.11. If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the shares issued upon conversion of the Notes will **not** have any effect on the Company's capacity under Listing Rule 7.1. If approval is given, the Company intends to allot the Convertible Notes within one (1) month after the date of the meeting.

Terms of the Convertible Notes

The terms and conditions associated with the Convertible Notes are identical to those issued to third parties or existing shareholders as announced on 27 March 2018. The terms and conditions as previously published are shown in Schedule 1 on Pages 14 to 16 of this Explanatory Statement.

As the proposed terms of issue are to be no more favourable than the terms made available to third parties or existing shareholders, it is considered that the allotment would be conducted on arm's length terms and as such, the Company can rely on an exception to section 208 of the Corporations Act in relation to Resolution 4, but shareholders' approval will be sought under LR 10.11.

Use of Funds

The funds raised will provide working capital to support manufacturing and increased inventory for first customer shipments of the DRX Revolution Nano and continuing expansion of the Company's internal engineering capability, focusing on the rapid ramp up of design and development work on the Mobile Backscatter Imager.

Dilutionary Effect

The dilutionary effect of the issue of the securities to be approved pursuant to this Resolution is shown in Schedule 2 on Page 17 of this Explanatory Statement.

Directors' Recommendation

The Board (with Mr Hannebery abstaining), recommends that shareholders vote in favour this resolution.

Voting Exclusions

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr Richard Hannebery or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr Hannebery or his closely related parties for the purposes of Resolution 4 (excluding the Chairman) will not be voted on Resolution 4. Accordingly, if you intend to appoint Mr Hannebery as your proxy, please ensure that you direct him how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 4. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 4.

Resolution 5: Approve an issue of 500 Convertible Notes to Mr Jim McDowell (or his nominee)

Background

The Company is proposing to issue 500 Convertible Notes to Mr Jim McDowell. Mr McDowell is a Non-Executive Director of the Company. The convertibles notes will have an issue price of \$100 per note and will be issued on the terms and conditions outlined in Schedule 1 to this Explanatory Statement.

The approval for Mr McDowell (or his nominee) to subscribe for 500 Convertible Notes equates to a \$50,000 investment to be made into the Company on the basis of the issue price of \$100 per note.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval for a company to issue equity securities to a related party. Equity securities are defined to include convertible securities.

A "related party" for the purposes of the Listing Rules is defined widely and includes a Director of a public company or an entity controlled by a Director of a public company. Approval for the issue of Convertible Notes to Mr McDowell (or his nominee) is sought in accordance with the provisions of Listing Rule 10.11. If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the shares issued upon conversion of the Notes will **not** have any effect on the Company's capacity under Listing Rule 7.1. If approval is given, the Company intends to allot the Convertible Notes within one (1) month after the date of the meeting.

Terms of the Convertible Notes

The terms and conditions associated with the Convertible Notes are identical to those issued to third parties or existing shareholders as announced on 27 March 2018. The terms and conditions as previously published are shown in Schedule 1 on Pages 14 to 16 of this Explanatory Statement.

As the proposed terms of issue are to be no more favourable than the terms made available to third parties or existing shareholders, it is considered that the allotment would be conducted on arm's length terms and as such, the Company can rely on an exception to section 208 of the Corporations Act in relation to Resolution 5, but shareholders' approval will be sought under LR 10.11.

Use of Funds

The funds raised will provide working capital to support manufacturing and increased inventory for first customer shipments of the DRX Revolution Nano and continuing expansion of the Company's internal engineering capability, focusing on the rapid ramp up of design and development work on the Mobile Backscatter Imager.

Dilutionary Effect

The dilutionary effect of the issue of the securities to be approved pursuant to this Resolution is shown in Schedule 2 on Page 17 of this Explanatory Statement.

Directors' Recommendation

The Board (with Mr McDowell abstaining), recommends that shareholders vote in favour this resolution.

