

MICRO-X

MICRO-X LIMITED
ACN 153 273 735

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Wednesday, 21 November 2018

Time of Meeting:
11.00AM (Melbourne Time)

Place of Meeting:
Level 6, Tower Two
Collins Square
727 Collins Street
Melbourne, VIC 3008

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

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 ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of Micro-X Limited (the "Company") will be held at Level 6, Tower Two, Collins Square, 727 Collins Street, Melbourne, Victoria 3008 at 11.00am (Melbourne Time) on Wednesday, 21 November 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

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2018.

Note: Except as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

"That for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2018 be adopted."

Resolution 2: Re-election of Mr Alexander Gosling as a Director of the Company

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

"That Mr Alexander Gosling, being a Director who retires pursuant to the Constitution of the Company and being eligible for re-election offers himself for re-election, is hereby re-elected as a Director of the Company."

Resolution 3: Ratification of the issue of 30,000 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, ratification to be given to issue 30,000 Convertible Notes at an issue price of \$100 per Convertible Note at a conversion Floor Price of \$0.23 (23 cents) per share and on the terms and conditions as described in the Explanatory Statement accompanying this Notice of Meeting."

SPECIAL BUSINESS

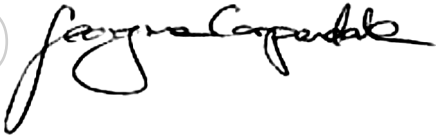
Resolution 4: Approval of 10% Placement Facility

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

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement”

DATED this 19th day of October 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 Annual General Meeting, shares registered as held at 7.00pm on Monday 19 November 2018 the date 48 hours before the date of the Annual 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 Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

3. Proxies

- a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- b. Each shareholder has a right to appoint one or two proxies.
- c. A proxy need not be a shareholder of the Company.
- d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
- e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
- g. A proxy form 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 Annual General Meeting, this is no later than 11.00am (Melbourne time) on 19 November 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 on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2

There are no voting exclusions on this Resolution.

Resolution 3

The Company will disregard any votes cast in favour of the resolution by or on behalf of a person who participated in the issue or a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; or an associate of those persons.

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; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides. 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 the resolution by or on behalf of a person who may participate in the issue or a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; or an associate of those persons.

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; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

At this point in time, there is no potential allottee to whom securities may be issued under this resolution.

6. Enquiries

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

EXPLANATORY STATEMENT

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2018 (which incorporates the Company's financial report, the Directors' Report (including the Remuneration Report) and the Auditor's Report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution costs associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (08) 7099 3966, and you may request that this occurs on a standing basis for future years. Alternatively, you may access the Annual Report at the Company's website: www.micro-x.com or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(3) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2018 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

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

Directors' Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

Voting Exclusions

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

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2: Re-election of Mr Alexander Gosling as a Director of the Company

Background

The Constitution of the Company requires that at every annual general meeting, at least one Director shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Alexander Gosling was appointed as a Director on 27 August 2015 and being eligible, offers himself for re-election.

Mr Gosling has been working in the field of process and product development and related research and development for 40 years. A founding director of Invetech and was part of the management team that led Invetech to a public listing (as Vision Systems) and then to its acquisition by Danaher Corp for \$800M. He currently sits on various company Boards. Mr Gosling is an engineer, with an Honours degree from Cambridge University. He is a Fellow of the Academy of Technological Sciences and Engineering, a Fellow of the Institute of Engineers Australia and a Governor of the Warren Centre for Advanced Engineering. He was awarded an Honorary Doctorate in Engineering from Swinburne University and made a Member of The Order of Australia for services to engineering.

Directors' Recommendation

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

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 3: Ratification of the issue of 30,000 Convertible Notes

Background

The Company announced on 1 October 2018 that it had completed a fully subscribed private placement of 30,000 Unsecured Mandatorily Convertible Notes to raise \$3,000,000.

