

KARMELSONIX LIMITED
ABN 98 009 234 173
NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Karmelsonix Limited ("the Company" or "Karmelsonix") will be held at 10:30am on Wednesday 10th August 2011 at:

Suite 1, 1233 High Street
Armadale, Victoria 3143

Further details in respect of the resolutions proposed in this Notice of General Meeting are set out in the Explanatory Memorandum which accompanies and forms part of this Notice of General Meeting.

The details of each resolution contained in the Explanatory Memorandum should be read together with this Notice of General Meeting.

RESOLUTIONS – ORDINARY BUSINESS

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

Resolution 1(a) – Approval of Prior Issue to Subiaco Capital Pty Ltd

"THAT for the purposes of ASX Listing Rule 7.4 and for all other purposes, the prior issue of:

- (i) 3,500,000 fully paid ordinary shares in the issued capital of the Company at an issue price of \$0.02 (2.0 cents);*
- (ii) 4,000,000 listed options each to, upon exercise, acquire one (1) fully paid ordinary share in the issued capital of the Company having an exercise price of \$0.07 (7 cents) and an expiry date of 31 July 2011; and*
- (iii) 3,000,000 unlisted options each to, upon exercise, acquire one (1) fully paid ordinary share in the issued capital of the Company having an exercise price of \$0.03 (3 cents) and an expiry date of 30 November 2011;*

to Subiaco Capital Pty Ltd and its nominee Zero Nominees Pty Ltd as described in the Explanatory Memorandum that formed part of and accompanied the Notice of Meeting, is approved."

Resolution 1(b) – Approval of Prior Issue to Professional and Sophisticated Investors

"THAT for the purposes of ASX Listing Rule 7.4 and for all other purposes, the prior issue of 72,711,315 fully paid ordinary shares in the issued capital of the Company at an issue price of \$0.016 (1.6 cents) to professional and sophisticated investors as described in the Explanatory Memorandum that formed part of and accompanied the Notice of Meeting, is approved."

Voting Exclusion – Resolution 1(a) and 1(b):

The Company will disregard any votes cast on Resolution 1(a) and 1(b) by:

- a person who participated in the issue; and
- an associate of that person.

However, the Company need not disregard a vote on Resolution 1(a) and 1(b) if:

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

Resolution 2: Approval of the Issue of 1:2 Free Attaching Unlisted Options

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue by the Company of 36,355,657 free attaching unlisted options of the Company to professional and sophisticated investors as described in the Explanatory Memorandum that formed part of and accompanied the Notice of Meeting.”

Voting Exclusion – Resolution 2:

The Company will disregard any votes cast on Resolution 2 by:

- a person who participated in the issue; and
- an associate of that person.

However, the Company need not disregard a vote on Resolution 2 if:

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

Resolution 3: Approval of Issue of Securities to a Director

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes shareholders approve the issue by the Company of 1,339,196 ordinary shares, having an issue price of \$0.015 (1.5 cents), to Mr Ross Haghighat (and/or nominee) as described in the Explanatory Memorandum that formed part of and accompanied the Notice of Meeting).”

Voting Exclusion Statement – Resolution 3:

The Company will disregard any votes cast on Resolution 3 by:

- Ross Haghighat, a Director of the Company; and/ or
- an associate of that person/entity.

However, the Company need not disregard a vote on Resolution 3 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;
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Approval of Issue of Securities to a Director

"THAT for the purposes of Listing Rule 10.11 and for all other purposes shareholders approve the issue of 18,000,000 fully paid ordinary shares, at an issue price of 1.0 cent (\$0.01) each, to Mr Ross Haghighat (and/or nominee), a Director of the Company, as described in the Explanatory Memorandum which accompanied and formed part of the Notice of Meeting."

Voting Exclusion Statement Resolution 4

The Company will disregard any votes cast on Resolution 4 by:

- Ross Haghighat, a Director of the Company ; and
- an associate of that person/entity.