Voting Exclusions

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr Jim McDowell or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr McDowell or his closely related parties for the purposes of Resolution 5 (excluding the Chairman) will not be voted on Resolution 5. Accordingly, if you intend to appoint Mr McDowell as your proxy, please ensure that you direct him how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 5. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 5.

Resolution 6: Approve an issue of 500 Convertible Notes to Ms Yasmin King (or her nominee)

Background

The Company is proposing to issue 500 Convertible Notes to Ms Yasmin King. Ms King is a Non-Executive Director of the Company. The convertibles notes will have an issue price of \$100 per note and will be issued on the terms and conditions outlined in Schedule 1 to this Explanatory Statement.

The approval for Ms King (or her nominee) to subscribe for 500 Convertible Notes equates to a \$50,000 investment to be made into the Company on the basis of the issue price of \$100 per note.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval for a company to issue equity securities to a related party. Equity securities are defined to include convertible securities.

A "related party" for the purposes of the Listing Rules is defined widely and includes a Director of a public company or an entity controlled by a Director of a public company. Approval for the issue of Convertible Notes to Ms King (or her nominee) is sought in accordance with the provisions of Listing Rule 10.11. If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the shares issued upon conversion of the Notes will **not** have any effect on the Company's capacity under Listing Rule 7.1. If approval is given, the Company intends to allot the Convertible Notes within one (1) month after the date of the meeting.

Terms of the Convertible Notes

The terms and conditions associated with the Convertible Notes are identical to those issued to third parties or existing shareholders as announced on 27 March 2018. The terms and conditions as previously published are shown in Schedule 1 on Pages 14 to 16 of this Explanatory Statement.

As the proposed terms of issue are to be no more favourable than the terms made available to third parties or existing shareholders, it is considered that the allotment would be conducted on arm's length terms and as such, the Company can rely on an exception to section 208 of the Corporations Act in relation to Resolution 6, but shareholders' approval will be sought under LR 10.11.

Use of Funds

The funds raised will provide working capital to support manufacturing and increased inventory for first customer shipments of the DRX Revolution Nano and continuing expansion of the Company's internal engineering capability, focusing on the rapid ramp up of design and development work on the Mobile Backscatter Imager.

Dilutionary Effect

The dilutionary effect of the issue of the securities to be approved pursuant to this Resolution is shown in Schedule 2 on Page 17 of this Explanatory Statement.

Directors' Recommendation

The Board (with Ms King abstaining), recommends that shareholders vote in favour this resolution.

Voting Exclusions

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Ms Yasmin King or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Ms King or her closely related parties for the purposes of Resolution 6 (excluding the Chairman) will not be voted on Resolution 6. Accordingly, if you intend to appoint Ms King as your proxy, please ensure that you direct her how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 6. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 6.

Resolution 7: Approve an issue of 250 Convertible Notes to Mr Alexander Gosling (or his nominee)

Background

The Company is proposing to issue 250 Convertible Notes to Mr Alexander Gosling. Mr Gosling is a Non-Executive Director of the Company. The convertibles notes will have an issue price of \$100 per note and will be issued on the terms and conditions outlined in Schedule 1 to this Explanatory Statement.

The approval for Mr Gosling (or his nominee) to subscribe for 250 Convertible Notes equates to a \$25,000 investment to be made into the Company on the basis of the issue price of \$100 per note.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval for a company to issue equity securities to a related party. Equity securities are defined to include convertible securities.

A "related party" for the purposes of the Listing Rules is defined widely and includes a Director of a public company or an entity controlled by a Director of a public company. Approval for the issue of Convertible Notes to Mr Gosling (or his nominee) is sought in accordance with the provisions of Listing Rule 10.11. If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the shares issued upon conversion of the Notes will **not** have any effect on the Company's capacity under Listing Rule 7.1. If approval is given, the Company intends to allot the Convertible Notes within one (1) month after the date of the meeting.