The secured Convertible Notes were allotted to the following investors:

	Investor	Number of Notes	Aggregate Face Value	Issue Date
1	Merrill Lynch (Australia) Nominees Pty Ltd	5,000	\$500,000	5 October 2018
2	Newgate Capital Partners	5,000	\$500,000	5 October 2018
3	Advisor Solutions Group Pty Ltd	5,000	\$500,000	5 October 2018
4	Moore Family Nominee Pty Ltd	3,500	\$350,000	5 October 2018
5	Kanat Nominees	2,000	\$200,000	5 October 2018
6	Waley Pty Ltd	500	\$50,000	5 October 2018
7	Como Group Holdings Pty Ltd	2,000	\$200,000	5 October 2018
8	Meddiscope Pty Ltd	2,000	\$200,000	5 October 2018
9	UBS Nominees Pty Ltd	2,500	\$250,000	5 October 2018
10	HSBC Custody Nominees (Australia) Ltd	2,500	\$250,000	5 October 2018

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 30,000 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 5 October 2018. The funds raised will provide general working capital to support production ramp-up of the Carestream DRX Revolution Nano while Micro-X works towards entry into a partnership that involves a strategic technology development collaboration alongside a material financial investment.

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 17 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 18 of this Explanatory Statement.

Directors' Recommendation

The Board recommends that shareholders vote in favour of this resolution.

Voting Exclusions

The Company will disregard any votes cast in favour of the resolution by or on behalf of a person who participated in the issue or a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; or an associate of those persons.

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; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides. 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: Approval of 10% Placement Facility

Background

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

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

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

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

The Company continues to see material upside in further investment in its current research and development projects. Should the Company utilise the 10% Placement Facility, it intends to use the funds to carry out further work on its current projects and/or to meet additional working capital requirements.

Directors' Recommendations

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4.

Voting Exclusions

The Company will disregard any votes cast in favour of the resolution by or on behalf of a person who may participate in the issue or a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; or an associate of those persons.

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; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

At this point in time, there is no potential allottee to whom securities may be issued under this resolution.

Description of Listing Rule 7.1A

(a) Shareholder approval

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

(b) Equity Securities

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

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, Fully Paid Ordinary Shares, Unlisted Options and Unlisted Convertible Notes.

(c) Formula for calculating 10% Placement Facility

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

(A x D)–E

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

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

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

D is 10%

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

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

At the date of this Notice, the Company has on issue 144,350,698 Shares and therefore has a capacity to issue:

- (i) 21,652,605 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 4, 14,435,070 Equity Securities under Listing Rule 7.1A.

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

(e) Minimum Issue Price

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

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

(f) 10% Placement Period

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

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

(10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Previous Approval under Listing Rule 7.1A

The Company previously obtained approval under ASX Listing Rule 7.1A at its Annual General Meeting held on 24 October 2017.

In accordance Listing Rule 7.3A.6, the following information is provided to shareholders regarding the equity securities issued in the previous 12 months preceding the date of the Annual General Meeting (that is, 21 November 2018).

Listing Rule 7.3A.6(a)

The table below shows the total number of equity securities issued in the previous 12 months preceding the date of the Annual General Meeting and the percentage that those issues represent of the total number of equity securities on issue at the commencement of that 12-month period.

Number of equity securities on issue 12 months before the date of the meeting	144,350,698 Shares 12,969,340 Unlisted Options (exercisable between \$0.575 and \$0.625, expiring between 31 December 2019 and 1 September 2021)
Total number of equity securities issued in the 12 months preceding the date of the meeting	80,000 unlisted convertible notes
Percentage that they represent of the total number of equity securities on issue at the commencement of that 12-month period	24%

Listing Rule 7.3A.6(b)

The tables below set out specific details for each issue of equity securities that have taken place in the 12-month period prior to the date of the Annual General Meeting.