However, the Company need not disregard a vote on Resolution 4 if:

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

Resolution 5: Proposed Share Placement

"That for the purposes of Listing Rule 7.1 and all other purposes shareholders approve the placement of up to five hundred million (500,000,000) new fully paid ordinary shares, having an issue price of at least ninety percent (90%) of the average market price of the Company's shares for the five (5) day period on which sales in the Company's securities were recorded prior to the issue of those shares to professional and sophisticated investors and clients of Australian Financial Service License holders, as described in the Explanatory Memorandum that formed part of and accompanied the Notice of Meeting."

Voting Exclusion – Resolution 5:

The Company will disregard any votes cast on Resolution 5 by:

- a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares if the resolution is passed; and
- an associate of that person/entity.

However, the Company need not disregard a vote on Resolution 5 if:

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

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

Resolution 6: Change of Company's Name

"That, pursuant to and in accordance with section 157 of the Corporations Act, the name of the Company be changed to "iSonea Limited" with effect from the date that ASIC registers the change in the name."

A handwritten signature in blue ink, appearing to read 'Ross Haghighat', is written over the resolution text.

By the order of the Board

Ross Haghighat
Director

Dated: 8th July 2011

The accompanying Explanatory Memorandum and the Proxy and Voting Instructions form part of this Notice of Meeting.

PROXY AND VOTING INSTRUCTIONS

Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; and
- (b) one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the Company's registered office on +61 3 9824 8161 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by

the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 9.00am on Monday 8 August 2011 (Melbourne, Victoria time) being not less than 48 hours before the meeting are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

KARMELSONIX LIMITED

ABN 98 009 234 173

("the Company")

NOTICE OF GENERAL MEETING

EXPLANATORY MEMORANDUM

PURPOSE OF INFORMATION

This Explanatory Memorandum ("this Memorandum") is dated 8th July 2011 and accompanies and forms part of the Company's Notice of the General Meeting to be held at 10:30am on Wednesday 10th August 2011 at:

Suite 1, 1233 High Street
Armadale Victoria 3143

The Notice of General Meeting incorporates, and should be read together with, this Memorandum.

Resolution 1

Background

Under ASX Listing Rule 7.1, an entity must not issue or agree to issue equity securities exceeding 15% of the share capital of the Company in a 12 month period without shareholder approval.

ASX Listing Rule 7.4 provides that an issue made without approval under ASX Listing Rule 7.1 is treated as having been made with approval if the shares or other securities were issued without exceeding the limit imposed by ASX Listing Rule 7.1 and the company obtains subsequent shareholder approval for the prior issue.

Resolution 1(a) and 1(b) have been proposed to seek subsequent approval of the prior issue of securities pursuant to ASX Listing Rule 7.4.

Resolution 1(a) - Approval of Prior Issue to Subiaco Capital

Resolution 1(a) of the Notice of Meeting seeks shareholder approval of the prior issue to Subiaco Capital Pty Ltd [ACN 129 705 308] ("Subiaco") and its nominee Zero Nominees Pty Ltd of the following securities:

- 3,500,000 fully paid ordinary shares at a deemed issue price of \$0.02 (2.0 cents) per share;
- 4,000,000 listed options having a nil issue price, each to acquire one (1) fully paid ordinary share in the issued capital of the Company with an exercise price of seven cents (\$0.07) and an expiry date of 31 July 2011; and
- 3,000,000 unlisted options having a nil issue price, each to acquire one (1) fully paid ordinary share in the issued capital of the Company with an exercise price of three cents (\$0.03) and an expiry date of 30 November 2011.

The shares the subject of Resolution 1(a) are fully paid ordinary shares ranking equally with the Company's existing listed ordinary shares. The options were issued on the terms set out in Annexure A and B.

The securities the subject of Resolution 1(a) were issued on 17 December 2010 in consideration for corporate advisory services provided to the Company by Subiaco. The value of the securities issued to Subiaco and its nominee company was \$63,132. The number of shares issued was calculated by the Company by reference to the Company's share price at the time the shares were issued.

