THIS ADMISSION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000, as amended ("FSMA"), who specialises in advising on the acquisition of shares and other securities, if you are in the United Kingdom, or any appropriately authorised person under applicable laws, if you are located in any other jurisdiction. This document, which is an AIM admission document prepared in accordance with the AIM Rules for Companies, has been issued in connection with the application for Admission. Admission will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA or the Prospectus Rules published by the Financial Conduct Authority ("**FCA**") (as amended) and accordingly this document does not constitute a prospectus for these purposes and has not been pre-approved by the United Kingdom Listing Authority pursuant to section 85 of FSMA. Furthermore, no regulatory authority in the Isle of Man has passed comment upon or approved the accuracy of this document. The Company (whose registered office appears on page 13 of this document) and the Directors and the Proposed Directors (whose names appear on page 13 of this document) accept responsibility, both individually and collectively, for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors, the Proposed Directors and the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. No person is authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document**. Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will be effective and that dealings in the New Ordinary Shares will commence on 22 March 2016.

3LEGS RESOURCES PLC

(Incorporated and registered in the Isle of Man with registered number 000258V)

Acquisition of SalvaRx Limited
Approval of waiver of obligations under Rule 9 of the Takeover Code
Placing to raise £1.95 million
Share Consolidation
Renewal of share authority
Amendment to the articles of association
Appointment of the Proposed Directors
Admission of Enlarged Share Capital to trading on AIM
Change of name to SalvaRx Group PLC
and
Notice of General Meeting

Nominated Adviser and Broker

Northland Capital Partners Limited

Authorised and regulated by the Financial Conduct Authority

SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

36,466,619 issued and fully paid New Ordinary Shares of 2.5p each

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Northland Capital Partners Limited, which is authorised and regulated in the UK by the FCA, is acting as the Company's nominated adviser and broker in connection with the matters described herein. Northland Capital Partners Limited's responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers and the AIM Rules for Companies are owed solely to the London Stock Exchange and are

not owed to the Company or to any Director or Proposed Director, or to any other person in respect of his decision whether or not to acquire New Ordinary Shares in reliance on any part of this document without limiting the statutory rights of any person to whom this document is issued. No representation or warranty, express or implied, is made by Northland Capital Partners Limited as to, and no liability whatsoever is accepted by Northland Capital Partners Limited for, the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors and the Proposed Directors are solely responsible. Northland Capital Partners Limited will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of any acquisition of Existing or New Ordinary Shares or in any respect in relation to the Proposals or any of them. Copies of this document will be available free of charge during normal business hours on any day (except Saturdays and public holidays) at the Company's registered office (details of which are provided on page 13) from the date of this document and for a period of one month from Admission and the Company's website.

Notice convening a general meeting of the Company to be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man IM1 2LX on 21 March 2016 is set out at the end of this document. The accompanying Form of Proxy for use at the General Meeting should be completed and returned to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and to be valid must arrive by no later than 48 hours prior to the time and date of the meeting. **Completion of the Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.**

IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company. This document should not be forwarded or transmitted to or into the Prohibited Territories or to any resident, national, citizen or corporation, partnership or other entity created or organised under the laws thereof or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The distribution of this document may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions.

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the New Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the New Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the New Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this document are based on the law and practice currently in force in the UK and are subject to change. This document should be read in its entirety. All holders of Existing and New Ordinary Shares are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

The delivery of this document or any subscriptions or purchases made hereunder and at any time subsequent to the date of this document shall not, under any circumstances, create an impression that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct.

PROSPECTIVE INVESTORS SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT AND SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS ARE ADVISED TO READ, IN PARTICULAR, THE INFORMATION ON THE GROUP SET OUT IN PARTS I AND II AND THE RISK FACTORS SET OUT IN PART III OF THIS DOCUMENT.

The distribution of this document outside the UK may be restricted by law. No action has been taken by the Company, the holders of the Existing Ordinary Shares or Northland Capital Partners Limited that would permit a public offer of New Ordinary Shares or possession or distribution of this document where action for those purposes is required. Persons outside the UK who come into possession of this document should inform themselves about and observe any restrictions on the holding of New Ordinary Shares and/or the distribution of this document in their particular jurisdiction. Failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document and wishing to make an application for New Ordinary Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

This document does not constitute an offer to sell or an invitation to subscribe for, or a solicitation of an offer to subscribe or buy, New Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such an offer, invitation or solicitation. In particular, this document is not for distribution (directly or indirectly) in or into the Prohibited Territories, and should not be forwarded or transmitted to or into the Prohibited Territories or to any resident, national, citizen or corporation, partnership or other entity created or organised under the laws thereof or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The distribution of this document may be restricted and accordingly persons

into whose possession this document comes are required to inform themselves about and to observe such restrictions.

United States

This document is not for distribution in or into the United States. The New Ordinary Shares have not been registered with any securities regulatory authority of any state or other jurisdiction of the United States and, may not be offered for sale or subscription or placed or sold or subscribed directly or indirectly within the United States. The securities described herein have not been and will not be registered under the Securities Act. The New Ordinary Shares may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act ("**Regulation S**")) except in accordance with the Securities Act or an exemption there from. The New Ordinary Shares are generally only being offered and sold outside the United States to persons who are not US Persons (within the meaning of Regulation S) in transactions complying with Regulation S, which provides an exemption from the requirement to register the offer and sale under the Securities Act. The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities authority or any other regulatory authority, nor have any of the foregoing passed upon or endorsed the merits of this document. Any representation to the contrary is unlawful.

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. These statements relate to, among other things, analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to the Enlarged Group's future prospects, developments and business strategies.

These forward-looking statements are identified by the use of terms and phrases such as ''anticipate'', ''believe'', ''could'', ''estimate'', ''expect'', ''intend'', ''may'', ''plan'', ''predict'', ''project'', ''will'' or the negative of those variations, or comparable expressions, including references to assumptions. These statements are contained in all sections of this document. The forward-looking statements in this document, including statements concerning projections of the Enlarged Group's future results, operating profits and earnings, are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements but do not extend to the statement by the Directors and the Proposed Directors in paragraph 15 of Part VIII of this document in relation to sufficiency of working capital.

Certain risks relating to the Enlarged Group are specifically described in Part III of this document. If one or more of these risks or uncertainties arises, or if underlying assumptions prove incorrect, the Enlarged Group's actual results may vary materially from those expected, estimated or projected. Given these uncertainties, potential Shareholders should not place over-reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this document. The Company undertakes no obligation to update forward-looking statements or risk factors other than as required by the AIM Rules or applicable law, whether as a result of new information, future events or otherwise.

CONTENTS

DEFINITIONS

The following words and expressions shall have the following meanings in this document, unless the context otherwise requires:

"Act"	the Companies Act 2006 (as amended) of the United Kingdom;
"Acquisition"	the Company's proposed acquisition of the issued share capital of SalvaRx not already owned by the Company pursuant to the terms of the Acquisition Agreement;
"Acquisition Agreement"	the conditional agreement between the Company and the Vendors relating to the Acquisition, further details of which are set out in paragraph 11.1 of Part VIII of this document;
"Admission"	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
"AIM"	AIM, a market of that name operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies and/or the AIM Rules for Nominated Advisers (as the context requires);
"Articles"	the articles of association of the Company at the date of this document;
"Board"	the board of directors of the Company as at the date of this document, whose names are set out on page 13;
"business day"	any day which is not a Saturday, Sunday or a public holiday in the UK or the Isle of Man;
"certificated" or "in certificated form"	a share or other security which is not in uncertificated form (i.e. not in CREST);
"Company"	3Legs Resources plc, a company incorporated in the Isle of Man with registered number 000258V and having its registered office at Commerce House, 1 Bowring Road, Ramsey, Isle of Man IM8 2LQ;
"Completion"	completion of the Acquisition in accordance with its terms;
"Concert Party"	(1) James Mellon, (2) Dr Gregory Bailey, (3) Galloway Limited, (4) Port Erin Biopharma Investments Limited, (5) the SalvaRx Optionholders and (6) the Management and Consultant Optionholders (each as further described in paragraph 7.1 of Part VIII of this document);
"Connected Person"	so far as could be known from reasonable investigation, a person connected with an individual or company, within the meaning of sections 252 to 255 of the Act;
"Consideration Shares"	the total of 24,788,732 New Ordinary Shares to be issued to the Vendors at the Issue Price pursuant to the Acquisition Agreement;
"CREST"	the electronic settlement system to facilitate the holding and transfer of title of shares in dematerialised form operated by Euroclear UK & Ireland Limited;
"Dealing Day"	any day the London Stock Exchange is open for the transaction of business;
"Directors"	Richard Armstrong, Colin Weinberg, James Mellon and Dr Greg Bailey, and a "Director" means any one of them;
"Enlarged Group"	the Company and its subsidiaries on Admission following completion of the Acquisition;
"Enlarged Share Capital"	the 36,466,619 New Ordinary Shares in issue on Admission (comprising the consolidated Existing Ordinary Shares, the Placing Shares and the Consideration Shares);

''ERISA Plan Investor''	a ''benefit plan investor'' within the meaning of s3(42) of the United States Employee Retirement Income Security Act 1974, as amended;
''EU''	the European Union;
''Existing Ordinary Shares''	the 618,492,947 ordinary shares of 0.025p each in the capital of the Company immediately prior to the Placing and the Acquisition (which will become 6,184,929 New Ordinary Shares conditional upon the passing of Resolution 3);
''Existing Shareholders''	holders of Existing Ordinary Shares;
''FCA''	the Financial Conduct Authority or any successor thereof, the single statutory regulator under FSMA;
''Form of Proxy'' or ''Proxy Form''	the form of proxy accompanying this document for use in connection with the General Meeting;
''FSMA''	the Financial Services and Markets Act 2000, as amended;
''GBP'' or ''£'' or ''pence''	pounds sterling, the formal currency used in the UK;
''General Meeting'' or ''GM''	the extraordinary general meeting of the Company to be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man IM1 2LX on 21 March 2016, notice of which is set out at the end of this document;
''Group''	the Company and its wholly owned subsidiary, 3Legs Management Services US LLC (until its cancellation with effect from 19 January 2016);
''HMRC''	HM Revenue & Customs;
''Independent Directors''	Richard Armstrong and Colin Weinberg;
''Independent Shareholders''	the Existing Shareholders, other than the members of the Concert Party;
''IoM 2006 Act''	the Isle of Man Companies Act 2006 (as amended);
''iOx''	IOX Therapeutics Limited, a company incorporated in England and Wales with registered number 09430782 and having its registered office at 200 Strand, London WC2R 1DJ;
''iOx Investment Agreement''	the investment agreement dated 1 July 2015 between iOx, SalvaRx, Oxford University, ISIS, Ludwig and Professor Cerundolo, further details of which are set out in paragraph 11.6 of Part VIII of this document;
''ISIN''	International Securities Identification Number;
''ISIS''	ISIS Innovation Limited, a wholly owned subsidiary of Oxford University, incorporated in England and Wales with company number 2199542;
''Issue Price''	35.5p per New Ordinary Share;
''Locked-in Persons''	the Directors, Kam Shah, Port Erin Biopharma Investments Limited, Galloway Limited and the SalvaRx Optionholders;
''London Stock Exchange''	London Stock Exchange plc;
''Ludwig Institute''	The Ludwig Institute for Cancer Research Limited, a not for profit corporation incorporated in Switzerland;
''Management and Consultant Optionholders''	Value Driven Drug Development Solutions LLC and RA Kramer Consulting LLC (being personal services companies respectively owned by Ian Walters and Robert Kramer), Kam Shah, Anthony Chow, Declan Doogan and Alexander Pickett, as described in paragraph 8 of Part I of this document;
''Mediqventures''	Mediqventures Limited, a company incorporated in the British Virgin Islands with registered number 1681161 and having its

	registered office at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands;
''New Articles''	the Articles as amended conditional upon Resolution 6 being passed at the General Meeting;
''New Board''	the Directors and the Proposed Directors;
''New Ordinary Shares''	ordinary shares of 2.5p each following the Share Consolidation;
''Non-executive Directors''	Richard Armstrong, Colin Weinberg, James Mellon and Dr Gregory Bailey;
''Northland Capital''	Northland Capital Partners Limited, the nominated adviser and broker to the Company;
''Notice''	the notice convening the General Meeting which is set out at the end of this document;
''Official List''	Official List of the UK Listing Authority;
''Options'' or ''Share Options''	the existing options to subscribe for Existing or New Ordinary Shares and options to subscribe for New Ordinary Shares pursuant to the Plan, further details of which are set out in paragraph 8 of Part I and paragraphs 4.10, 4.11 and 4.13 of Part VIII of this document;
''Oxford University''	means the Chancellor, Masters and Scholars of the University of Oxford;
''Panel''	the Panel on Takeovers and Mergers;
''Placees''	the subscribers for Placing Shares at the Placing Price pursuant to the Placing;
''Placing''	the conditional placing of and subscription for the Placing Shares at the Placing Price pursuant to the Placing Agreement;
''Placing Agreement''	the conditional agreement dated 2 March 2016 between (i) Northland Capital; (ii) the Directors and the Proposed Directors; and (iii) the Company relating to the Placing, further details of which are set out in paragraph 11.2 of Part VIII of this document;
''Placing Price''	35.5p per Placing Share;
''Placing Shares''	the 5,492,958 New Ordinary Shares to be allotted and issued by the Company, conditional on Admission, pursuant to the Placing;
''Plan''	the share option plan to be adopted by the Company on Admission, details of which are set out in paragraph 8.8 of Part VIII of this document;
''Plan Options''	options over New Ordinary Shares awarded pursuant to the Plan;
''Prohibited Territories''	Australia, Canada, Japan, the Republic of South Africa and the US;
''Proposals''	together, the Acquisition, the Placing, the Rule 9 Waiver, the Share Consolidation, the amendment to the Articles and Admission;
''Proposed Directors''	Ian Walters and Kam Shah;
''Prospectus Rules''	rules published by the FCA under section 73A FSMA;
''Record Date''	the record date for the Share Consolidation, being 21 March 2016;
''Relationship Agreement''	the relationship agreement between the Company, Northland Capital, James Mellon, Galloway Limited, Port Erin Biopharma Investments Limited and Dr Gregory Bailey, further details of which are set out in paragraph 11.3 of Part VIII of this document;
''Resolutions''	the resolutions set out in the Notice;

"Rule 9 Waiver"	the waiver (further details of which are set out in paragraph 11 of Part I of this document) of the obligation to make a general offer under Rule 9 of the Takeover Code which might otherwise arise as a consequence of the issue of the Consideration Shares to the Vendors, granted by the Panel conditional upon the approval of the Waiver Resolution by the Independent Shareholders on a poll at the General Meeting;
"SalvaRx"	SalvaRx Limited, a private limited company incorporated and registered in the British Virgin Islands with company number 1873006 and having its registered office at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands;
"SalvaRx Optionholders"	Value Driven Drug Development Solutions LLC and RA Kramer Consulting LLC, being personal services companies respectively owned by Ian Walters and Robert Kramer, who hold options over shares in SalvaRx owned respectively by James Mellon and Dr Greg Bailey, as described in paragraph 8 of this Part I;
"Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
"Shareholder"	a member of the Company holding Existing or New Ordinary Shares from time to time;
"Share Consolidation"	the proposed consolidation of every 100 Existing Ordinary Shares into 1 New Ordinary Share;
"Takeover Code"	the UK City Code on Takeovers and Mergers, as amended from time to time;
"Uncertificated Regulations"	the Uncertificated Securities Regulations 2006 of the Isle of Man (Statutory Document Number 743/06) including any modifications or any regulations made in substitution under sections 48 and 215 of the IoM 2006 Act and for the time being in force;
"uncertificated"	the ordinary shares recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States," "US" or "USA"	United States of America;
"UK Listing Authority"	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of the FSMA, as amended;
"US Dollars" or "US$" or "USD" or "cents"	United States Dollars, the formal currency used in the USA;
"VAT"	value added tax;
"Vendors"	James Mellon and Dr Gregory Bailey, being the shareholders of SalvaRx other than the Company; and
"Waiver Resolution"	an ordinary resolution to approve the Rule 9 Waiver set out in the Notice, to be taken on a poll of Independent Shareholders at the General Meeting.