Type of equity securities	Unlisted Convertible Notes
Date of issue	03/04/18
Number issued	45,500
Summary of terms	<p>On 27 March 2018, the Company announced the successful subscription of a fully subscribed private placement of 50,000 Unsecured Mandatorily Convertible Notes to raise A\$5M.</p> <p>The Notes are subordinated unsecured debt obligations of the Company and are perpetual subject to Conversion. 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 Ordinary Shares at the Conversion Price (Maturity Conversion).</p> <p>Not later than 2 Business Days after the Issuer announces that its directors have recommended a takeover bid in relation to the Issuer or a scheme of arrangement in relation to the Issuer, each Note shall convert into Ordinary Shares at the Conversion Price (also, Maturity Conversion).</p> <p>On Maturity Conversion, the Notes will convert into Ordinary 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 Ordinary Shares at the greater of:</p> <p>(a) \$0.23 per Ordinary Share; and</p> <p>(b) the lesser of:</p> <p>(i) \$0.40 per Ordinary Share; and</p> <p>(ii) an amount equal to a 20% discount to the issue price per Ordinary Share (or conversion price of convertible securities) issued under a Qualifying Capital Raising, (Conversion Price).</p> <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 Ordinary Shares raising in total gross proceeds of at least \$10 million, (Qualifying Capital Raising).</p>
Names of the persons who received securities or basis on which those persons were determined	Paragon Funds Thorney Investments Newgate Capital OC Funds Lodge Partners Bronte Investments BW Equities Regal Funds Management Durbin Superannuation Pty Ltd
Price	\$100 per note.
Discount to market price (if any)	N/A
For cash issues	
Total cash consideration received	\$4,550,000
Amount of cash consideration spent	\$4,550,000
Use of cash consideration	Ongoing working capital requirements of the business.
Intended use for remaining use of cash (if any)	N/A

For non-cash issues	N/A
Non-cash consideration paid	N/A
Current value of that non-cash consideration	N/A

Type of equity securities	Unlisted Convertible Notes
Date of issue	15/06/18
Number issued	4,500
Summary of terms	<p>On 27 March 2018, the Company announced the successful subscription of a fully subscribed private placement of 50,000 Unsecured Mandatorily Convertible Notes to raise A\$5M.</p> <p>The Notes are subordinated unsecured debt obligations of the Company and are perpetual subject to Conversion. 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 Ordinary Shares at the Conversion Price (Maturity Conversion).</p> <p>Not later than 2 Business Days after the Issuer announces that its directors have recommended a takeover bid in relation to the Issuer or a scheme of arrangement in relation to the Issuer, each Note shall convert into Ordinary Shares at the Conversion Price (also, Maturity Conversion).</p> <p>On Maturity Conversion, the Notes will convert into Ordinary 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 Ordinary Shares at the greater of:</p> <p>(a) \$0.23 per Ordinary Share; and</p> <p>(b) the lesser of:</p> <p>(i) \$0.40 per Ordinary Share; and</p> <p>(ii) an amount equal to a 20% discount to the issue price per Ordinary Share (or conversion price of convertible securities) issued under a Qualifying Capital Raising, (Conversion Price).</p> <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 Ordinary Shares raising in total gross proceeds of at least \$10 million, (Qualifying Capital Raising).</p>
Names of the persons who received securities or basis on which those persons were determined	Board of Directors
Price	\$100 per note.
Discount to market price (if any)	N/A
For cash issues	
Total cash consideration received	\$450,000
Amount of cash consideration spent	\$200,000
Use of cash consideration	Ongoing working capital requirements of the business.
Intended use for remaining use of cash (if any)	Ongoing working capital requirements of the business.
For non-cash issues	N/A
Non-cash consideration paid	N/A
Current value of that non-cash consideration	N/A

Type of equity securities	Unlisted Convertible Notes
Date of issue	05/10/18
Number issued	30,000
Summary of terms	<p>On 1 October 2018, the Company announced the successful subscription of a fully subscribed private placement of 30,000 Unsecured Mandatorily Convertible Notes to raise A\$3M.</p> <p>The Notes are subordinated unsecured debt obligations of the Company and are perpetual subject to Conversion. At any time after 1 November 2018, the Investor may elect by giving not less than 2 Business Days' notice to the Issuer require that the Company convert all of the Investor's Notes into Ordinary Shares at the Conversion Price (Maturity Conversion).</p> <p>Not later than 2 Business Days after the Issuer announces that its directors have recommended a takeover bid in relation to the Issuer or a scheme of arrangement in relation to the Issuer, each Note shall convert into Ordinary Shares at the Conversion Price (also, Maturity Conversion).</p> <p>On Maturity Conversion, the Notes will convert into Ordinary Shares at \$0.40 per Share unless on or before 30 September 2018 a Qualifying Capital Raising has been completed, or, if a Qualifying Capital Raise has not been so completed, on or after 1 October 2018 and on or before 30 April 2019 a Secondary Qualifying Capital Raising has been completed, in which event the Notes will convert into Ordinary Shares at the greater of:</p> <p>(a) \$0.23 per Ordinary Share; and</p> <p>(b) the lesser of:</p> <p>(i) \$0.40 per Ordinary Share; and</p> <p>(ii) an amount equal to a 20% discount to the issue price per Ordinary Share (or conversion price of convertible securities) issued under a Qualifying Capital Raising, or a Secondary Qualifying Capital Raising.</p> <p>(Conversion Price).</p> <p>Should the company fail to undertake a Secondary Qualifying Capital Raising in the period commencing 1 October 2018 and ending on 30 April 2019, at any time after 30 April 2019, the Investor may elect by giving not less than 2 Business Days' notice to the Issuer require that the Company convert all of the Investor's Notes into Ordinary Shares at the Sunset Conversion Price (Sunset Conversion).</p> <p>On Sunset Conversion, the Notes will convert into Ordinary Shares at the greater of:</p> <p>(a) \$0.23 per Ordinary Share; and</p> <p>(b) the lesser of:</p> <p>(i) \$0.40 per Ordinary Share; and</p> <p>(ii) an amount equal to a 20% discount to the VWAP of the Shares in the 20 days ending on the day before the day the Noteholder lodges notification with the Company per Condition 3.1.</p> <p>(Sunset Conversion Price).</p>