There were no funds raised by the issue of the shares. Any funds received by the Company as a result of the exercise of options issued will be applied to working capital requirements of the Company at that time.

Subiaco and its nominee are not related parties of the Company.

Resolution 1(b) - Approval of Prior Issue to Professional and Sophisticated Investors

Resolution 1(b) of the Notice of General Meeting seeks shareholder approval of the prior issue to professional and sophisticated investors of 72,711,315 fully paid ordinary shares at an issue price of \$0.016 (1.6 cents) per share.

The securities the subject of Resolution 1(b) were issued on or around the 20 April 2011 as part of a private placement to professional and sophisticated investors. No person or entity that participated in the placement were related parties.

The shares the subject of Resolution 1(b) are fully paid ordinary shares ranking equally with the Company's existing listed ordinary shares.

A total of \$1.2 million was raised by the issue of these securities which was applied towards further product development and commercialisation of the Company's medical devices.

Resolution 2: Approval of the Issue of 1:2 Free Attaching Unlisted Options to Professional and Sophisticated Investors.

Resolution 2 of the Notice of Meeting seeks shareholders approval for the issue of 36,355,657 1:2 free attaching unlisted options in the capital of the Company pursuant to the 72,711,315 listed ordinary shares issued under Resolution 1(b).

As free attaching options, the unlisted options the subject of resolution 2 have no issue price. The unlisted options will be issued subject to the Terms and Conditions detailed in Annexure C of the Notice of Meeting and will be exercisable at \$0.024 each and expire on 30 April 2012.

The 36,355,657 unlisted options will be issued to the professional and sophisticated investors who participated in the capital raising as per Resolution 1(b). No cash will be received from the issue of the unlisted options.

Funds raised by the exercise of the unlisted options will be applied to the Company's working capital requirements at the time of exercise.

Subject to shareholder approval being obtained, the unlisted options the subject of Resolution 2 shall be issued and allotted no later than three (3) months from the date of this Meeting.

Shareholder approval for the proposed issue of unlisted options is required pursuant to ASX Listing Rule 7.1. ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period, any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of this 15% threshold, is where the issue has the prior approval of shareholders at a General Meeting.

By obtaining shareholder approval to issue the shares pursuant to this Resolution, will allow the Company to maintain its ability to issue further securities up to the 15% limit without further shareholder approval to take advantage of opportunities which may arise to raise additional capital.

Resolution 3: Approval of Issue of Securities to a Director

Shareholder approval is sought for the issuance of 1,339,196 ordinary shares of the Company to Mr Ross Haghighat or his nominee(s). The securities will be issued in lieu of cash payment of interest payable on convertible notes, due and payable on or about 30 April 2011. The shares will be issued at a price of A\$0.015 per ordinary share, as stated in the Convertible Note Agreement. The ordinary shares are deemed fully paid and rank equally with the Company's existing issued and outstanding ordinary shares.

ASX Listing Rule 10.11 provides that a company may not issue securities to a Director or proposed Director without the approval of shareholders. Resolution 3 has been proposed to obtain approval for the allotment of ordinary shares to Mr Ross Haghighat or his nominee(s).

The ordinary shares the subject of Resolution 3 will be granted within one (1) month from the date of the Meeting. No funds will be raised from the issue.

Under ASX Listing Rule 10.11 an entity may issue or agree to issue securities to a Director if members approve the issue before the issue is made.

Resolution 4 - Issue of Securities to a Director.

Listing Rule 10.11 requires a company to obtain the approval of shareholders to issue securities to a related party of the Company. A related party includes a Director of the Company. Passing Resolution 4 will permit the Director named in the table below (or their nominees) to acquire shares in the Company.