GLOSSARY OF TECHNICAL TERMS

"agonist" or "cell agonist"	a substance than can bind to a receptor and activate a physiological response;
"B-cell"	B lymphocytes which secrete antibodies and cytokine and present antigens;
"clinical development"	human testing (healthy volunteers and patients) of pharmaceutical products;
"EMA"	the European Medicines Agency;
"FDA"	the US Food and Drug Administration;
"iNKT"	type I or invariant natural killer T cells, which form the majority of the NKT population;
"lead compound"	the compound or molecule selected from a series or family of compounds based on specific qualities that are expected to translate into the best potential for a successful medicine;
"mechanism of action"	the way a medicine works;
"NIH"	National Institute of Health;
"NKT"	natural killer T cells, which are a distinct class of T lymphocyte that share properties of both T-cells and natural killer cells (van Kaer 2011);
"PD-1"	programmed Death-1, inhibitor receptor expressed by iNKT cells and other immune cells;
"PD-L1"	ligand of PD-1 which binds to PD-1 to cause immune inhibitor;
"Phase I study"	first stage of clinical testing in healthy volunteers;
"Phase II study"	clinical trials in a small number of patients (usually 20-30) to determine safety and efficacy of a new medicine;
"Phase III study"	the final stage of clinical trials prior to seeking regulatory approval, to determine efficacy and safety in a large number of patients (usually several hundred); and
"T-cell"	T lymphocyte, and express T cell receptor.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2016
Publication date of this document	3 March
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 19 March
General Meeting	11.00 a.m. on 21 March
Record date and time for the Share Consolidation	5.00 p.m. on 21 March
Completion of the Acquisition	22 March
Admission effective and dealings in the New Ordinary Shares commence	8.00 a.m. on 22 March
Expected date for CREST accounts to be credited (where applicable)	22 March
Definitive share certificates despatched by no later than	5 April

The above dates are indicative only and may be subject to change.

All references to time in this document are to London time unless otherwise stated.

KEY STATISTICS

Placing Price and Issue Price (per New Ordinary Share)	35.5p
Number of Existing Ordinary Shares in issue immediately before Admission	618,492,947
Consolidation ratio	100:1
Number of New Ordinary Shares in issue immediately before Admission	6,184,929
Number of Placing Shares	5,492,958
Number of Consideration Shares	24,788,732
Number of New Ordinary Shares in issue immediately following the Placing, the Acquisition and Admission	36,466,619
Placing Shares as a percentage of the Enlarged Share Capital	15.1 per cent.
Consideration Shares as a percentage of the Enlarged Share Capital	68.0 per cent.
Gross proceeds of the Placing	£1.95 million
Estimated net proceeds of the Placing receivable by the Company	£1.50 million
Number of New Ordinary Shares under option immediately following the Placing, the Acquisition and Admission	3,225,940
Number of New Ordinary Shares in issue on a fully diluted basis following the Placing, Acquisition and Admission[(1)]	39,692,559
Market capitalisation of the Company at Admission at the Placing Price	£12.95 million
ISIN for the Existing Ordinary Shares	IM00B52P5P72
ISIN for the New Ordinary Shares[(2)]	IM00BZ4SS228
Existing TIDM	3LEG
New TIDM[(3)]	SALV

(1) On the basis that all Options granted by the Company and in existence on Admission have been exercised.
(2) The new ISIN will become effective only if the Share Consolidation is approved at the General Meeting.
(3) The new TIDM will become effective only if all the Resolutions are passed at the General Meeting.

DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Directors	Richard James Armstrong (Non-Executive Chairman) Colin Lawrence Weinberg (Non-Executive Director) James (Jim) Mellon (Non-Executive Director) Dr Gregory (Greg) Hugh Bailey (Non-Executive Director)
Proposed Directors	Ian Brent Walters (Chief Executive Officer) Kamlesh (Kam) Shah (Chief Financial Officer)
all of	Commerce House 1 Bowring Road Ramsey Isle of Man IM8 2LQ
Company Secretary	**Stone Limited** Commerce House 1 Bowring Road Ramsey Isle of Man IM8 2LQ
Registered Office	Commerce House 1 Bowring Road Ramsey Isle of Man IM8 2LQ
Nominated Adviser and Broker	**Northland Capital Partners Limited** 131 Finsbury Pavement London EC2A 1NT
Joint Broker	**Peterhouse Corporate Finance Limited** 3rd Floor New Liverpool House 15 Eldon Street London EC2M 7LD
Technical Expert	**PharmaVentures Limited** Triumph House Parkway Court Oxford Business Park Oxford OX4 2JY
Auditors	**RSM UK Audit LLP** 2 Whitehall Quay Leeds LS1 4MG
Reporting Accountants	**RSM Corporate Finance LLP** 25 Farringdon Street London EC4A 4AB
Solicitors to the Company (as to English law)	**Cooley (UK) LLP** Dashwood 69 Old Broad Street London EC2M 1QS
Legal Advisers to the Company (as to Isle of Man law)	**Cains Advocates Limited** Fort Anne Douglas Isle of Man IM1 5PD
Solicitors to the Nominated Adviser and Broker	**Marriott Harrison LLP** 11 Staple Inn London WC1 7QH
Solicitors to SalvaRx	**Kerman & Co LLP** 200 Strand London WC2R 1DO

Public Relations	**Britton Financial PR** 62 Britton Street London EC1M 5UY
Registrars	**Capita Registrars (Isle of Man) Limited** Clinch's House Lord Street Douglas Isle of Man, IM99 1RZ
Website (existing URL)	www.3legsresources.com
Website (new URL)	www.salvarx.io
Telephone	+44 (0)1624 811 611

PART I

LETTER FROM THE CHAIRMAN OF 3LEGS RESOURCES PLC

(Incorporated and registered in the Isle of Man with registered number 000258V*)*

Directors:
Richard Armstrong (*Non-Executive Chairman*)
Colin Weinberg (*Non-Executive Director*)
Jim Mellon (*Non-Executive Director*)
Dr Greg Bailey (*Non-Executive Director*)

Proposed Directors:
Ian Walters (*Chief Executive Officer*)
Kam Shah (*Chief Financial Officer*)

Registered Office
Commerce House
1 Bowring Road
Ramsey
Isle of Man
IM8 2LQ

3 March 2016

Dear Shareholder,

Acquisition of SalvaRx Limited
Approval of waiver of obligations under Rule 9 of the Takeover Code
Placing to raise £1.95 million
Share Consolidation
Renewal of share authority
Amendment to the articles of association
Appointment of the Proposed Directors
Admission of Enlarged Share Capital to trading on AIM
Change of name to SalvaRx Group PLC
and
Notice of General Meeting

1. INTRODUCTION

On 4 November 2015, the Company announced that it had signed non-binding heads of terms in connection with the proposed acquisition of the issued share capital not already owned by it in SalvaRx, a company in which it had acquired an 11.14 per cent. shareholding as announced on 30 September 2015.

The Company announced earlier today that it has conditionally agreed to acquire the issued share capital not already owned by it in SalvaRx for an aggregate consideration of £8.8 million to be satisfied by the issue to the Vendors of the Consideration Shares. SalvaRx owns 60.49 per cent. of iOx, a company incorporated in February 2015, which is developing under licence a series of cell agonists for cancer immunotherapy. These compounds activate iNKT cells which preclinical testing in several cancer models suggests can inhibit the growth of tumours. iOx has a clinical trial sponsorship agreement with Oxford University to conduct and fund (or arrange funding for) the first in human Phase I/II clinical trial for iOx's lead compound. SalvaRx has a strong management team with considerable experience in the field of cancer immunotherapy and its strategy is to identify, develop and finance further novel therapeutics that stimulate the immune system to fight cancer.

The Acquisition is of sufficient size to constitute a reverse takeover under the AIM Rules and is therefore subject to the approval of Shareholders at the General Meeting. Further details of the terms and conditions of the Acquisition are set out in paragraph 7 of this Part I. Further details of the General Meeting are set out in paragraph 25 of this Part I.

In order to fund the Enlarged Group's further development, including its working capital needs, as well as the costs associated with the Proposals, the Company has also today announced the Placing. Further details of the Placing are set out in paragraph 10 of this Part I.

Following implementation of the Proposals, the Vendors, who are deemed to be acting in concert for the purposes of the Takeover Code, will hold, together with certain other Existing Shareholders who are deemed to be acting in concert with them, 26,640,582 New Ordinary Shares, representing 73.05 per cent. of the Enlarged Share Capital. Under Rule 9 of the Takeover Code, the Concert Party would normally be obliged to make a mandatory offer to all shareholders (other than the Concert

Party) to acquire their New Ordinary Shares. **Following an application by the Company, the Takeover Panel has agreed to waive this obligation, subject to the approval of Independent Shareholders on a poll at the General Meeting.** Your attention is drawn to the Rule 9 Waiver section in paragraph 11 of this Part I.

Should the Acquisition be approved by Shareholders and the Waiver Resolution approved by Independent Shareholders (being the Existing Shareholders other than the members of the Concert Party, which includes Jim Mellon and Dr Greg Bailey who own all the shares in SalvaRx not already owned by the Company), the Board is proposing to change the Company's name to SalvaRx Group PLC to reflect the Company's new underlying business. Further details of the change of name are set out in paragraph 12 of this Part I.

The Board is also proposing the Share Consolidation as it considers that it is in the best interests of the Company's long term development as a public quoted company to have a lower number of shares in issue and for the Existing or the New Ordinary Shares to be traded in pence rather than fractions of a penny. The Share Consolidation is conditional only on the passing of Resolution 3 at the General Meeting. Further details of the Share Consolidation are set out in paragraph 13 of this Part I.

The purpose of this document, which comprises an admission document for the purpose of the AIM Rules, is to provide Shareholders and subscribers for the Placing Shares with further information regarding the matters described above and to seek Shareholder approval of the Resolutions (including the Waiver Resolution, which specifically requires the approval of Independent Shareholders taken on a poll) at the General Meeting to be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man IM1 2LX on 21 March 2016, notice of which is set out at the end of this document. Irrevocable undertakings to vote in favour of the Resolutions have been obtained, details of which are set out in paragraph 24 of this Part I.

If the Resolutions are approved, it is expected that Admission will become effective and that dealings in the Enlarged Share Capital will commence on AIM on 22 March 2016.

Trading on AIM in the Existing Ordinary Shares has been suspended since 4 November 2015 in accordance with Rule 15 of the AIM Rules as a result of the Company not having completed an acquisition which constituted a reverse takeover (or having otherwise implemented its investing policy) within 12 months of becoming an investing company. **The suspension will remain in place pending the outcome of the General Meeting. In the event that all of the Resolutions are not approved, trading in the Company's shares on AIM will remain suspended. If the Company fails to implement its investing policy by 4 May 2016 to the satisfaction of the London Stock Exchange, the Company's AIM admission will be cancelled in accordance with Rule 41 of the AIM Rules.**

You should read the whole of this document and not just rely on the information contained in this Part I. In particular, you should consider carefully the Risk Factors set out in Part III of this document. Your attention is also drawn to the information set out in Parts II and IV to VIII of this document.

2. BACKGROUND ON THE COMPANY

The Company listed on AIM in June 2011 having raised £62.5m before expenses in order to focus on the exploration and development of unconventional oil and gas resources in Europe. However, in view of the disappointing results, the then board of directors of the Company announced in September 2014 that it had concluded that it could not justify further investment in its concessions.

After considering a number of options, the then board of directors of the Company decided to propose the return of the Company's remaining cash resources to Shareholders in conjunction with a placing to raise £0.8m at 0.232p per Existing Ordinary Share and the adoption of an investing policy to invest in and/or acquire companies within the technology or resources sectors. These proposals were approved at a meeting of Shareholders held on 13 February 2015. As part of these arrangements, the existing directors resigned (other than Alex Fraser who subsequently stepped down) and Colin Weinberg and I joined the board of directors.

In early June 2015, Jim Mellon and Dr Greg Bailey together invested, directly and indirectly, an aggregate of £500,000 at a price of 0.27p per Existing Ordinary Share for 185,185,185 Existing Ordinary Shares in the Company (representing 29.9 per cent. of the enlarged share capital) and joined the board of directors. Jim and Greg have a successful track record in identifying investments in life sciences and related sectors. To enable the Company to take advantage of their expertise and contacts, Shareholders approved at the Annual General Meeting on 31 July 2015 a change in the Company's investing policy to focus on investments in life sciences and related technologies.

The Company announced on 30 September 2015 that it had invested £215,000 to acquire an 11.14 per cent. interest in SalvaRx, a company owned by Jim Mellon and Dr Greg Bailey. This investment was in accordance with the Company's new investing policy and provided the Company with exposure to the fast-growing cancer immunotherapy market.