Names of the persons who received securities or basis on which those persons were determined	Regal Funds Management Newgate Capital Hennessey Capital Partners Moore Family Nominee Pty Ltd Kanat Nominees Waley Pty Ltd Como Group Holdings Pty Ltd Lodge Partners Thorney Investments
Price	\$100 per note.
Discount to market price (if any)	N/A
For cash issues	
Total cash consideration received	\$3,000,000
Amount of cash consideration spent	\$0
Use of cash consideration	N/A
Intended use for remaining use of cash (if any)	Ongoing working capital requirements of the business.
For non-cash issues	
Non-cash consideration paid	N/A
Current value of that non-cash consideration	N/A

Specific information required by Listing Rule 7.3A

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

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

The table also shows:

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

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.18 50% decrease in Issue Price	\$0.35 Issue Price	\$0.70 100% increase in Issue Price
Current Variable A 144,350,698 Shares	10% Voting Dilution	14,435,070 Shares	14,435,070 Shares	14,435,070 Shares
	Funds raised	\$2,526,137	\$5,052,274	\$10,104,549
50% increase in current Variable A 216,526,047 Shares	10% Voting Dilution	21,652,605 Shares	21,652,605 Shares	21,652,605 Shares
	Funds raised	\$3,789,206	\$7,578,412	\$15,156,823
100% increase in current Variable A 288,701,396 Shares	10% Voting Dilution	28,870,140 Shares	28,870,140 Shares	28,870,140 Shares
	Funds raised	\$5,052,274	\$10,104,549	\$20,209,098

The table has been prepared on the following assumptions:

The Company issues the maximum number of Equity Securities available under the 10% Placement Facility. No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;

The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

The issue price is **\$0.35** (35 cents), being the closing price of the Shares on ASX on **9 October 2018**.

(c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).

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

- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised to carry out further work on its current projects and/or to meet additional working capital requirements.

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

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;

- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

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

For personal use only

GLOSSARY

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

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for **Resolution 4**;

“**10% Placement Period**” has the meaning as defined in the Explanatory Statement for **Resolution 4**;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2018;

“**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;

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

“**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;

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

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

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

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

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

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

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

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

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

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Micro-X Limited for the financial year ended 30 June 2018 and which is set out in the 2018 Annual Report.

“**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	A\$3,000,000
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	30,000
5.	Face value	The Investor will be issued Notes, at a face value of A\$100 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 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 1 November 2018, or an earlier time provided the Company being able to issue a requisite Cleansing Notice with ASX, 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 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).
12.	Conversion Price	<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, or, if a Qualifying Capital Raising has not been so completed, on or after 1 October 2018 and on or before 30 April 2019 a Secondary Qualifying Capital Raising has been completed, in which event the Notes will convert into Shares at the greater of:</p> <p>(a) \$0.23 per Share; and</p> <p>(b) the lesser of:</p> <p>(i) \$0.40 per Share; and</p> <p>(ii) an amount equal to a 20% discount to the issue price per Share (or conversion price of convertible securities) issued under a Qualifying Capital Raising or a Secondary Qualifying Capital Raising, as the case may be,</p> <p>(Conversion Price).</p>