The table below sets out the number of shares and options held by Mr Ross Haghighat who will acquire the shares and/or options the subject of Resolution 4.

| Director and/or Nominee | Proposed Securities to be Issued | | Current Securities Held | | Total Securities Post Issue of Securities the subject of Resolution 4 | |
|--------------------------------|---|----------------|--------------------------------|----------------|--|----------------|
| | Shares | Options | Shares | Options | Shares | Options |
| Mr Ross Haghighat | 18,000,000 | Nil | 41,833,333 | 5,000,000 | 59,833,333 | 5,000,000 |

The securities the subject of Resolution 4 are proposed to be issued to Mr Haghighat (or nominee) as acknowledgement for the time and effort he has committed in leading the transformation of the Company as Chairman of the board and in consideration of the waiver of his Director Fees and personally covering significant out of pocket expenses related to his travel associated with Karmelsonix.

A partial listing of his accomplishments being, leading the capital campaign for the Company, the formation of a number of channel partnerships, the appointment of a new CEO and a new SVP of Global Operations, and the proposed dual listing in the US on the OTX QX exchange.

The Company proposes to issue 18,000,000 fully paid ordinary shares, having a deemed issue price of 1.0 cent (\$0.01) each, based on the market value of the Company shares as at the date of this Notice.

No funds will be raised from this issue. The shares issued will rank equally with the Company's existing listed ordinary shares.

Further information regarding Resolution 4

The securities the subject of Resolutions 4 will be issued and allotted to the Director no later than one (1) month after the date of the meeting (or such later date as is permitted by the ASX Listing Rules, the Corporations Act 2001 and/or the Australian Securities and Investments Commission).

ASX Listing Rule 7.1 requires the prior approval of shareholders at a General Meeting to issue securities if the number of those securities exceeds 15% of the number of the same class of securities at the commencement of the relevant 12 month period. This rule does not apply in respect of an issue made to Directors with the approval of holders of ordinary securities under ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Therefore, by obtaining shareholder approval, the Company retains the ability to issue further shares or options of up to 15% of its ordinary shares under Chapter 7 of the ASX Listing Rules to take advantage of opportunities to obtain further funds if required and available in the future.

The Director subject to this Resolution 4 because of his interest, will make no recommendation in relation to this Resolution 4.

Resolution 5: Proposed Share Placement

Shareholder approval is sought for the placement of up to five hundred million (500,000,000) new fully paid ordinary shares of the Company, having an issue price of at least ninety percent (90%) of the average market price of the Company's shares for the five (5) day period on which sales in the Company's securities were recorded prior to the issue of those shares, to professional and sophisticated investors and clients of Australian Financial Service License holders.

The shares to be issued pursuant to this Resolution 5 shall be fully paid ordinary shares and rank equally with the Company's existing listed ordinary shares.

The Company will apply to ASX for admission of the shares issued for quotation on the ASX. The ordinary shares the subject of Resolution 5 will be issued and allotted progressively within three (3) months from the date of the Meeting.

The funds raised by the Company will be applied towards further product development and commercialisation of the Company's medical devices and to fund its working capital requirements, after payment of the costs associated with the issue.

Shareholder approval for the proposed issue of shares is required pursuant to ASX Listing Rule 7.1. ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period, any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of this 15% threshold, is where the issue has the prior approval of shareholders at a General Meeting.

By obtaining shareholder approval to issue the shares pursuant to this Resolution, will allow the Company to maintain its ability to issue further securities up to the 15% limit without further shareholder approval to take advantage of opportunities which may arise to raise additional capital.

Resolution 6: Change of Company's Name

The Company wishes to change its name from KarmelSonix Limited to 'iSonea Limited', effective from the date that ASIC registers the change of name. The change of name is proposed so that the Company's name better reflects its current activities.

The Company has reserved the proposed change of name with ASIC, immediately prior to the General Meeting, to ensure the name is available should shareholders approve this resolution.