3. BACKGROUND ON SALVARX

SalvaRx was incorporated on 6 May 2015 in the British Virgin Islands. Save for its 60.49 per cent. interest in iOx, SalvaRx has no material assets and, save for its subscription commitments in relation to its investment in iOx, it also has no material liabilities. On a fully diluted basis (if all share options and/or warrants are allocated and granted and vest), SalvaRx's interest in iOx would comprise 52.9 per cent. of the enlarged issued share capital of iOx. Further details of the share options in iOx are set out in paragraph 11.6 of Part VIII of this document.

As at the date of this document, SalvaRx has in aggregate invested £510,000 in iOx under the terms of the iOx Investment Agreement (further details of which are summarized in paragraph 11.6.1 of Part VIII of this document) and is committed to invest a further £1,327,560 subject to the achievement of certain milestones.

Jim Mellon and Dr Greg Bailey are the sole directors of SalvaRx, which is administered on a day-to-day basis by Drs Ian Walters and Robert Kramer. Ian Walters holds the role of Chief Executive Officer of SalvaRx and, on Admission, will be appointed as the Company's Chief Executive Officer. Robert Kramer holds the role of Chief Scientific Officer of SalvaRx.

Further details regarding SalvaRx and iOx are set out in Part II of this document.

4. INTELLECTUAL PROPERTY

Details of the intellectual property licenced to iOx are set out in paragraph (d) of Part II of this document.

5. REASONS FOR THE ACQUISITION

The Company's stated strategy is to seek investment in a business in the life sciences and related sectors with, amongst other characteristics, a strong management team, good growth opportunities, a significant potential market opportunity and the ability to generate strong cash flows in the future. The Directors believe that in SalvaRx they have identified a business that meets these criteria.

The Directors consider that the opportunity represented by the Acquisition is in the best interests of the Company and Shareholders for the following reasons:

- SalvaRx's ownership of iOx gives the Company exposure to the fast-growing cancer immunotherapy market;
- iOx is focused on developing its pipeline of anti-cancer treatments based on iNKT cells and has a clinical trial sponsorship agreement with Oxford University who will conduct fund, or arrange funding for, the first Phase I/II in human trial;
- SalvaRx has a highly experienced management team who between them have a track record of developing novel drugs in cancer immunotherapy; and
- SalvaRx is actively screening acquisitions and investments in cancer immunotherapy and complementary areas of oncology.

6. DIRECTORS, PROPOSED DIRECTORS AND SENIOR MANAGEMENT

Directors

The Board currently comprises the following:

Richard Armstrong, *Non-Executive Chairman, aged 68*

Richard Armstrong is a former equity analyst and corporate broker. He has extensive experience in reconstructing and raising capital for turnaround situations, especially in the quoted microcap sector, for example Weatherly International plc, K P Renewables plc (now IGas Energy plc), Future Internet Technologies plc (now Artilium plc) and Mobilefuture plc. In most cases, he has joined the board of these companies and has played a major role in helping them to acquire or establish operating businesses.

Colin Weinberg, *Non-Executive Director, aged 66*

Colin Weinberg is a former stockbroker with some 40 years' experience with a range of firms including Durlacher plc and Walker Crips Weddle Beck plc. He is a former director of Peckham Building Society and is currently a director of Associated British Engineering plc, a listed company.

Jim Mellon, *Non-Executive Director, aged 58*

Jim Mellon is an investor with interests in several industries. After leaving Oxford University, where he studied PPE, he worked in Asia and the United States in two fund management companies, GT and Thornton, before establishing his own business in 1991. This now has two components: a listed fund management company, Charlemagne Capital Limited and an Asian investment group, Regent Pacific Group Limited. In addition, Jim is a controlling shareholder and a director of Manx Financial Group, an Isle of Man based bank and a controlling shareholder of Webis Holdings plc. He is also a co-founder of Uramin and Red Dragon Resources, both mining groups. Burnbrae, his private company, is a substantial landlord in Germany and in the Isle of Man, and it owns outright the hotel chain, Sleepwell Hotels Limited. Jim is the co-chairman of FastForward Innovations Limited and a director of Portage Biotech Inc.. His book 'Cracking the Code', which was published in 2012, focused on investment opportunities in the life sciences sector. Jim is an honorary fellow of Oriel College, Oxford University.

Dr Greg Bailey, *Non-Executive Director, aged 60*

Greg Bailey, M.D., is chairman of Portage Biotech, Inc. a publicly traded drug development company and was previously managing partner of Palantir Group, Inc., a merchant bank specialising in biotech and intellectual property. He has over 15 years' experience in investment banking and has founded several companies. Along with comprehensive experience in healthcare, finance and medicine, Greg brings to the Board an extensive involvement in corporate governance. He has served on multiple public company boards of directors, was a practicing physician for ten years and holds a M.D. degree from the University of Western Ontario.

Proposed Directors

On Admission, it is proposed that Jim Mellon replaces Richard Armstrong as Non-Executive Chairman (with Richard Armstrong continuing as a non-executive director of the Company) and that the following will be appointed as directors of the Company:

Dr Ian Walters, *Chief Executive Officer, aged 48*

Ian Walters, M.D., M.B.A., is the Entrepreneur in Residence at Mediqventures and is part-time CMO of Intensity Therapeutics, Inc. Over his 16 year career, he has demonstrated both leadership and expertise in drug development, including the advancement of multiple cancer compounds from research stages through approval.

Ian specialises in the evaluation, prioritization, and the innovative development of new therapies for the treatment of severe diseases. He has worked at PDL BioPharma, Inc., Millenium Pharmaceuticals, Inc., and Sorrento Therapeutics, Inc., leading corporate development, translational medicine, clinical development and medical affairs.

Ian spent seven years at Bristol-Myers Squibb between 2007 and 2014, where he managed physicians overseeing the international development of more than eight oncology compounds (including Nivolimab (anti-PD-1), Ipilimumab (anti-CTLA-4), brivanib (anti VEGF/FGF), anti-IGF/IR, VEGFR2 biologic, Elotuzimab (antiCS1), as well as biomarker and companion diagnostic work. He was a core member of Bristol-Myers Squibb's Strategic Transactions Group evaluating and executing licensing agreements, mergers and acquisitions, clinical collaborations, and the company's immuno-oncology strategy.

Before entering the private sector, Ian was a lead investigator at the Rockefeller University and initiated advanced immunology research to understand the mechanism of action of several compounds. Ian received his MD from the Albert Einstein College of Medicine and an MBA from the Wharton School of The University of Pennsylvania.

Kam Shah CA, CPA (Canada), CPA (US), CGMA(US), *Chief Financial Officer, aged 65*

Kam Shah is a senior finance executive with over 25 years of financial and management experience across a range of industries and companies with significant operating scale and complexity. Kam is a

Certified Public Accountant and Chartered Global Management Accountant of the American Institute of CPAs and a Chartered Professional Accountant of the Canadian Institute of CPAs. He has experience in all aspects of corporate finance, including audits, SEC/OSC reporting, forecasting, and business plan development.

Over the past 15 years, Kam has served as the Chief Financial Officer and Corporate Secretary of Portage Biotech, Inc., a publicly listed group of companies engaged in biotechnology and oil and gas exploration.

Senior Management

Dr Robert (Rob) Kramer, *Chief Scientific Officer to SalvaRx*

Rob has 24 years' experience in the pharmaceutical industry and is the former Head of Oncology Discovery Research at both Bristol-Myers Squibb and Janssen Pharmaceuticals, part of the Johnson & Johnson group of companies. He has been responsible for enabling the transition of 35 drugs from discovery into the clinic. Rob championed immunotheraphy at Bristol-Myers Squibb, resulting in the acquisition of Medarex, Inc. in 2009 and its portfolio of immune therapeutics that included Ipilimumab and Nivolumab. He received his PhD in pharmacology from the University of Vermont and undertook his post doctorate studies at the US National Cancer Institute. Rob held an Assistant Professorship at the Harvard Medical School.

7. PRINCIPAL TERMS AND CONDITIONS OF THE ACQUISITION

The Company has entered into the Acquisition Agreement, pursuant to which it has conditionally agreed to acquire the issued share capital of SalvaRx not already owned by it for a consideration of £8.8 million, to be satisfied by the issue of the Consideration Shares at the Issue Price.

Completion of the Acquisition Agreement is conditional, amongst other things, on approval of the Waiver Resolution and Admission.

The Consideration Shares will represent 68.0 per cent. of the Enlarged Share Capital and will be issued and credited as fully paid and will rank *pari passu* in all respects with the New Ordinary Shares, including rights to future dividends.

Further information relating to the Acquisition Agreement is set out in paragraph 11.1 of Part VIII of this document.

8. OPTIONS

Prior to 13 February 2015, when Shareholders approved the adoption of an investing policy, the Company operated two share option plans (the "2007 Plan" and the "2009 Plan") and a long-term incentive plan (the "2011 LTIP"). All options granted under the 2007 Plan and the 2009 Plan, and all awards under the 2011 LTIP have now lapsed. From 13 February 2015, the Company did not operate a formal stock option scheme, however certain Options over Existing Ordinary Shares were granted to the Directors and Catalyst Corporate Consultants Limited on an ad hoc basis pursuant to individual option agreements (the "Non-Plan Options"). As at 2 March 2016, the Company had granted Non-Plan Options over 8,623,051 Existing Ordinary Shares under individual option agreements to each of Richard Armstrong and Colin Weinberg, Non-Plan Options over 8,623,053 Existing Ordinary Shares under individual option agreements to each of Jim Mellon and Dr Greg Bailey and Non-Plan Options over 8,623,053 Existing Ordinary Shares to Catalyst Corporate Consultants Limited. The Non-Plan Options are exercisable at 0.232p per Existing Ordinary Share at any time up to 16 February 2021 subject to a condition that no Non-Plan Option be exercised if such exercise would trigger a requirement to make an offer under Rule 9 of the Takeover Code.

As a result of the proposed Share Consolidation, the exercise price of all of the Non-Plan Options will rebase to 23.2p per New Ordinary Share and the number of New Ordinary Shares over which the Non-Plan Options are exercisable will reduce accordingly.

On 2 March 2016, the Board adopted the Plan which is administered by the Board. Participation in the Plan is limited to employees and certain consultants of the Company. Options granted to non-employees (consultants and directors) will be by way of a sub-plan, governed by the same rules as the Plan *mutatis mutandis* unless the context otherwise provides. On 2 March 2016, the Board granted, conditional on Admission, a total of 2,144,114 Plan Options to the Management and Consultant Optionholders, 182,333 Plan Options to Catalyst Corporate Consultants Limited and 91,166 Plan Options to each of Richard Armstrong and Colin Weinberg. The Plan Options are exercisable at

35.5p per New Ordinary Share. Further details of the Plan Options are set out in paragraph 8.8 of Part VIII of this document.

Northland Capital considers that the Plan and the grant of the Plan Options to Richard Armstrong and Colin Weinberg are fair and reasonable and in the best interests of Shareholders and the Company as a whole. In arriving at its opinion, Northland Capital has taken account of the Directors' commercial assessments.

On 16 February 2015, the Company granted Northland Capital an option over 4,311,526 Existing Ordinary Shares exercisable at any time at 0.232p per share expiring on the third anniversary of the date of grant. In part consideration for its services in connection with the Placing, Northland Capital has been granted an option to acquire up to 182,333 New Ordinary Shares exercisable at any time prior to the fifth anniversary of Admission at 71p per New Ordinary Share. Subject to Admission, Northland Capital will therefore hold options over 225,448 New Ordinary Shares (representing 0.62 per cent. of the Enlarged Share Capital (the "Northland Capital Options")).

Further details of the Non-Plan Options, the Plan and the Northland Capital Options, including key terms and grants, are set out in paragraphs 4.10 to 4.13 (inclusive) and 8.8 of Part VIII of this document.

9. FINANCIAL INFORMATION

Historical financial information on (i) the Company is incorporated by reference in Part V, and on (ii) SalvaRx is set out in Section B of Part VI of this document. An unaudited pro-forma statement of net assets of the Enlarged Group is set out in Part VII of this document.

10. THE PLACING

Pursuant to the Placing Agreement, the Company has raised £1.95 million (before expenses) through the placing of 5,492,958 Placing Shares at the Placing Price, conditional, amongst other things, on the Resolutions being passed at the General Meeting and Admission.

The estimated net proceeds of the Placing of £1.50 million, together with the existing cash resources of the Enlarged Group, will be applied to satisfy commitments under the iOx Investment Agreement (as further described in paragraph 3 of this Part I and paragraph 11.6 of Part VIII of this document) and for working capital purposes.

The Placing Shares will represent 15.1 per cent. of the Enlarged Share Capital and will be issued and credited as fully paid and will rank *pari passu* in all respects with the New Ordinary Shares comprised in the Enlarged Share Capital, including rights to future dividends.

In order to enable the Company to raise further funds (if required), the Directors and the Proposed Directors consider it is desirable for the Company to dis-apply pre-emption rights in relation to any such issue, as detailed in Resolution 7. In each case, the authority conferred by Resolution 7 shall expire at the conclusion of the next annual general meeting of the Company following the passing of this resolution. The Directors and the Proposed Directors may look to raise additional funds for the Company following the General Meeting subject to the Resolutions being approved by Shareholders.

11. RULE 9 WAIVER

The proposed issue of the Consideration Shares gives rise to certain considerations under the Takeover Code, which applies to the Company and which governs, *inter alia*, transactions which may result in a change of control of a company to which the Takeover Code applies.

Under Rule 9 of the Takeover Code, any person that acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which (taken together with any shares in which he is already interested or in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Rule 9 of the Takeover Code also provides that where any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of such company, and such person, or any person acting in concert with him, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he is interested, then such person is normally required to make a general offer to all the remaining shareholders to acquire their shares.

The Takeover Code also provides that, if a person (or group of persons acting in concert) holds interests in shares carrying more than 50 per cent. of the company's voting rights, that person (or any person(s) acting in concert with him) will normally be entitled to increase their holding of voting rights without incurring any further obligations under Rule 9 to make a mandatory offer, although individual members of the concert party will not be able to increase their percentage shareholding through or between a Rule 9 threshold without Panel consent.

An offer under Rule 9 must be in cash (or with a cash alternative) and must be at the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him or her.

Persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate an offer for a company.

