

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

VRI BioMedical Limited

ABN

97 084 464 193

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Options convertible into ordinary shares   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | Approximately 20,994,625 options   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Bonus options issued for nil consideration exercisable at \$0.25c each on or before 30 <sup>th</sup> June 2006 |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>No</p> <p>Shares issued upon exercise of the Options will rank equally with existing ordinary shares.</p> <p>Options do not give rise to an entitlement to participate in dividends.</p> <p>The exercise price of Options (\$0.25) and the expiry date (30 June 2006)</p>								
<p>5 Issue price or consideration</p>	<p>Nil</p>								
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>In support of the company's growth strategy and to reward shareholders for their loyalty to the company</p>								
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>12<sup>th</sup> August 2004</p>								
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1422 989 1478">Number</th> <th data-bbox="989 1422 1281 1478">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1478 989 1545">104,973,127</td> <td data-bbox="989 1478 1281 1545">VRI – Ordinary fully paid shares</td> </tr> <tr> <td data-bbox="686 1545 989 1713">34,543,372</td> <td data-bbox="989 1545 1281 1713">VRIO – Options expiring 6/3/06 exercisable at 75c</td> </tr> <tr> <td data-bbox="686 1713 989 1881">20,994,625</td> <td data-bbox="989 1713 1281 1881">VRIOA – Options expiring 30/6/06 exercisable at 25c</td> </tr> </tbody> </table>	Number	+Class	104,973,127	VRI – Ordinary fully paid shares	34,543,372	VRIO – Options expiring 6/3/06 exercisable at 75c	20,994,625	VRIOA – Options expiring 30/6/06 exercisable at 25c
Number	+Class								
104,973,127	VRI – Ordinary fully paid shares								
34,543,372	VRIO – Options expiring 6/3/06 exercisable at 75c								
20,994,625	VRIOA – Options expiring 30/6/06 exercisable at 25c								

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	1,900,00	VRIAK – Options expiring 23/11/06 exercisable at 75c
	300,000	VRIAM – Options expiring 13/6/07 exercisable at 75c
	980,000	VRIAO – Options expiring 13/10/05 exercisable at 50c
	300,000	VRIAS – Options expiring 22/8/07 exercisable at 75c
	750,000	VRIAP – Options expiring 14/1/08 exercisable at 75c
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Subject to dividend policy on options being exercised	

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	One option for every five ordinary shares held
14 +Class of +securities to which the offer relates	Ordinary shares
15 +Record date to determine entitlements	6 <sup>th</sup> August 2004

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|----|---|--|
| 16 | Will holdings on different registers (or sub-registers) be aggregated for calculating entitlements?   | Yes  |
| 17 | Policy for deciding entitlements in relation to fractions   | Fractions will be rounded up to nearest whole number   |
| 18 | Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents<br><br>Note: Security holders must be told how their entitlements are to be dealt with.<br><br>Cross reference: rule 7.7. | China, Germany, United Kingdom, Hong Kong, Indonesia, Italy, Malaysia, Singapore, Thailand and USA |
| 19 | Closing date for receipt of acceptances or renunciations  | Not applicable   |

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20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	30 <sup>th</sup> July 2004
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	27 <sup>th</sup> July 2004
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable

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- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

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**Entities that have ticked box 34(b)**

38 Number of securities for which  
+quotation is sought

39 Class of +securities for which  
quotation is sought

40 Do the +securities rank equally in all  
respects from the date of allotment  
with an existing +class of quoted  
+securities?

If the additional securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next dividend,  
(in the case of a trust,  
distribution) or interest payment
- the extent to which they do not  
rank equally, other than in  
relation to the next dividend,  
distribution or interest payment

41 Reason for request for quotation  
now

Example: In the case of restricted securities, end of  
restriction period

(if issued upon conversion of  
another security, clearly identify that  
other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)		

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**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.



- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Company secretary

Date: 27 July 2004

Print name: Paul B Magoffin

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