The resolution changing the Company's name is a special resolution. A special resolution is a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

ANNEXURE A

Terms and conditions of KSXO Unlisted Options (Expiring 31 July 2011)

The terms and conditions of the Options are as follows:

- (a) each option entitles the holder to one (1) Share in the Company;
- (b) the Options are exercisable at any time on or prior to 5.00pm (Eastern Standard Time) on 31 July 2011 (Expiry Date) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company;
- (c) the option exercise price is 7 cents per option;
- (d) an option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised;
- (e) subject to the Corporations Act, the Listing Rules and the Company's Constitutions, the Options are freely transferable;
- (f) all Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for quotation of all Shares issued upon exercise of the Options on ASX;
- (g) there are no participating rights or entitlement inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue; and
- (h) if at any time the issued capital of the Company is reconstructed, all rights of an option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules.

ANNEXURE B

Terms and conditions of KSXAW Unlisted Options (Expiring 30 November 2011)

The terms and conditions of the Options are as follows:

- (a) each option entitles the holder to one (1) Share in the Company;
- (b) the Options are exercisable at any time on or prior to 5.00pm (Eastern Standard Time) on 30 November 2011 (**Expiry Date**) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company;
- (c) the option exercise price is 3 cents per option;
- (d) an option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised;
- (e) subject to the Corporations Act, the Listing Rules and the Company's Constitutions, the Options are freely transferable;
- (f) all Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for quotation of all Shares issued upon exercise of the Options on ASX;
- (g) there are no participating rights or entitlement inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue; and
- (h) if at any time the issued capital of the Company is reconstructed, all rights of an option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules.

ANNEXUTRE C

Terms and conditions of KSXAW Unlisted Options (Expiring 30 April 2012)

The terms and conditions of the Options are as follows:

- (a) each option entitles the holder to one (1) Share in the Company;
- (b) the Options are exercisable at any time on or prior to 5.00pm (Eastern Standard Time) on 30 April 2012 (**Expiry Date**) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company;
- (c) the option exercise price is 2.4 cents per option;
- (d) an option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised;
- (e) subject to the Corporations Act, the Listing Rules and the Company's Constitutions, the Options are freely transferable;
- (f) all Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for quotation of all Shares issued upon exercise of the Options on ASX;
- (g) there are no participating rights or entitlement inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue; and
- (h) if at any time the issued capital of the Company is reconstructed, all rights of an option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules.

PROXY FORM

SAMPLE CUSTOMER

SAMPLE ADDRESS

SAMPLE ADDRESS

SAMPLE ADDRESS

SAMPLE ADDRESS

SAMPLE ADDRESS

All correspondence to:

KarmelSonix Limited

Suite 2, 1233 High Street

Armadale Victoria 3143

Ph: +61 3 9824 8166

Fx: +61 3 9822 7735

Appointment of Proxy

I/We being member/s of KarmelSonix Limited and entitled to vote hereby appoint

☐

the Chairman[^] of the Meeting (mark with an "X")

OR

Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting.

or failing the person named, or if no person 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, as the proxy sees fit) at the Annual General Meeting of KarmelSonix Limited to be held at Suite 1, 1233 High Street, Armadale at 10.30am on 10th August 2011 and at any adjournment of that Meeting.

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

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

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

Voting directions to your proxy – please mark x to indicate your directions

| | | For | Against | Abstain* |
|-------------------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1(a): | Approval of Prior Issue to Subiaco Capital Pty Ltd. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 1(b): | Approval of Prior Issue to Professional and Sophisticated Investors. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2: | Approval of the Issue of 1:2 Free Attaching Unlisted Options. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3: | Approval of Issue of Securities to a Director. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4: | Approval of Issue of Securities to a Director. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5: | Proposed Share Placement. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6: | Change of Company's Name. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be lodged at:

(a) Suite 2, 1233 High Street, Armadale Victoria 3143; or

(b) by facsimile on (03) 9824 8161 (international: +61 3 9824 8161),

by 10.30am (Eastern Standard time) on 8th August 2011, being not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be.

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

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

PLEASE SIGN HERE - This section must be signed in accordance with the instructions below to enable your directions to be implemented.

Individual or Security holder 1

Sole Director and Sole Company Secretary

Security holder 2

Director

Security holder 3

Director/Company Secretary

Contact Telephone Number

Contact Name

Contact Daytime Telephone

Date