The members of the Concert Party are deemed to be acting in concert for the purposes of the Takeover Code. Further details of the members of the Concert Party are set out in paragraph 7.1 of Part VIII of this document.

Maximum potential controlling position

Immediately following Admission, the Concert Party will hold in aggregate 26,640,582 New Ordinary Shares, representing 73.05 per cent. of the Enlarged Share Capital. Without a waiver under Rule 9 of the Takeover Code, the Concert Party would be obliged to make a general offer to Independent Shareholders under Rule 9 of the Takeover Code.

In addition, certain members of the Concert Party hold, in aggregate, 17,246,106 Options over Existing Ordinary Shares (equivalent to 172,460 Options over New Ordinary Shares) and Plan Options over 2,144,114 New Ordinary Shares. These Options and Plan Options may not be exercised without the Panel's consent. If all of these Options and the Plan Options were exercised (and assuming no other issues of New Ordinary Shares), the Concert Party would hold New Ordinary Shares representing 74.66 per cent. of the so enlarged share capital (assuming no other issues of New Ordinary Shares).

The Concert Party's interests in the Existing Ordinary Shares and its proposed interests in the Enlarged Share Capital are set out in the table below.

	As at the date of this document			*Following Admission*				
				Maximum potential controlling interest			*Maximum interest in Diluted Share Capital*[3]	
Concert Party	*No. of Existing Ordinary Shares*	*%*	*No. of options over Existing Ordinary Shares*	*No. of New Ordinary Shares*	*% of the Enlarged Share Capital*	*No. of options over New Ordinary Shares*	*No. of New Ordinary Shares*	*% of the Enlarged Share Capital*
Jim Mellon	37,037,037	5.99	8,623,053	12,764,736	35.00	86,230	11,735,027	30.26
Dr Greg Bailey	92,592,593	14.97	8,623,053	13,320,291	36.53	86,230	12,290,582	31.69
Galloway Limited[1]	37,037,037	5.99	—	370,370	1.02	—	370,370	0.95
Port Erin Biopharma Investments Limited[2]	18,518,518	2.99	—	185,185	0.51	—	185,185	0.48
Ian Walters[4]	—	—	—	—	—	1,823,330	1,823,330	4.70
Robert Kramer[5]	—	—	—	—	—	1,093,998	1,093,998	2.82
Kam Shah	—	—	—	—	—	364,666	364,666	0.94
Anthony Chow	—	—	—	—	—	364,666	364,666	0.94
Declan Doogan	—	—	—	—	—	364,666	364,666	0.94
Alexander Pickett	—	—	—	—	—	364,666	364,666	0.94
Total	185,185,185	29.94	17,246,106	26,640,582	73.05	4,548,452	28,957,156	74.66

1. Galloway Limited is a company which is indirectly wholly owned by the trustee of a settlement under which James Mellon has a life interest.
2. Jim Mellon is the Non-Executive Chairman of Port Erin Biopharma Investments Limited ("PEBI") and, together with companies owned by a trust under which Jim Mellon has a life interest, he is in aggregate interested in 29 per cent. of the issued shares of PEBI.
3. Assuming Panel consent to the exercise of Non-Plan Options held by the Vendors (such options being exercisable at any time until 16 February 2012) and the exercise of Plan Options by the Management and Consultant Optionholders (such options being exercisable in three equal annual tranches from 22 March 2017) but no other issues of New Ordinary Shares.
4. Options granted to Ian Walter's personal services company, Value Driven Drug Development Solutions LLC, comprising 428,786 Plan Options and 1,394,544 options over Consideration Shares.
5. Options granted to Robert Kramer's personal services company, RA Kramer Consulting LLC, comprising 256,664 Plan Options and 837,334 options over Consideration Shares.

Given their past business relationships with Jim Mellon and Dr Greg Bailey, Ian Walters, Robert Kramer and their personal services companies and each of Kam Shah, Anthony Chow, Declan Doogan and Alexander Pickett are deemed to be acting in concert with Jim Mellon, Dr Greg Bailey, Galloway Limited and Port Erin Biopharma Investments Limited for the purposes of the Takeover Code. Ian Walters and Robert Kramer do not hold any Existing Ordinary Shares, however, their respective personal services companies, Value Driven Drug Development Solutions LLC and RA Kramer Consulting LLC, respectively hold options over 3,216 and 1,931 shares in SalvaRx held by Jim Mellon and Dr Greg Bailey. On completion of the Acquisition, those options will be converted into options over 1,394,544 and 837,334 of the Consideration Shares. The exercise of any of those options by the SalvaRx Optionholders, which would require prior consent by the Panel, would only serve to reduce the number of New Ordinary Shares held by Jim Mellon and/or Dr Greg Bailey and would therefore have no overall effect on the maximum potential controlling interest of the Concert Party. Further information on the Concert Party is set out in paragraph 7 of Part VIII of this document.

In addition, the Management and Consultant Optionholders (each of whom is a member of the Concert Party) have been granted a total of 2,144,114 Plan Options as follows:

Name	*No. of Plan Options*
Ian Walters*	428,786
Robert Kramer**	256,664
Kam Shah	364,666
Anthony Chow	364,666
Declan Doogan	364,666
Alexander Pickett	364,666

* granted to his personal services company Value Driven Drug Development Solutions LLC.
** granted to his personal services company RA Kramer Consulting LLC.

The exercise of any of the Plan Options by any of the Management and Consultant Optionholders would also require the prior consent of the Panel.

The Company has applied to the Panel for a waiver of Rule 9 of the Takeover Code in order that the Acquisition does not trigger an obligation on the part of Concert Party to make a general offer to Independent Shareholders.

The Panel has agreed, subject to the Waiver Resolution being passed on a poll of Independent Shareholders at the General Meeting, to waive the requirement which might otherwise arise as a result of the Acquisition for the members of the Concert Party to make a general offer to Independent Shareholders.

Shareholders should be aware that, following completion of the Acquisition, as the members of the Concert Party will between them hold more than 50 per cent. of the Company's voting share capital, for as long as they continue to be treated as acting in concert they will normally be entitled to increase their aggregate holding in the Company without incurring any obligation under Rule 9 to make a mandatory offer to the other Shareholders, although individual members of the Concert Party will not be able to increase their percentage shareholding through or between a Rule 9 threshold without Panel consent. Neither the Concert Party nor any member of it will be restricted following Admission from making an offer for the Company.

The Rule 9 Waiver granted by the Panel relates only to any increase in the percentage of New Ordinary Shares held by the Concert Party as a result of the Acquisition, and is conditional on the passing of the Waiver Resolution (as set out in the Notice) by Independent Shareholders on a poll. Jim Mellon and Dr Greg Bailey, Galloway Limited and Port Erin Biopharma Investments Limited, who each hold Existing Ordinary Shares, are not entitled to vote on the Waiver Resolution.

12. CHANGE OF NAME AND WEBSITE ADDRESS

Subject to the passing of the Resolutions, it is proposed to change the Company's name to SalvaRx Group Plc by resolution of the Board in accordance with the power conferred by the IoM 2006 Act.

Upon the change of name being registered at the Isle of Man Companies Registry, the Company's AIM symbol will be changed to SALV. The Company's website address will be changed to www.salvarx.io following the General Meeting.

13. SHARE CONSOLIDATION

The Directors propose that, subject to Shareholder approval of Resolution 3 as set out in the Notice, every 100 Existing Ordinary Shares of 0.025p each be consolidated into 1 New Ordinary Share of 2.5p each. Fractions of New Ordinary Shares arising on the Share Consolidation will be aggregated and sold in the market for the benefit of the Company. **Shareholders holding less than 100 Existing Ordinary Shares on the Record Date will therefore be consolidated off the register with no compensation.** The Directors and the Proposed Directors believe that such a consequence is in the best interests of the Company and is not capable of being avoided (other than at disproportionate cost and expense to the Company). Other than in respect of the change in the par value, the rights attaching to the New Ordinary Shares will be identical to the rights attaching to the Existing Ordinary Shares.

Following the Share Consolidation, replacement share certificates will be despatched by first class post at the risk of the Shareholder in respect of the New Ordinary Shares which are to be held in certificated form. These new share certificates are expected to be despatched by 5 April 2016. Share certificates dated on or before the Record Date should be destroyed as they will cease to be valid. In relation to Existing Ordinary Shares which are held in uncertificated form, CREST accounts are expected to be credited with the newly denominated New Ordinary Shares on 22 March 2016.

14. AMENDMENT TO ARTICLES OF ASSOCIATION

As a result of, but conditional upon, approval of the Share Consolidation by Shareholders at the General Meeting, the Directors propose that, subject to Shareholder approval of Resolution 6 set out in the Notice, the Articles be amended to, among other matters, reflect the revised par value of each New Ordinary Share and the increase to the amount of share capital available to issue. Please refer to the Notice for further details regarding the proposed changes to the Articles.

15. ADMISSION AND SETTLEMENT

Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. As mentioned above, trading in the Company's Existing Ordinary Shares on AIM was temporarily suspended on 4 November 2015. **The suspension will remain in place pending the outcome of the General Meeting.**

If all of the Resolutions are passed at the General Meeting, it is expected that the last day of trading on AIM in the Existing Ordinary Shares will be 21 March 2016 and that Admission will become effective and that dealings in the Enlarged Share Capital will commence at 8.00 a.m. on 22 March 2016.

In the event that Resolutions 1 and 2 are not approved, trading in the Company's shares on AIM will remain suspended until implementation of the Company's investing policy to the satisfaction of the London Stock Exchange. If the Company were to have failed to implement its investing policy by 4 May 2016 to the satisfaction of the London Stock Exchange, the Company's AIM admission would be cancelled in accordance with Rule 41 of the AIM Rules.

The ISIN of the Existing Ordinary Shares is IM00B52P5P72. Following the Share Consolidation, the new ISIN code for the New Ordinary Shares will be IM00BZ4SS228.

The TIDM, currently 3LEG, will be SALV on Admission following the change of name.

16. LOCK-IN AND ORDERLY MARKET AGREEMENTS

Lock-in and orderly market agreements have been entered into by the Locked-in Persons who, on Admission, will hold in aggregate 26,748,340 New Ordinary Shares (representing 73.35 per cent. of the Enlarged Share Capital).

The Locked-in Persons have entered into agreements pursuant to which they have each agreed with the Company and Northland Capital that for the period of 12 months following Admission they will not (without prior written consent of the Company and Northland Capital) dispose of any interest in New Ordinary Shares except in certain specified circumstances. They have also agreed that, for a further 12 months following the expiry of the initial 12 month period, they will only dispose of any interest in New Ordinary Shares through Northland Capital (or the Company's broker at the relevant time if it is not Northland Capital) and in such manner as Northland Capital (or such other broker) may reasonably require with a view to the maintenance of an orderly market in the New Ordinary Shares.

Further details of such lock-in and orderly market agreements can be found in paragraph 11.4 of Part VIII of this document.

17. DIVIDEND POLICY

The nature of the Enlarged Group's business means that it is unlikely that the Board would be in a position to recommend a dividend in the early years following Admission. When it is commercially prudent to do so and subject to the availability of distributable reserves, the Board may approve the payment of dividends. There can be no assurance that the Board will declare and pay, or have the ability to declare and pay, any dividends in the future.

In the event of a licencing or sale of the Enlarged Group's compounds or a disposal of the interest in iOx, the Board will seek to return capital to Shareholders (subject to the Company having sufficient distributable reserves).

18. CORPORATE GOVERNANCE

The Directors and the Proposed Directors acknowledge the importance of the Financial Reporting Council's UK Corporate Governance Code (compliance with which is not mandatory for companies admitted to trading on AIM) and, following Admission, intend to comply with its principles so far as is practicable and appropriate given the nature and size of the Company and the size and constitution of the Board. The Directors and the Proposed Directors also intend to comply with the principles of the Corporate Governance Guidelines for AIM Companies published by the Quoted Companies Alliance in 2010, to the extent that they consider it appropriate and having regard to the Company's size, board structure, stage of development and resources.

The Directors and the Proposed Directors will hold regular board meetings and will be responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. An audit committee, a remuneration committee and a nomination committee have been

established with formally delegated rules and responsibilities. Each of these committees will meet as and when appropriate save in the case of the remuneration and audit committees which will meet at least twice each year.

It is proposed that each of the Proposed Directors will be appointed to the New Board, conditional on completion of the Acquisition, by Shareholders passing Resolutions 4 and 5 as ordinary resolutions, rather than being appointed by a resolution of the Board. Accordingly, as their appointment will have been made by the Shareholders, none of the Proposed Directors will be required under the Articles to submit themselves for re-election at the next annual general meeting of the Company unless otherwise subject to retirement by rotation at that time.

The Audit Committee will comprise Richard Armstrong (who will be the chair), Jim Mellon and Dr Greg Bailey. The Audit Committee will, *inter alia*, determine and examine matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It will receive and review reports from management and the Company's auditors relating to the half yearly and audited annual accounts and the accounting and the internal control systems in use throughout the Enlarged Group.

The Remuneration Committee will comprise Jim Mellon (who will be the chair), Richard Armstrong, Dr Greg Bailey and Colin Weinberg. The Remuneration Committee will review and make recommendations in respect of the Directors' and the Proposed Directors' remuneration and benefits packages, including share options and the terms of their appointment. The Remuneration Committee will also make recommendations to the New Board concerning the allocation of Options under the Plan.

The Nomination Committee will comprise Colin Weinberg (who will be the chair) Jim Mellon and Richard Armstrong. The Nomination Committee will monitor the size and composition of the New Board and the other New Board committees and will be responsible for identifying suitable candidates for New Board membership.

19. RELATIONSHIP AGREEMENT

On Admission, Jim Mellon (and his related parties) and Dr Greg Bailey will together be interested in 26,640,582 New Ordinary Shares, representing approximately 73.05 per cent. of the Enlarged Share Capital.

The Independent Directors and the Proposed Directors are satisfied that the Company is capable of carrying on its business independently of Jim Mellon and Dr Greg Bailey and that all transactions and relationships between them and the Company are and will continue to be at arm's length and on normal commercial terms.

To seek to ensure that Shareholders are adequately and additionally protected in this regard and generally in relation to the size of Jim Mellon's (and his related parties) and Dr Greg Bailey's aggregate shareholding in the Company following Admission, the Company and Northland Capital have entered into the Relationship Agreement with Jim Mellon, Dr Greg Bailey and Jim Mellon's related parties, being Galloway Limited and Port Erin Biopharma Investments Limited.