Terms of the Convertible Notes

The terms and conditions associated with the Convertible Notes are identical to those issued to third parties or existing shareholders as announced on 27 March 2018. The terms and conditions as previously published are shown in Schedule 1 on Pages 14 to 16 of this Explanatory Statement.

As the proposed terms of issue are to be no more favourable than the terms made available to third parties or existing shareholders, it is considered that the allotment would be conducted on arm's length terms and as such, the Company can rely on an exception to section 208 of the Corporations Act in relation to Resolution 7, but shareholders' approval will be sought under LR 10.11.

Use of Funds

The funds raised will provide working capital to support manufacturing and increased inventory for first customer shipments of the DRX Revolution Nano and continuing expansion of the Company's internal engineering capability, focusing on the rapid ramp up of design and development work on the Mobile Backscatter Imager.

Dilutionary Effect

The dilutionary effect of the issue of the securities to be approved pursuant to this Resolution is shown in Schedule 2 on Page 17 of this Explanatory Statement.

Directors' Recommendation

The Board (with Mr Gosling abstaining), recommends that shareholders vote in favour this resolution.

Voting Exclusions

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr Alexander Gosling or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr Gosling or his closely related parties for the purposes of Resolution 7 (excluding the Chairman) will not be voted on Resolution 7. Accordingly, if you intend to appoint Mr Gosling as your proxy, please ensure that you direct him how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 7. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 7.

Resolution 8: Approve an issue of 200 Convertible Notes to Mr David Symons (or his nominee)

Background

The Company is proposing to issue 200 Convertible Notes to Mr David Symons. Mr Symons is a Non-Executive Director of the Company. The convertibles notes will have an issue price of \$100 per note and will be issued on the terms and conditions outlined in Schedule 1 to this Explanatory Statement.

The approval for Mr Symons (or his nominee) to subscribe for 200 Convertible Notes equates to a \$20,000 investment to be made into the Company on the basis of the issue price of \$100 per note.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval for a company to issue equity securities to a related party. Equity securities are defined to include convertible securities.

A "related party" for the purposes of the Listing Rules is defined widely and includes a Director of a public company or an entity controlled by a Director of a public company. Approval for the issue of Convertible Notes to Mr Symons (or his nominee) is sought in accordance with the provisions of Listing Rule 10.11. If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the shares issued upon conversion of the Notes will **not** have any effect on the Company's capacity under Listing Rule 7.1. If approval is given, the Company intends to allot the Convertible Notes within one (1) month after the date of the meeting.

Terms of the Convertible Notes

The terms and conditions associated with the Convertible Notes are identical to those issued to third parties or existing shareholders as announced on 27 March 2018. The terms and conditions as previously published are shown in Schedule 1 on Pages 14 to 16 of this Explanatory Statement.

As the proposed terms of issue are to be no more favourable than the terms made available to third parties or existing shareholders, it is considered that the allotment would be conducted on arm's length terms and as such, the Company can rely on an exception to section 208 of the Corporations Act in relation to Resolution 8, but shareholders' approval will be sought under LR 10.11.

Use of Funds

The funds raised will provide working capital to support manufacturing and increased inventory for first customer shipments of the DRX Revolution Nano and continuing expansion of the Company's internal engineering capability, focusing on the rapid ramp up of design and development work on the Mobile Backscatter Imager.

Dilutionary Effect

The dilutionary effect of the issue of the securities to be approved pursuant to this Resolution is shown in Schedule 2 on Page 17 of this Explanatory Statement.

Directors' Recommendation

The Board (with Mr Symons abstaining), recommends that shareholders vote in favour this resolution.

Voting Exclusions

The Company will disregard any votes cast in favour of this resolution (in any capacity) by or on behalf of Mr David Symons or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Mr Symons or his closely related parties for the purposes of Resolution 8 (excluding the Chairman) will not be voted on Resolution 8. Accordingly, if you intend to appoint Mr Symons as your proxy, please ensure that you direct him how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 8. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 8.