	Term	Description
13.	Secondary Qualifying Capital Raising	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 after 1 October 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.
14.	Sunset Date for Secondary Qualifying Capital Raising	30 April 2019
15.	Sunset Conversion	Should the Issuer fail to undertake a Secondary Qualifying Capital Raising in the period commencing 1 October 2018 and ending on 30 April 2019, the Investor may at any time after 30 April 2019 lodge a Conversion Notice with the Issuer and a reasonable time after such lodgement the Issuer must convert the Notes held by the Investor at the time of such lodgement into Shares at the Sunset Conversion Price (Sunset Conversion).
16.	Sunset Conversion Price	<p>On Sunset Conversion, the Notes held by the Investor will convert into Shares at the greater of:</p> <p>(a) \$0.23 per Share; and</p> <p>(b) the lesser of:</p> <p>(i) \$0.40 per Share; and</p> <p>(ii) an amount equal to a 20% discount to the VWAP of Shares in the 20 days ending on the day before the day the Investor lodges the Conversion Notice with the Company,</p> <p>(Sunset Conversion Price).</p> <p>In this item 16, VWAP has the meaning given to 'volume weighted average market price' in the ASX Listing Rules.</p>
17.	Prohibited Sale of Shares in VWAP pricing period	<p>The Investor must not and must procure that each associate and related entity of the Investor does not, Acquire or Dispose of any Shares during the 20-day period referred to in item 18.</p> <p>In this item:</p> <p>(a) associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if:</p> <p>(i) section 12(1) of that Act included a reference to this Convertible Note Term Sheet; and</p> <p>(ii) the Company was the designated body;</p> <p>(b) related entity has the meaning given in the Corporations Act;</p> <p>(c) Acquire has the meaning given in the ASX Listing Rules; and</p> <p>(d) Dispose has the meaning given in the ASX Listing Rules.</p>
18.	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, Sunset Conversion or a winding up of the Issuer, no distributions will be payable.</p>

	Term	Description
19.	Transaction documents	The parties will negotiate and execute 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.
20.	Voting rights	The Notes will not confer the right on the holder to vote at any board or shareholder meeting of the Company.
21.	Participation rights	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.
22.	Rights attaching to Shares	Shares issued on Maturity Conversion or Sunset 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.
23.	Transferability	The Notes are personal to the Investor and are not transferrable other than with the consent of the board of the Company.
24.	Adjustments	The Notes will contain customary adjustments for bonus and rights issues of Shares as well as other capital reconstructions involving Shares.
25.	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.
26.	Announcements	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.
27.	Costs and expenses	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.
28.	Governing law	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.
29.	Status of term sheet	This term sheet is non-binding, except for items 25, 26, 27, 28 and this item 29 which are legally binding.
30.	Counterparts	This term sheet may be executed in counterparts.



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 upon Conversion of existing 50,000 Notes (at \$0.40)	12,500,000	
Minimum number of Ordinary Shares upon Conversion of 30,000 Notes (at \$0.40)	<u>7,500,000</u>	4.8%
	<u>164,350,698</u>	
Maximum dilution from Notes upon Conversion	\$	Dilution
Total Ordinary Shares on Issue prior to Conversion	144,350,698	
Maximum number of Ordinary Shares upon Conversion of existing 50,000 Notes (at \$0.23)	21,739,130	
Maximum number of Ordinary Shares upon Conversion of 30,000 Notes (at \$0.23)	<u>13,043,478</u>	7.9%
	<u>179,133,306</u>	

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

MX1

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

Proxy Form

XX



Vote and view the annual report 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: 999999

SRN/HIN: I9999999999 PIN: 99999

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 11.00am (Melbourne Time) on Monday, 19 November 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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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 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 Annual General Meeting of Micro-X Limited to be held at Level 6, Tower Two, Collins Square, 727 Collins Street, Melbourne, Victoria on Wednesday, 21 November 2018 at 11.00am (Melbourne Time) and at any adjournment or postponement of that Meeting.

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

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

STEP 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Alexander Gosling as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of the issue of 30,000 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of 10% Placement Facility	<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 / / _____

MX 1

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Computershare +