Pursuant to the Relationship Agreement, Jim Mellon (and his related parties) and Dr Greg Bailey have given certain undertakings to the Company and Northland Capital to ensure that the New Board and the Company can operate on an independent basis.

In addition, Jim Mellon and Dr Greg Bailey have provided an undertaking to the Company, effective for a period of one year following Admission, to use all reasonable endeavours to notify the Independent Directors to the extent they are aware of an opportunity to invest in or acquire a company or asset involved in the development of antibodies and other compounds applicable to immunotherapy treatments in the oncology sector (in circumstances that would result in the Company holding more than 20 per cent. of the issued share capital of the target company or asset). Where the opportunity is capable of exploitation equally by the other parties to the Relationship Agreement, the Company is granted a right of first refusal in respect thereof. The Company will be deemed to have declined the opportunity if it does not notify Jim Mellon and Dr Greg Bailey within six weeks of first being notified.

Further information on the Relationship Agreement can be found at paragraph 11.3 of Part VIII of this document.

20. SHARE DEALING CODE

The Company has adopted and will continue to operate a share dealing code appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during close periods in accordance with Rule 21 of the AIM Rules). The Company will take all reasonable steps to ensure compliance by the Directors, the Proposed Directors, related parties and any relevant employees.

21. TAXATION

Your attention is drawn to paragraphs 12 and 13 of Part VIII of this document, which is intended only as a general guide to the current tax position under UK and Isle of Man taxation law and practice. If an investor is in any doubt as to his or her tax position, he or she should immediately consult his or her own independent financial adviser.

22. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the relevant CREST regulations (which, in the case of the Company are the Uncertificated Regulations). The New Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the New Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 20 7849 0000.

23. RELATED PARTY TRANSACTION

The proposed Acquisition is a related party transaction under the AIM Rules. The Vendors (Jim Mellon and Dr Greg Bailey), each of whom is a Director and substantial shareholder in the Company, are classified as related parties for the purposes of Rule 13 of the AIM Rules and are not deemed independent for the purposes of providing the fair and reasonable opinion required thereunder. The Independent Directors, having consulted with Northland Capital, the Company's nominated adviser, consider that the terms of the Acquisition Agreement are fair and reasonable insofar as Shareholders are concerned.

24. IRREVOCABLE UNDERTAKINGS

The Independent Directors have given irrevocable undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their entire beneficial holdings totalling in aggregate 10,775,862 Existing Ordinary Shares, representing approximately 1.74 per cent. of the Existing Ordinary Shares.

Jim Mellon and Dr Greg Bailey, each of whom is a Director, and Port Erin Biopharma Investments Limited have given irrevocable undertakings to the Company to vote in favour of the Resolutions, save for the Waiver Resolution, to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their entire beneficial holdings totalling in aggregate 185,185,185 Existing Ordinary Shares, representing approximately 29.94 per cent. of the Existing Ordinary Shares.

In addition, certain other Shareholders have given irrevocable undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their holdings totalling, in aggregate 125,000,002 Existing Ordinary Shares, representing approximately 20.21 per cent. of the Existing Ordinary Shares.

In total, therefore, the Company has received irrevocable undertakings to vote in favour of:

1. the Waiver Resolution in respect of holdings totalling, in aggregate, 135,775,864 Existing Ordinary Shares, representing 31.33 per cent. of the Existing Ordinary Shares entitled to vote thereon; and
2. all other Resolutions (excluding the Waiver Resolution) in respect of holdings totalling, in aggregate, 320,961,049 Existing Ordinary Shares, representing 51.89 per cent. of the Existing Ordinary Shares.

25. GENERAL MEETING

Set out at the end of this document is a notice convening the General Meeting to be held at 11.00 a.m. on 21 March 2016 at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man IM1 2LX at which the Resolutions will be proposed to approve:

1. the Acquisition;
2. the Rule 9 Waiver;
3. the Share Consolidation;
4. the appointment of Ian Walters as a director of the Company;
5. the appointment of Kam Shah as a director of the Company;
6. certain amendments to the Articles (including an increase to the amount of share capital available to issue); and
7. the disapplication of article 5.2 of the Articles to enable the New Board to allot New Ordinary Shares for cash other than on a pre-emptive basis.

26. FURTHER INFORMATION

You should read the whole of this document which provides additional information on the Company and the Proposals and not rely on summaries or individual parts only. Your attention is drawn, in particular, to the further information on SalvaRx and iOx set out in Part II, the Risk Factors in Part III, the Technical Expert's Report in Part IV, the Accountant's Report on SalvaRx in Part VI, the Pro-forma Statement of Net Assets in Part VII and the Additional Information in Part VIII of this document.

27. ACTION TO BE TAKEN

You will find accompanying this document a Form of Proxy for use in connection with the General Meeting. **Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Capita Asset Services, as soon as possible but in any event not later than 48 hours prior to the time and date of the meeting. Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting should you so wish.**

28. RECOMMENDATION

The Independent Directors, who have been so advised by Northland Capital, consider that the Acquisition and the Rule 9 Waiver are fair and reasonable and in the best interests of Shareholders and the Company as a whole. In providing advice to the Independent Directors, Northland Capital has taken account of the Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend that Shareholders vote in favour of Resolution 1 and that Independent Shareholders vote in favour of the Waiver Resolution. **Voting on the Waiver Resolution will be by means of a poll of Independent Shareholders.**

Those members of the Concert Party who would otherwise be entitled to vote at general meetings will not vote on the Waiver Resolution at the General Meeting.

The Directors consider that the Placing, the Share Consolidation, the appointment of the Proposed Directors and the amendment to the Articles are in the best interests of Shareholders and the Company as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 3, 4, 5, 6 and 7.

Colin Weinberg and I, who are both Independent Directors and Independent Shareholders, have undertaken to vote in favour of the Resolutions in respect of our beneficial shareholdings representing in aggregate 1.74 per cent. of the Existing Ordinary Shares.

Yours faithfully

Richard Armstrong
Chairman

PART II

INFORMATION ON SALVARX AND IOX

(a) **Introduction to SalvaRx**

SalvaRx is a British Virgin Islands company incorporated on 6 May 2015 by Jim Mellon and Dr. Greg Bailey. Its only material asset at the date of this document is a 60.49 per cent. interest in iOx, which was acquired pursuant to the iOx Investment Agreement, further details of which are set out in paragraph 11.6.1 of Part VIII of this document.

Dr. Ian Walters, the Chief Executive Officer of SalvaRx, led the acquisition of the controlling interest in iOx following due diligence. The acquisition followed a period of development work (aimed at product candidate prioritisation and refinement) designed by the SalvaRx management team alongside ISIS (on behalf of Oxford University), the Ludwig Institute and Professor Cerundolo. Professor Cerundolo was responsible for the identification and development of the technology, intellectual property and know-how licenced to iOx by the Ludwig Institute. He is an honorary consultant Oncologist, the Director of the MRC Human Immunology Unit and Head of the RDM Investigative Medicine Division at the Weatherall Institute of Molecular Medicine at Oxford University.

SalvaRx is actively screening for further acquisitions or investments in cancer immunotherapy and complementary areas of oncology. It will utilise a clear investment approach comprising five stages as detailed below in order to evaluate opportunities in the sector:

- identify clear areas of unmet, urgent medical need in cancer immunotherapy.
- search for novel compounds, novel use for existing compounds, or new delivery systems.
- rigorously evaluate and test assets and develop a clear strategy for each.
- invest capital to finance development of the asset.
- recruit a strong, experienced management and scientific team and leverage relationships with academia and industry.

SalvaRx will review data on acquisition and investment targets and a decision is made as to whether further validation is needed by industry and academic experts. Share purchase agreements and business structures will then be optimised to allow for tranche payments upon achievement of significant milestones, thereby de-risking the acquisition or investment.

Once an acquisition or investment in a new candidate company has been made, SalvaRx will leverage the industry knowledge of its management team and its broad network of consultants in order to operate its subsidiary companies and joint-ventures in a cost effective manner.

SalvaRx intends to licence or sell assets to large pharmaceutical companies as and when appropriate. In the event of a successful sale or licensing, or a disposal of its interest in iOx, it is committed to return capital to the Company, subject to having lawful reserves available to distribute.

(b) **iOx**

iOx was incorporated in England and Wales on 10 February 2015 by ISIS, Oxford University's technology transfer subsidiary, together with the Ludwig Institute. iOx's strategy is to develop a new type of immunotherapy against cancer, originally discovered through a partnership between the Ludwig Institute and Professor Cerundolo.

Prior to the incorporation of iOx, Professor Cerundolo had formed a team of researchers and, through collaboration with Professor Gurdyal Besra and Dr. Liam Cox of the University of Birmingham and Professor Richard Schmidt of the University of Konstanz and the support of the Ludwig Institute, discovered the multiple synthetic lipid compounds that are currently the subject of iOx's research and development programme. These compounds were found to have the ability to activate iNKT cells, which scientists suggest play a crucial role in anti-cancer immune responses.

Compounds under development

On 1 July 2015, iOx obtained an exclusive licence (with the right to sub-licence) from the Ludwig Institute to use, research, develop and commercialise iNKT cell agonists, including compounds IMM47 and IMM60, for the treatment of various forms of human disease, including cancer, under the Ludwig Institute's intellectual property and know-how. Further details of the intellectual property licenced from the Ludwig Institute are provided in paragraph (d) of this Part II below.

The SalvaRx team has worked informally with iOx since commencing their due diligence in June 2014, and has since collaborated with iOx to design and implement a series of new preclinical experiments to help identify the proposed mechanism of action for the compounds licenced from the Ludwig Institute. To date, the results of the studies, including the rejection of cancer in mouse models, have provided evidence of further differentiation from the first generation of iNKT agonists developed and a clear path forward in the clinic. SalvaRx has also used its commercial and development experience to help re-direct iOx's strategy and development programme.

Board of Directors and Scientific Advisory Board

Ian Walters and Rob Kramer have assisted iOx in identifying appropriate individuals to form a scientific advisory board and join the board of directors. The board of directors of iOx comprises:

- Ian Walters (further details provided at paragraph 6 of Part I);
- Professor Cerundolo (further details provided at paragraph (a) of this Part II);
- Declan Doogan MD, previously Senior Vice President and Head of Worldwide Development at Pfizer at the time of multi-billion dollar programmes such as Viagra and Lipitor;
- Jonathan Skipper PhD, who is Executive Director of Technology Development at the Ludwig Institute; and
- Annalisa Jenkins MBBS, MRCP, who is currently CEO at gene therapy company Dimension Therapeutics, Inc., which floated on Nasdaq in October 2015.

The scientific advisory board is expected to comprise:

- Professor Cerundolo;
- Jedd Wolchok MD, PhD, who is Chief, Melanoma and Immunotherapeutics Service and holds The Lloyd J. Old Chair in Clinical Investigation at Memorial Sloan-Kettering Cancer Centre;
- George Coukos MD, PhD, who is Director of the Lausanne branch of the Ludwig Institute, Director of the Swiss Cancer Center Lausanne and a Professor at the University of Lausanne; and
- Mahdav Dhodapkar MBBS, who is the Arthur H. and Isabel Bunker Professor of Medicine (Haematology), Professor of Immunobiology and Chief, Section of Haematology at the Yale University School of Medicine.

The proposed scientific advisory board has extensive experience in the development of multiple immunotherapy products, as well as experience of investigating the mechanism of action of novel immunotherapies, the formulation of clinically relevant drug combinations and clinical experience in the first generation of iNKT therapeutics.

Clinical trial

SalvaRx has been instrumental in initiating negotiations for collaborative development finance, including with Oxford University, to provide significant non-dilutive funding. For example, Oxford University will fund, or arrange funding for, a Phase I/II trial that will allow the first in human testing of the lead compound under licence to iOx. This initial trial is targeted to recruit approximately 60 participants in order to evaluate the safety and efficacy of the lead compound.

(c) **Background to Cancer Immunotherapy**

Cancer is the leading cause of premature death in the world and is characterised by the uncontrolled growth of abnormal cells whose ability to evade the human body's immune system is a significant factor in their proliferation and persistence.

Historically, treatment has relied upon chemotherapy and radiotherapy which seek to destroy tumours through cytotoxicity and with ionising radiation, respectively. Such treatments have not targeted the underlying biology of the disease and merely sought to eradicate it by killing the cancer cells. Research has ultimately led to more targeted therapeutic approaches using monoclonal antibody treatments (MAbs). Antibodies are naturally occurring components of the immune system although therapeutic antibodies are generated ex-vivo and then injected into the patient. Antibody based therapeutics such as Herceptin, Cetuximab, Avastin and Rituxan have all contributed to better treatment of cancer. The recent launch of treatments that work with or modulate the patient's own immune system demonstrates a significant step forward in cancer therapeutics and has resulted in improved survival rates.

Cancer immunotherapies use the body's immune system to fight cancer. Immunotherapies treat disease by inducing, enhancing or suppressing an immune response. Thus, immunotherapies can be classified as immune potentiators or inhibitors of immune suppressors.

Cancer immunotherapies enable the host immune system to recognise and destroy cancer cells, taking advantage of the differences between host and cancer antigens. This approach can be categorised as active, passive or combinatory (active and passive). Active immunotherapies provoke the immune system into attacking tumour cells by targeting tumour antigens. Active cellular therapies involve the removal, expansion and infusion of a patient's immune cells specific for the tumour and include cell therapies, which also include cancer vaccines. Passive immunotherapies are intrinsically functional and include monoclonal antibodies (MAbs), which as a class also includes checkpoint inhibitors (CPIs). These cancer immunotherapies are explored in more detail in section 5.1 of the Technical Expert's Report in Part IV of this document.

The iNKT agonists under development by iOx have the ability to regulate and coordinate the behaviour of the immune system, thus they are passive immunotherapies. iNKTs recognise lipid antigens on the surface of tumour cells and produce large amounts of cytokines within hours of stimulation without the need for clonal expansion. Furthermore, iNKT cells activate multiple immune system components, including dendritic cells, T-cells and B-cells and stimulate an antigen-specific cancer targeting expansion of these cells.

The lipid compounds under development by iOx activate iNKT cells directly, resulting in direct tumour cell targeting and destruction. This mechanism of action is distinct from relief of a checkpoint signal and, as such, the Directors and the Proposed Directors believe that the compounds under development could prove highly effective when used in conjunction with other immunotherapies.