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GLOSSARY

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

“\$” means Australian Dollars;

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

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

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

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

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

“**Closely Related Party**” means:

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

“**Company**” means Micro-X Limited ACN 153 273 735;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Convertible Security**” means a security of the Company which is convertible into shares;

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

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

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

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

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

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

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

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

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

“**Schedule**” means schedule to the Notice;

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

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

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

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

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

SCHEDULE ONE – CONVERTIBLE NOTE TERM SHEET

	Term	Description
1.	Issuer	Micro-X Limited ACN 153 273 725 (Company).
2.	Amount to be raised	\$5,000,000
3.	Class of security to be issued to the Investor	Unsecured Convertible Note (Note) convertible into fully paid ordinary shares in the Company (Shares) as set out below.
4.	Number of Notes to be issued	50,000
5.	Face value	The Investor will be issued Notes, at a face value of A\$100.00 per Note.
6.	Security and ranking	The Notes will be subordinated unsecured debt obligations of the Company and rank, in relation to payment of principal, equally with each other subordinated and unsecured creditors of the Company.
7.	Subordination	In a winding up of the Issuer, Noteholders rank for payment of the aggregate Liquidation Amount on the Notes respectively held by them subordinate to the claims of all other creditors of the Issuer (other than Junior Subordinated Creditors, i.e. other Noteholders or holders of other subordinated claims) but ahead of all Shareholders. Noteholders waive to the fullest extent permitted by law any right to prove in any such winding up of the Issuer as a creditor ranking for payment equally with any other such creditors.
8.	Liquidation Amount	\$125.00 per Note.
9.	Maturity Date	The Notes are perpetual subject to Conversion while the Issuer is a going concern.
10.	Conversion at the election of the Investor	At any time after 19 April 2018, the Investor may elect by giving not less than 2 Business Days' notice to the Issuer to require that the Company convert all of the Investor's Notes into Shares at the Conversion Price (Maturity Conversion).
11.	Mandatory Conversion	Not later than 2 Business Days after the Issuer completes a Qualifying Capital Raising or announces that its directors have recommended a takeover bid in relation to the Issuer or a scheme of arrangement in relation to the Issuer that is reasonably likely to have the effect of a third party acquiring control of the Issuer, the Issuer must convert each Note into Shares at the Conversion Price (also, Maturity Conversion).

Term	Description
12. Conversion	<p>On Maturity Conversion, the Notes will convert into Shares at \$0.40 per Share unless on or before 30 September 2018 a Qualifying Capital Raising has been completed, in which event the Notes will convert into Shares at the lesser of:</p> <p>(a) \$0.40 per Share; and</p> <p>(b) an amount equal to a 20% discount to the issue price per Share (or conversion price of convertible securities) issued under the Qualifying Capital Raising, subject to a minimum conversion price of \$0.23 per Share,</p> <p>(Conversion Price).</p>
13. Qualifying Capital Raising	<p>One issue by way of placement or 2 issues by way of placement and contemporaneously announced underwritten rights issue, in each case after the date of this document and on or before 30 September 2018 of Shares or securities convertible into Shares raising in total gross proceeds of at least \$10 million, excluding any issue of the Notes or any issue of Shares or other securities under an employee incentive scheme.</p>
14. Distributions	<p>Distributions will be payable on each Note equal to the Face Value of the Note divided by the Conversion Price and then multiplied by an amount equal to a 2% margin over the rate per Share of dividends declared or authorised by Directors in respect of Shares.</p> <p>The Issuer must not pay a dividend in respect of Shares unless and until the corresponding distribution has been paid in respect of the Notes.</p> <p>In the event of Maturity Conversion or a winding up of the Issuer, no distributions will be payable.</p>
15. Transaction documents	<p>The parties will negotiate and execute an unsecured Convertible Note documents containing customary representations and warranties of the Company and other terms and conditions, to be drafted by the legal counsel to the Company.</p>
16. Voting rights	<p>The Note will not confer the right on the holder to vote at any board or shareholder meeting of the Company.</p>
17. Participation rights	<p>Prior to the Maturity Date, the Notes will not carry any entitlement to participate in rights issues, returns of capital, bonus issues or capital reconstruction.</p>
18. Rights attaching to Shares	<p>Shares issued on Maturity Conversion will rank equally with all other Shares on issue at the date of issue and otherwise will be subject to the terms and conditions of the Company's constitution.</p>