(d) **Intellectual Property**

iOx benefits from certain patents under licence from the Ludwig Institute. These patent rights include three patent families.

Patent Family 1

The first patent family is based on a PCT application, published as WO2007/050668. This family relates to galactosylceramide deriviatives and combination therapies and uses thereof. Patents have been granted in Europe, China, Canada, and the USA (where there are three granted patents) along with pending patent applications in Brazil, Japan and Russia. The granted patents are all in force and the European patent has been made effective in at least the UK, France, and Germany. The proprietor of the cases in this family is the Ludwig Institute either alone or, in respect of some of the cases, together with Birmingham University and Oxford University. The ultimate expiry date of patents in, and deriving from applications in, this family will be 25 October 2026, with the exception of one of the three US patents, which will expire 5 January 2028. These dates assume that all renewal fees are timely paid and that no extension is obtained for subject-matter relating to medicinal products authorised for marketing.

Patent Family 2

The second patent family is based on a PCT application, published as WO2012/088414. This family relates to liposome formulations comprising certain amounts of threitolceramide and a number of ligands. The liposome may further comprise at least one antigen and/or at least one therapeutic agent. The family also concerns compositions containing the liposomes, uses thereof in treating infections or cancer, combination therapies, and methods of making the liposomes.

There are pending applications in Europe and the USA. The applicant in respect of both these applications is the Ludwig Institute. The ultimate expiry date of patents deriving from the applications in this family will be 22 December 2031. This date assumes that all renewal fees are timely paid and that no extension is obtained for subject-matter relating to medicinal products authorised for marketing.

Patent Family 3

The third patent family is based on a PCT application, published as WO2013/079687. This family relates to α-galactosylceramide analogues and compositions thereof, their use in activating iNKT cells, and their use in treating diseases associated with iNKT activation, including combination therapies.

There are pending applications in Europe and the USA. The applicant in respect of the US application is the Ludwig Institute. The applicants for the European application are Birmingham University and Oxford University. The ultimate expiry date of patents deriving from the applications in this family will be 30 November 2032. This date assumes that all renewal fees are timely paid and that no extension is obtained for subject-matter relating to medicinal products authorised for marketing.

(e) **Market and Competition**

Market

GLOBOCAN estimates that in 2012 there were 14.1 million new cancer cases worldwide with 8.2 million cancer deaths. Cancer is the largest therapeutic segment in the pharmaceutical market with a value of approximately $90 billion in 2014 and is expected to grow to over $157 billion by 2020 (Cowen & Co. September 2015). The market is currently dominated by MAbs. The table below shows the market for cancer drugs by class and is discussed further in section 5 of the Technical Expert's Report in Part IV of this document.

Estimated Worldwide Market for Cancer Drugs

Drug Class	*2014 (M)*	*2020 projected (M)*	*CAGR*
MAbs/ Targeted Therapies	$46,859	$113,336	16%
Chemotherapeutics	$23,270	$29,661	4%
Blood Cell Factors	$16,942	$13,162	-4%
Chemopreventatives	$745	$275	-15%
Other Therapies	$838	$795	-1%
Total Market	**$88,654**	**$157,228**	**10%**

Source: Cowen and Company (September 2015)

Competition

Save for the compounds under development by iOx, the Directors and the Proposed Directors are aware of eight other compounds that act on iNKT cells at various stages of development. A further five compounds have been abandoned in the research and development phases. The most advanced compound, RGI-2001, is being developed by REGiMMUNE Corp, a private biotechnology company that licences immune regulating technology from RIKEN, Japan's largest research institution. REGiMMUNE has successfully completed four rounds of venture capital fund raising to a value of $21 million, the most recent round completing in February 2014.

Further details of the drugs currently in development are discussed in more detail in section 6.1 of Part IV of this document.

(f) **SalvaRx's Complementary Strategy and Investment Case**

Current industry focus has been in developing antibodies and other compounds whose purpose is to relieve a checkpoint signal expressed by tumours. Three such products, Opdivo®, Keytruda® and Yervoy®, have been approved by competent regulators (including the FDA) and are already available to patients for treatment of certain types of cancer.

Given the efficacy and general tolerability of these drugs, the FDA has worked closely with companies to get these to market faster than traditional drugs in other diseases. For example, Merck & Co., Inc. was able to secure accelerated FDA approval for Keytruda® in October 2015 based on data from a phase 1 (first in-human) study of approximately 200 patients (drug label). This translates to a quicker development pathway and results in lower costs of development for the manufacturer.

These drugs treat the host directly and are not specific to the cancer, which means they can be applied to treat different tumour types. The Directors and the Proposed Directors believe that the improvement to patient survival rates demonstrated by these drugs results in a cost/benefit analysis that justifies the premium prices that are charged for them. In 2013, Citibank estimated that the immuno-oncology segment of the cancer therapeutics market would peak in excess of $35 billion in

2023. More recent predictions estimate that the same market in excess of $80 billion by 2020.[1] Even in healthcare restricted markets such as the UK, the Directors and the Proposed Directors believe these drugs are considered cost effective by national medical technology agencies.

However, not all tumour types are responsive to checkpoints, and not all patients respond. For example, clinical studies have demonstrated that patients with tumours that do not express PD-L1 are less likely to respond to current immunotherapies[2] and there is an urgent medical need to identify and develop products that demonstrate efficacy in treating such tumours.

Instead of focusing on antibodies and compounds that target PD-1/PD-L1 expressing tumours, SalvaRx will instead identify, fund and help grow companies in three areas: those who are researching and developing novel formulations that will enable combinations of immuno-oncology agents to be delivered as a single product, developing products that are able to treat PD-L1 negative patients effectively and/or companies targeting non T-cell based targets such as NKT cells, macrophages, myeloid-derived suppressor cells (MDSPs) and dendritic cells.

(g) **Financial Information**

SalvaRx is a preclinical stage company and therefore no revenue has been generated. From its incorporation on 6 May 2015 to 30 September 2015, it has accumulated losses of approximately £127,000 and operating cash outflows amounted to approximately £715,000. Further details on the historical financial information of SalvaRx are in Part VI of this document.

1 "Global & USA Cancer Immunotherapy Market Analysis to 2020", http://www.researchandmarkets.com/research/lgcqzq/global_and_usa

2 http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4472786/

PART III

RISK FACTORS

In addition to all other information set out in this document, the following specific risk factors should be considered carefully by Shareholders voting on the Resolutions and prospective investors in evaluating whether to make an investment in the Company. The investment described in this document may not be suitable for all of its recipients. Before making a final decision, Shareholders and prospective investors in any doubt are advised to consult their stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to FSMA if resident in the UK or, if not, another appropriately authorised independent financial adviser.

You should carefully consider the risks described below and ensure that you have read this document in its entirety before making a decision to invest in the Company.

Prospective investors should be aware that an investment in the Company is speculative and involves a high degree of risk. If any of the following risks were to materialise, the Enlarged Group and its business, financial condition and results of operations could be materially and adversely affected and investors may lose all or part of their investment.

In addition to the other information contained in this document, the Directors and the Proposed Directors believe that the following risk factors are the most significant for potential investors and should be considered carefully in evaluating whether to vote on the Resolutions or make an investment in the Company. If any of the risks described in this document actually occur, the Company may not be able to conduct its business as currently planned and the Enlarged Group's financial condition, operating results and cash flows could be seriously harmed. In that case, the market price of the New Ordinary Shares could decline and all or part of an investment in the New Ordinary Shares could be lost. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. Additional risks and uncertainties not presently known to the Directors or the Proposed Directors, or which the Directors or the Proposed Directors currently deem immaterial, may also have an adverse effect on the Enlarged Group. In particular, the Enlarged Group's performance may be adversely affected by changes in market or economic conditions and in legal, regulatory and tax requirements. The risks listed below are not set out in any particular order of priority.

Risks Relating to the Acquisition

Conditionality of the Acquisition

Completion is conditional, amongst other things, on:

1. Shareholders approving the Acquisition;
2. all conditions of the Acquisition being satisfied or waived;
3. the Placing Agreement becoming unconditional (save in respect of Admission) and not having been terminated; and
4. Admission.

There can be no guarantee that all of these conditions will be satisfied and it is not possible, therefore, to guarantee that Completion will occur.

If Completion does not occur, achievement of the Company's strategic objectives will be delayed and the Company would be required to pay certain costs associated with the Proposals.

In addition, trading in the Company's shares on AIM will remain suspended until implementation of the Company's investing policy to the satisfaction of the London Stock Exchange. If the Company were to have failed to have implemented its investing policy by 4 May 2016 to the satisfaction of the London Stock Exchange, the Company's AIM admission would be cancelled in accordance with Rule 41 of the AIM Rules.

Contractual Limitations in the Acquisition Agreement

The Acquisition Agreement contains provisions limiting the Company's and the Vendors' liability in the event of a breach of warranty by either party, or in the event of a breach more generally. In particular, the Vendors' aggregate liability for any breach under the Acquisition Agreement (save for breaches resulting from the Vendors' fraudulent acts) is limited to £2,500,000. In the event that either Vendor breaches the representations and warranties provided to the Company, the Vendor will be liable only where (i) the value of each relevant claim (together with connected claims) exceeds

£25,000; and (ii) all claims together exceed £100,000, in which case the Vendors will be liable for the entire amount of the claim. Warranty claims brought by the Company against the Vendors must be notified within specified time limits or they are not valid. As a result of the foregoing, if the Acquisition completes and the Vendors are found to have breached a warranty or other term of the Acquisition Agreement (including, for example, warranties relating to rights to use intellectual property licenced to iOx by the Ludwig Institute), the maximum amount recoverable by the Company (in the absence of fraud on behalf of the Vendors) would be £2,500,000.

Risks Relating to the Enlarged Group's Business

Uncertainty related to regulatory approvals

The Enlarged Group will need to obtain various regulatory approvals (including from the FDA and EMA) and otherwise comply with extensive regulations regarding safety, quality and efficacy standards in order to market its future products. These regulations, including the time required for regulatory review, vary from country to country and can be lengthy, expensive and uncertain. While efforts will be made to ensure compliance with government standards, there is no guarantee that any products will be able to achieve or retain the necessary regulatory approvals to promote that product in any of the targeted markets and any such regulatory approval may include significant restrictions for which the Enlarged Group's products can be used. In addition, the Enlarged Group may be required to incur significant costs in obtaining or maintaining its regulatory approvals. Delays or failure in obtaining regulatory approval for products would be likely to have a serious adverse effect on the value of the Enlarged Group and have a consequent impact on its financial performance.

There is no certainty that the FDA or EMA (or other relevant regulatory authority) will allow the Enlarged Group to proceed to Phase III (or earlier phases) and conduct clinical trials in respect of any products.

Regulatory difficulties following approval

Following regulatory approval to market its products, the Enlarged Group will be subject to periodic review and inspection, which may result in further regulatory challenges, including the requirement for the Company or a member of the Enlarged Group to perform post-marketing trials, or a restriction on the labelling claims the Company or a member of the Enlarged Group would like to use to promote its products. Regulatory authorities may impose a number of sanctions on a company that fails to comply with instructions, including warning letters, product recalls, product seizures, injunctions (including to stop manufacture or distribution), monetary penalties, withdrawal of existing approvals or civil and criminal sanctions. If such an event should occur, the Enlarged Group may not be able to sell products for a period of time which, in addition to the cost of curing the problem, would be likely to have a significant financial effect on the Enlarged Group.

Furthermore, should the Company or any member of the Enlarged Group become subject to a product recall, seizure or injunction prohibiting manufacture or distribution of products, this may result in costly contractual or product liability claims from customers or other third parties. In addition to the adverse effect this would have on the Enlarged Group's financial health, it may also be damaging from a reputational perspective.

Intellectual property and proprietary technology

No assurance can be given that any future patent applications will result in granted patents, that the scope of any patent protection will exclude competitors or provide competitive advantages to the Enlarged Group, that any of the patents (if any) owned by the Enlarged Group or patents and other intellectual property rights licenced to the Enlarged Group will be held valid if challenged or that third parties will not claim rights in or ownership of the patents and other proprietary rights held by or licenced to the Enlarged Group.

When patents, trademarks or other proprietary rights are obtained, the Enlarged Group may be subject to claims in relation to infringement of these. Adverse judgments against any member of the Enlarged Group may give rise to significant liability in monetary damages, legal fees and an inability to manufacture, market or sell products either at all or in particular territories using existing trademarks and/or particular technology. Where the Enlarged Group has given assurances to customers that its products do not infringe proprietary rights of third parties, any such infringement might also expose the Enlarged Group to liabilities to those customers. Even claims without merit could deter customers and have a detrimental effect on the Enlarged Group's business as well as being costly and time consuming to defend and diverting the Enlarged Group's resources.

Further, there can be no assurance that others have not developed or will not develop similar products, duplicate any of the Enlarged Group's products or design around any patents held by or licenced to any member of the Enlarged Group. Others may hold or receive patents which contain claims having a scope that covers products developed by or licenced to the Enlarged Group (whether or not patents are issued to the Enlarged Group).

The Enlarged Group may rely on patents (whether owned or in-licenced) to protect, among other things, its products. These rights act only to prevent a competitor from copying but not from independently developing products that perform the same functions. No assurance can be given that others will not independently develop or otherwise acquire substantial equivalent techniques or otherwise gain access to the Enlarged Group's unpatented proprietary technology or disclose such technology or that the Enlarged Group can ultimately protect meaningful rights to such unpatented proprietary technology.

Patents and other intellectual property rights licenced to the Enlarged Group may require prosecution and/or maintenance by third parties, including, for example, prompt payment of renewal and other fees to relevant authorities. The Company and other members of the Enlarged Group may have little or no control over the actions of such third parties, which could result in a material deficiency to the validity or enforceability of intellectual property rights licenced to the Enlarged Group. As a result, third parties may be able to bring intellectual property infringement proceedings against the Enlarged Group, or the Enlarged Group may not be able to assert its rights against third parties infringing the intellectual property rights licenced to it. Any such event may have material adverse consequences to the Enlarged Group's financial position and future prospects.

Future funding requirements

The Enlarged Group will need to raise additional funding or enter into a strategic partnership with another pharmaceutical company to undertake work beyond that being funded by the Placing or by the Enlarged Group's existing arrangements. There is no certainty that this will be possible at all or on acceptable terms. In addition, the terms of any such funding may be dilutive to, or otherwise adversely affect Shareholders.

Dependence on key personnel

The success of the Enlarged Group, in common with other businesses of a similar size, will be highly dependent on the expertise and experience of the Directors and the Proposed Directors, the senior management, partners and consultants. However, the retention of such key personnel cannot be guaranteed. Should key personnel leave, the Enlarged Group's business, prospects, financial condition and/or results of operations may be materially adversely affected. The Enlarged Group intends to utilise a network of consultants to allow it to efficiently operate its current and future subsidiaries. Accordingly, the Enlarged Group's ability to expand its business relies on its ability to attract suitable individuals. Failure to attract suitable individuals may limit the Enlarged Group's ability to expand its business and have a limiting effect on the financial performance of the Enlarged Group. The Company will incentivise key personnel by issuing share options which vest over time in order to align their efforts with that of the Company and offer them motivation to stay.

Stage of operations

There can be no guarantee that the Company (or any member of the Enlarged Group) will be able to, or that it will be commercially advantageous for any such member to, develop its products, which are currently at preclinical and clinical stages. Further, the Company has no positive operating cash flow and its ultimate success will depend on the New Board's ability to implement successfully the drug development programmes, gain the necessary regulatory approvals, protect its intellectual property and know-how, exploit the intellectual property and know-how licenced to it and generate cash flow in accordance with the Enlarged Group's strategy as well as being able to raise additional capital from equity markets. Whilst the Directors and the Proposed Directors are optimistic about the Enlarged Group's prospects, there is no certainty that anticipated outcomes and sustainable or any revenue streams will be achieved. The Enlarged Group will not generate any material income until commercialisation of its products has successfully commenced, which will not be for some years (if at all) and in the meantime the Enlarged Group will continue to expend its cash reserves. There can be no assurance that the Company's proposed operations will be profitable or produce a reasonable return, if any, on investment.

The Enlarged Group may be unable to identify and fund new companies

There can be no certainty that the Enlarged Group will be able to identify suitable early-stage immuno-oncology companies. Similarly, there is no certainty that, should the Enlarged Group identify suitable entities, it will be able to make investments and/or acquisitions on acceptable terms or at all. The Enlarged Group may face competition from other investors, some of which may have greater financial resources than the Enlarged Group.

The Enlarged Group's financial performance may be dominated by a single company or limited number of companies

The Enlarged Group will seek to identify and fund early-stage immuno-oncology companies and a large proportion of its overall value may at any time, including immediately following Completion, be accounted for by one or fewer companies. There is a risk that if these companies experience set-backs, failures or delays in their research and development activities affecting their value, this could have a materially adverse effect on the Enlarged Group.

Technology and products

The Enlarged Group focuses on drug discovery and development. The development and commercialisation of its proprietary technology and intellectual property and technology licenced to it and future products, which are in varying stages of development, will require clinical trials and there is a risk that safety issues may arise when the products are tested. This risk is common to all new classes of drugs and, as with all other drug companies, there is a risk that trials may not be successful.

Research and development risk

The Enlarged Group will be operating in the biopharmaceutical development sector and will look to exploit opportunities within that sector. The Enlarged Group will therefore be involved in complex scientific research. Industry experience indicates that there may be a very high incidence of delay or failure to produce results. The Enlarged Group may not be able to develop new products or identify specific market needs that can be addressed by technology solutions developed by the Enlarged Group. The ability of the Enlarged Group to develop new technology relies, in part, on the recruitment of appropriately qualified staff as the Enlarged Group grows. The Enlarged Group may be unable to find a sufficient number of appropriately highly trained individuals to satisfy its growth rate which could affect its ability to develop as planned.

Reliance on third parties

The business model for the Company anticipates that it and the Enlarged Group will have limited internal resources over the next few years and that it will use third party providers wherever possible to conduct the research, development, registration, manufacture, marketing and sales of its proposed products. The commercial success of the Enlarged Group's products will depend upon the performance of these third parties. The Company cannot guarantee that the third parties will be able to carry out their obligations under the relevant arrangements. Disagreements between the Company or any member of the Enlarged Group and any of these third parties could lead to delays in the Enlarged Group's research and development programme and/or commercialisation plans. If any of those third parties were to terminate their relationship with the Company or any member of the Enlarged Group, such entity would be required to obtain development and/or commercialisation services from other parties or develop these functions internally. The process of entering into such similar relationships or developing these functions internally could require significant expenditure and, while the Directors and the Proposed Directors believe that the Company or the relevant member of the Enlarged Group would be able to enter into arrangements with other companies within a reasonable period of time, upon commercially reasonable terms, and in compliance with applicable regulatory requirements, no assurance can be given that it would be able to do so, and failure to do so, or failure to do so in a timely manner, could materially and adversely affect the Enlarged Group's business, operating results and financial condition.

Manufacturing

There can be no assurance that the Enlarged Group's proposed products will be capable of being manufactured in commercial quantities, in compliance with regulatory requirements and at an acceptable cost. The Company intends to outsource the manufacture of the raw materials required in connection with the research and development of its proposed products and, as such, will be

dependent upon third parties for the provision of adequate facilities and raw material supplies. In addition, where the Enlarged Group is dependent upon third parties for manufacture, its ability to procure the manufacture of the drugs in a manner which complies with regulatory requirements may be constrained, and its ability to develop and deliver such products on a timely and competitive basis may be adversely affected.

Risk that the Enlarged Group will not match expectations

The future financial success of the Enlarged Group is heavily reliant on the performance of SalvaRx and its subsidiary iOx. iOx is an early-stage cancer immunotherapy company with the right to develop and commercialise certain cell agonists that are expected to undergo clinical trials. There is no guarantee that such clinical trials will be successful, which would be materially prejudicial to its future success, financial viability and performance. While the Directors and the Proposed Directors expect that SalvaRx will continue to identify and fund early-stage cancer immunotherapy companies, there is no guarantee that it will identify appropriate candidates or, if such candidates are identified and funded by SalvaRx, that they will bring products to market or that such products will be granted the required regulatory approvals or that they will be a financial success.

If the performance of SalvaRx and/or iOx does not meet the Directors and Proposed Directors' expectations, the expected benefits of the Acquisition, including realisation of significant market potential and generation of strong future cash flows, will not be satisfied.

Product development timelines

Product development timelines are at risk of delay, particularly since it is not always possible to predict the rate of patient recruitment into clinical trials. There is a risk therefore that product development could take longer than presently expected by the Directors and the Proposed Directors; if such delays occur the Company may require further working capital. The Directors and the Proposed Directors will seek to minimise the risk of delays by careful management of projects.

Liability and insurance

The nature of the Enlarged Group's business means that the Company may be exposed to potentially substantial liability for damages in the event of product failure or side effects. Any such liability could have a materially adverse effect on the Enlarged Group's business and financial condition. There can be no assurance that future insurance cover will be available to the Company at an acceptable cost, if at all, nor that in the event of any claim the level of insurance carried by the Enlarged Group now or in the future will be adequate or that a product liability or other claim would not materially and adversely affect the business of the Enlarged Group.

Unforeseen side effects

The Enlarged Group's products are tested for adverse reactions during clinical trials, but the possibility of side effects and adverse reactions once the products are released into the market cannot be discounted. Where such side effects exceed limits accepted by relevant regulatory authorities, the Enlarged Group may be required to stop production and/or distribution of the relevant products – and regulatory approvals may be withdrawn or suspended until further clinical trials have been conducted. In extreme cases, product lines and development programmes may need to be terminated if the Company is not able to find a solution to the problem that is acceptable to the appropriate regulatory authority. Any such instance will have a material adverse effect on the Enlarged Group's business, financial position, results of operations, reputation (including goodwill) and future growth.

RISKS RELATING TO THE MARKETS IN WHICH THE ENLARGED GROUP OPERATES

Economic, political, judicial, administrative, taxation or other regulatory factors

The Enlarged Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the areas in which it will operate.

General legal and regulatory issues

The Company's operations are and the Enlarged Group's operations will be subject to laws, regulatory restrictions and certain governmental directives, recommendations and guidelines relating to, amongst other things, occupational safety, laboratory practice, the use and handling of hazardous materials, prevention of illness and injury, environmental protection and animal and human testing. There can be no assurance that future legislation will not impose further government regulation, which may adversely affect the business or financial condition of the Enlarged Group.

Pharmaceutical pricing environment

In common with other biopharmaceutical companies, the ability of the Enlarged Group and any of its licencees or collaborators to market its products successfully depends in part on the extent to which reimbursement for the cost of such products and related treatment will be available from government health administration authorities, private health coverage insurers and other organisations. There is uncertainty as to the reimbursement status of newly approved healthcare products, and there is no assurance that adequate health administration or third party coverage will be available for the Enlarged Group or its licencees or collaborators to obtain satisfactory price levels to realise an appropriate return on the Company's investment.

Adverse public opinion

Government bodies and regulatory agencies require that potential pharmaceutical products are subject to preclinical studies, including animal testing, prior to conducting human trials. Such work and persons involved in it can be subject to adverse public opinion and has attracted the attention of special interest groups, including those of animal rights activists.

There can be no assurance that such groups will not, in the future, focus on the Enlarged Group's activities or those of its licencees or collaborators, or that any such public opinion would not adversely affect the Enlarged Group's operations.

The pharmaceutical industry is frequently subject to adverse publicity on many topics, including corporate governance or accounting issues, product recalls and research and discovery methods, as well as to political controversy over the impact of novel techniques and therapies on humans, animals and the environment. Adverse publicity about the Enlarged Group, its collaborators, its products, or any other part of the industry may adversely affect the Enlarged Group's public image, which could harm its operations, impair its ability to gain market acceptance for its products or cause the Company's share price to decrease.

Competition

Technological competition from pharmaceutical companies, biotechnology companies and universities is intense and can be expected to increase. Many competitors and potential competitors of the Enlarged Group have substantially greater product development capabilities and financial, scientific, marketing and human resources than the Enlarged Group. The future success of the Enlarged Group depends, in part, on its ability to maintain a competitive position, including an ability to further progress through the necessary pre-clinical and clinical trials towards regulatory approval for sale and commercialisation. Other companies may succeed in commercialising products earlier than the Enlarged Group or in developing products that are more effective than those which may be produced by the Enlarged Group. While the Company will seek to develop its capabilities in order to remain competitive, there can be no assurance that research and development by others will not render the compounds and products developed by the Enlarged Group obsolete or uncompetitive.

The Enlarged Group is exposed to general risks relating to taxation

The Enlarged Group comprises companies that are tax resident in various jurisdictions. Each of these tax jurisdictions has its own rules for determining tax jurisdiction and these rules may change from time to time. The tax residence status of a parent company can have significant implications on the taxation of its subsidiaries. The Company is currently tax resident in the Isle of Man where income is taxed at 0 per cent. If the Company were to become UK resident for tax purposes, the entire Enlarged Group could be subject to UK corporate income tax of up to 20 per cent. which could have a material adverse effect on the Enlarged Group's financial condition. Tax residency in the UK is determined principally by reference to where a company is centrally managed and controlled and, therefore, in order to maintain its tax residency outside the UK, the Company needs to have appropriate and robust procedures in place to ensure that neither the Company nor any of its non-UK resident group companies are centrally managed or controlled in the UK. A change in the tax regulation applicable in the UK, however, might adversely impact the Company's ability to remain tax resident outside the UK.

RISKS RELATING TO AN INVESTMENT IN THE NEW ORDINARY SHARES

The Company is subject to Isle of Man company law

As a company incorporated in the Isle of Man, the Company is subject to Isle of Man company law. A summary of certain aspects of Isle of Man company law is set out in paragraph 6 of Part VIII of

this document. The New Articles contain certain protections which seek to replicate many of the protections afforded by way of law and regulation applicable to companies incorporated in England and Wales. Notwithstanding this, the New Articles and Isle of Man company law may not afford all of the protections that would be available to a company incorporated in England and Wales.

For example, the IoM 2006 Act does not contain equivalent provisions to the ''sell-out'' right available to minority shareholders under section 983 of the Act (which provides that in the event of a successful takeover bid for a target company whereby the purchaser has acquired or unconditionally contracted to acquire not less than 90 per cent. of the voting rights in the target, the ''sell-out'' right allows minority shareholders (being those shareholders holding less than 10 per cent. in aggregate of the voting shares in the target company) to require the purchaser to purchase their shares on the terms available to those shareholders that accepted the purchaser's offer).

Investment in AIM Securities

Although the Company is applying for the admission of its Enlarged Share Capital to trading on AIM, there can be no assurance that an active trading market for the New Ordinary Shares will develop, or if developed, that it will be maintained. An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are listed on the Official List. Prospective investors should be aware that the value of the New Ordinary Shares may go down as well as up and that the market price of the New Ordinary Shares may not reflect the underlying value of the Enlarged Group. Investors may therefore realise less than, or lose all of, their investment.

AIM Rules for Companies and limited regulatory control

The AIM Rules for Companies are less onerous than those of the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document. Holders of the New Ordinary Shares will not enjoy any protections or rights other than those reflected in the New Articles and those rights conferred by law. Neither the Listing Rules of the UK Listing Authority nor the UK Corporate Governance Code will apply to the Company unless they are voluntarily adopted.

Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Lock-in and orderly market arrangements

The market price of the New Ordinary Shares could be adversely affected by the sale of New Ordinary Shares held by the Locked-in Persons that are subject to lock-in and orderly market periods, as detailed in paragraph 16 of Part I of this document, or the perception that these sales could occur.

Volatility of share price

The trading price of the New Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, announcements of innovations or new services by the Enlarged Group or its competitors, variations in operating results, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Enlarged Group, news reports relating to trends in the Enlarged Group's markets, large purchases or sales of New Ordinary Shares, liquidity (or absence of liquidity) in the New Ordinary Shares, currency fluctuations, legislative or regulatory changes and market conditions in the industry, the industries of customers and the economy as a whole. These fluctuations may adversely affect the trading price of the New Ordinary Shares, regardless of the Enlarged Group's performance.

In addition, if AIM or the stock markets in general experiences a loss of investor confidence, the trading price of the New Ordinary Shares could decline for reasons unrelated to the Enlarged Group's business, financial condition or operating results. The trading price of the New Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Enlarged Group. Each of these factors, among others, could harm the value of the New Ordinary Shares.