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Term		Description
19.	Transferability	<p>The Notes are personal to the Investor and are not transferrable other than with the consent of the board of the Company.</p> <p>Noteholders must not engage with any prospective corporate partner of the Issuer in relation to the sale or transfer of any of their Notes unless a Qualifying Capital Raising involving any such partner has not occurred.</p>
20.	Adjustments	<p>The Notes will contain customary adjustments for bonus and rights issues of Shares as well as other capital reconstructions involving Shares.</p>
21.	Confidentiality	<p>No party may disclose the confidential information of another party (which includes the information provided as part of the Proposed Transaction) to any other person or entity except:</p> <ul style="list-style-type: none"> (a) with the consent of the party whose confidential information it is; (b) as required by law or an applicable stock exchange; or (c) to its professional advisers and employees for the purpose of negotiating the subscription agreement, on the basis that they keep the information confidential.
22.	Announcements	<p>No party may make a press release, announcement or public statement about the Proposed Transaction except with the consent of the other parties or as required by law or an applicable stock exchange.</p>
23.	Costs and expenses	<p>The Company and the Investor will bear their own costs and expenses incurred in connection with the negotiation, preparation, execution and completion of the subscription agreement required to implement the Proposed Transaction.</p>
24.	Governing law	<p>This term sheet is governed by the laws of South Australia and the parties submit to the non-exclusive jurisdiction of courts in that State.</p>
25.	Counterparts	<p>This term sheet may be executed in counterparts.</p>

SCHEDULE TWO – DILUTIONARY EFFECT

Calculation of potential dilution from issuance upon conversion

Minimum dilution from Notes upon Conversion		Dilution
Total Ordinary Shares on Issue prior to Conversion	144,350,698	
Minimum number of Ordinary Shares issued upon Conversion (at \$0.40)	<u>12,500,000</u>	8.7%
	<u>156,850,698</u>	



Maximum dilution from Notes upon Conversion		Dilution
Total Ordinary Shares on Issue prior to Conversion	144,350,698	
Maximum number of Ordinary Shares issued upon Conversion (at \$0.23)	<u>21,739,130</u>	15.1%
	<u>166,089,828</u>	


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MICRO-X

Micro-X Limited
ABN 21 153 273 735

Lodge your vote:

  **Online:**
www.investorvote.com.au

 **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 (03) 9415 5000

Proxy Form



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 181568

SRN/HIN:

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

 **For your vote to be effective it must be received by 1:00pm (Adelaide Time) on Monday, 28 May 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

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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.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Micro-X 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 Extraordinary General Meeting of Micro-X Limited to be held at 1284 South Road, MAB Gate 2, Tonsley, Clovelly Park, South Australia, 5042 on Wednesday, 30 May 2018 at 1.00PM (Adelaide Time) 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	Approval and ratification of the issue of up to 45,500 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approve an issue of 1,500 Convertible Notes to Mr Patrick O'Brien (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approve an issue of 200 Convertible Notes to Mr Peter Rowland (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approve an issue of 1,350 Convertible Notes to Mr Richard Hannebery (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approve an issue of 500 Convertible Notes to Mr Jim McDowell (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approve an issue of 500 Convertible Notes to Ms Yasmin King (or her nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approve an issue of 250 Convertible Notes to Mr Alexander Gosling (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approve an issue of 200 Convertible Notes to Mr David Symons (or his nominee)	<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 / /