Impact of research on share price

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company's share price and trading volume of the New Ordinary Shares could decline. The trading market for the New Ordinary Shares will depend, in part, on the

research and reports that securities or industry analysts publish about the Enlarged Group or its business. The Directors and the Proposed Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the New Ordinary Shares could be negatively impacted. In the event that the Enlarged Group obtains securities or industry analyst coverage, if one or more of the analysts who cover the Company downgrade the New Ordinary Shares or publish inaccurate or unfavourable research about the Enlarged Group's business, the share price would be likely to decline. If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the New Ordinary Shares could decrease, which might cause the share price and trading volume to decline.

Future payment of dividends

There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors, the Proposed Directors and Shareholders of the Company and will depend upon, *inter alia*, the Company's earnings, financial position, cash requirements and availability of profits as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

Valuation of shares

The Placing Price has been determined by the Company and may not relate to the Company's net asset value, net worth or any established criteria or value. There can be no guarantee that the New Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

Market perception

Market perception of the Company may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further New Ordinary Shares or otherwise.

Suitability

A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her. An investment in the Company involves a high degree of risk and may not be suitable for all recipients of this document. Prospective investors are advised to consult a person authorised by the FCA (or, if outside the UK, another appropriate regulatory body) before making their investment decision.

Disapplication of pre-emption rights

If Resolution 7 is passed at the General Meeting, the New Board will have the authority to allot New Ordinary Shares for cash up to an aggregate par value of £227,916.37, other than on a pre-emptive basis, such authority expiring at the conclusion of the next annual general meeting of the Company following the passing of the Resolution. Accordingly, potential additional investors should consider the risk that, following Admission, Shareholders may be diluted if such New Ordinary Shares were issued.

Forward-looking statements

This document contains forward-looking statements that involve risks and uncertainties. The Enlarged Group's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Enlarged Group, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Directors and the Proposed Directors may also have an adverse effect on the Enlarged Group's business.

The specific and general risk factors detailed above do not include those risks associated with the Enlarged Group which are unknown to the Directors and the Proposed Directors.

Although the Directors and the Proposed Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of this nature before making any decision to invest.

PART IV

TECHNICAL EXPERT'S REPORT

Set out below is the text of a report on IOX Therapeutics Limited by PharmaVentures Limited

PharmaVentures Ltd.
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The Directors
3Legs Resources plc
Commerce House
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Ramsey
Isle of Man
IM8 2LQ

The Directors
Northland Capital Partners Limited
131 Finsbury Pavement
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EC2A 1NT

3 March 2016

Dear Sirs,

IOX Therapeutics Limited (iOx, or the Company)

PharmaVentures Limited (PharmaVentures) is an independent pharmaceutical business consultancy that specialises in assisting biomedical company clients in forming alliances or conducting M&A and also performs technical and commercial evaluations of pharmaceutical and biotechnology products, product portfolios and companies. PharmaVentures has built up considerable expertise in the analysis of healthcare markets, biopharmaceutical companies and their technologies.

PharmaVentures has been instructed by the Directors of 3Legs Resources plc and Northland Capital Partners Limited (Northland Capital) to prepare an independent report on the Company for inclusion in its admission document dated 3 March 2016 covering a technical and commercial assessment of and an overview of the markets targeted by iOx including competitive products in the market and in development. Our report is being prepared pursuant to Rule AR 4 of Schedule 3 of the AIM Rules for Nominated Advisers issued by the London Stock Exchange in order to provide technical comfort to the members of the 3Legs Resources plc Board and to Northland Capital.

In preparing this report, PharmaVentures interviewed members of the iOx management team and reviewed relevant Company documentation and scientific literature. These sources were supplemented by PharmaVentures' extensive internal and external resources, experience and understanding of the global pharmaceutical industry.

It should be noted that PharmaVentures does not comment on the validity or enforceability of any patent applications taken by the Company.

This report has been prepared with due diligence based on the information provided by iOx or taken from public domain sources deemed to be reliable by PharmaVentures. While every effort has been made to ensure the accuracy and completeness of the information and data presented, PharmaVentures cannot accept liability for errors or omissions. In particular, the industry areas under examination are fast moving and any change in circumstances may render some or all of the information or conclusions incomplete, obsolete or invalid.

PharmaVentures is a pharmaceutical industry consultancy and is not an investment advisor. This report is specifically limited to the matters set out above and is not to be taken as giving any advice on the merits of an investment in iOx.

1. Summary

IOX Therapeutics Limited, is a private limited company incorporated in England and Wales in February 2015 focussed on developing immunotherapeutic agents for the treatment of cancer. Specifically the Company is developing a series of synthetic lipid candidates that activate invariant natural killer T-cells (iNKT cells). 3Legs Resources plc is a company listed on the AIM market of the London Stock Exchange with a 11.1 per cent. stake in SalvaRx Limited (SalvaRx), a company incorporated in the British Virgin Islands and owned by Jim Mellon and Dr Greg Bailey. SalvaRx owns 60.49 per cent. of iOx.

Cancer immunotherapy is currently viewed as one of the most promising therapeutic approaches in the treatment of cancer. The discovery, development and commercialisation of Checkpoint Inhibitor Antibodies (CPIs) such as Yervoy, Keytruda and Opdivo have led the way in the cancer immunotherapy field. Further developments such as CAR-T, which harness other immune system components are demonstrating significant therapeutic promise.

iNKT cells are known to activate a number of immune system components, including dendritic cells, T-cells and B-cells. Once activated, iNKT cells have been shown to mediate potent anti-tumour responses. iOx is developing a number of iNKT agonists, including IMM47 and IMM60. These have application against a range of cancers and other indications. iOx's lead candidate is advancing towards a fully funded three arm Phase I-II clinical trial in melanoma. The trial includes CPI treatment as a control arm which should provide robust proof of concept. Furthermore, because of the known effects of iNKT cell activation iOx's candidate drugs are also being tested in combination with CPIs.

Assuming that the results of the planned clinical trials and subsequent development of the drugs are successful the trials should provide sufficient information for iOx or a partner to further develop the products. A strong clinical package with demonstrable efficacy will also allow iOx to engage with potential licensing partners who would wish to acquire rights to the products to exploit them in the major pharmaceutical markets, and thus return an appropriate proportion of the future value of the assets to iOx.

2. Relevant Recent Literature

2.1. iNKT Overview

Natural Killer T (NKT) cells are a distinct class of T lymphocyte that share properties of both T-cells and natural killer cells (van Kaer 2011). Type I, or invariant NKTs, form the majority of the NKT population. iNKT activation is due to recognition of antigens presented by CD1d, which is expressed on Antigen Presenting Cells (van Kaer 2011). Activation of iNKTs by antigens results in rapid cytokine secretion and cytotoxic activity (van Kaer 2011). iNKT activation has been implicated in fighting microbial and viral infections, allergic and autoimmune reactions and anti-tumour activity.

2.2. iNKT Anti-Tumour Actions

iNKT's anti-tumour responses can be either direct, indirect or focused on the tumour microenvironment. Where a tumour expresses CD1d, iNKT cells can directly detect the presence of the tumour and mount tumour lysis via the release of cytotoxic molecules (McEwen-Smith 2015). If a tumour does not express CD1d, tumour antigens can be presented to iNKTs by CD1d on antigen presenting cells. This leads to an indirect iNKT anti-tumour response by the recruitment and activation of natural killer cells and T cells which mediate tumour lysis (McEwen-Smith 2015). Tumours that recruit immune system suppressing cells shield the tumour from immune detection. iNKT cells can kill the recruited immune system suppressing cells and ''reveal'' the tumour to the immune system for subsequent lysis (Altman 2015).

2.3. Non-Clinical Research

The prototypical ligand recognised by the iNKTs is α-galactosylceramide (α-GC), derived from the marine sponge *Agelas mauritianus*, α-GC is a potent agonist of iNKTs. Activation of iNKTs by α-GC was found to have anti-tumour effects in animal models and no dose limiting toxicity leading to clinical trials of the compound as an anti-tumour drug (Giaccone G 2002). It has been shown that administration of free α-GC results in an absence of the expected iNKT response (anergy) in animal models: immune cells that undergo anergy can no longer be activated (Parekh 2009). Anergy of

iNKTs by α-GC is thought to be due in part to the rapid increase in expression of the inhibitory receptor PD-1. iNKT anergy can be long lived lasting up to one month after first activation by α-GC, although it can be relieved by blockade of the interaction between PD-1 and its ligands at the time of α-GC administration (Parekh 2009).

The observation that free α-GC can induce iNKT anergy has been called into question. Rather than anergy, it has been observed that administration of free α-GC leads to modulation of iNKT behaviour (Sag D 2014, Shimizu K 2014). It has been reported that iNKT cells treated with free α-GC have impaired anti-tumour responses but are still being able to combat autoimmune diseases (Sag D 2014), potentially explaining the observed anti-tumour anergy. Further calling into question widespread hyporesponsiveness is the observation of a memory like iNKT cell following pre-treatment with antigen presenting cells loaded with α-GC (α-GCAPC) (Shimizu K 2014). Unlike the hyporesponsive iNKT cells, memory iNKT cells persisted for up to four months within the host and administration of free α-GC during this period still led to a potent anti-tumour response. Further work is required to delineate the composition of the *in vivo* population of iNKTs and how it is modulated upon activation.

2.4. Clinical Research

In several studies a lower number of iNKT cells has correlated with poor clinical outcomes. In Head and Neck Squamous Cell Carcinoma (HNSCC) only 39 per cent. of patients with a lower circulating level of iNKTs survived to the three year time point, while 92 per cent. of patients with a higher level of iNKTs survived (Molling JW 2007). In melanoma patients, higher levels of iNKTs correlated with positive clinical outcomes when treated with a combination of an anti-CTLA4 antibody and a dendritic cell vaccine (Ibarrondo FJ 2013).

In addition to iNKT levels, results have demonstrated the importance of the balance or ratio of iNKT subsets in combating tumours. iNKT cells can be grouped based on their expression of cytokines; pro-inflammatory cytokines maximise the cytotoxicity of macrophages and T cells, and anti-inflammatory cytokines that control the magnitude of the inflammatory response. Using this schema there are three types of iNKTs, CD8+ iNKTs that release only pro-inflammatory cytokines, CD4+ iNKTs that release both pro- and anti-inflammatory cytokines and Double Negative iNKTs that express mostly pro-inflammatory cytokines (Werter IM 2014, Ibarrondo FJ 2013, Berger A 2000).

The balance of pro-inflammatory and anti-inflammatory cytokines will clearly have a huge effect on the modulation of the immune response. In melanoma patients, a higher level of pro-inflammatory CD8+ iNKTs in conjunction with a lower level of anti-inflammatory CD4+ iNKTs correlated with positive clinical outcomes in combination treatment (Ibarrondo FJ 2013).

Differing levels of iNKT subsets could also be important in treating different tumour types. In patients with Oral Squamous Cell Carcinoma (OSCC) selective expansion of iNKTs producing pro-inflammatory cytokines has been posited as a means to more efficacious treatment (Singh AK 2015). Overall, these data demonstrate how iNKT responses can vary between tumour types and location. This adds to the biological complexity of iNKT treatments, this could be a clinical hindrance, however, if overcome it could pave the way for increased treatment efficacy. To take advantage of these phenomena, further work is required to understand the tumour specific dynamics of iNKT subsets: their relative number, the effects of different treatments on their behaviour and how this effects cytokine release.

2.5. iNKT Treatment Strategies

A number of strategies have been employed to increase the efficacy of iNKT modulation therapies. Relative to healthy subjects it has been demonstrated that the level of iNKTs can decrease substantially in cancer patients (Giaccone G 2002, Chang DH 2005). To overcome their limited cell number Haematopoietic Stem Cells (HSCs) have been engineered into a clonal iNKT population and characterised in mice (Smith JD 2015). HSC-engineered iNKTs were fully functional *in vitro* and *in vivo*, proliferated vigorously, produced high levels of cytokines and persisted for up to six months in mice. In healthy humans and mice iNKTs comprise just 0.01-0.1 per cent. in human blood. Mice expressing HSC-engineered iNKTs had baseline population levels of 1.5 per cent. in blood. After tumour challenge, the cell population expanded up to 7 per cent. in blood. The HSC-engineered iNKTs increased further upon activation with α-GCAPC but therapeutic effects were muted by saturation of the downstream effectors of cytotoxicity.

A relatively simple approach to boosting low iNKT numbers is administration of antigen presenting cells that are preloaded with α-GC, known as α-GCAPC. In patients with advanced cancer, activating iNKTs with α-GCAPC leads to a more than 100 fold long-term expansion in the iNKT population (Chang DH 2005).

A further strategy to boost the efficacy of iNKT therapeutics is to use iNKT agonists as an adjuvant, or in combination with other treatments. In asymptomatic myeloma patients, administration of α-GCAPC as an adjuvant with lenalidomide, which can stimulate T cells and iNKTs, prevented progression to clinical stage myeloma in three of four patients (Richter J 2013). A similar adjuvant strategy has been employed for breast cancer whereby administration of a fusion of α-GCAPC and an anti-HER2 antibody in combination with a cancer vaccine led to a greater anti-tumour response compared to the fusion of α-GCAPC and anti-HER2 alone (Corgnac S 2014). Similarly, a nanoparticle containing α-GC and an antibody to dendritic cells enhanced iNKT activation and avoided the iNKT hyporesponsiveness attributed to α-GC administration observed in other studies (Macho-Fernandez E 2014). These effects were potentiated by the inclusion of a tumour specific antigen, this strategy was prophylactic and completely stopped the growth of melanoma tumour cells in mice.

These studies demonstrate how adjuvant therapy can lead to greater efficacy for cancer immunotherapy treatments. Combination therapy is a major focus of R&D, for example Merck & Co's Keytruda is currently the focus of over 55 clinical trials in combination with vaccines, chemotherapy drugs, monoclonal antibodies and other CPIs. These trials aim to identify drugs that when combined with CPIs complement CPI action leading to additive or synergistic effects on efficacy. The largest deal of the last two years within the cancer immunotherapy sector, between Pfizer and Merck in 2014, has focused on combination therapy. Drugs in the iOx pipeline, examined in the proceeding sections, could complement the administration of CPIs.

There is a significant body of literature that iNKT cells can have a key role in cancer immunotherapy. Recent efforts have been directed to improving the efficacy of iNKT therapies. These have taken a number of forms from α-GCAPC, adjuvant strategies, cellular engineering and in at least one case α-GC derivatives (Kerzerho J 2012). These are broadly supportive of iOx's approaches and indicate the potential of iNKT modulation as a therapeutic as seen by the research community.

3. iOx Approach – Synthetic Lipid iNKT Agonists

3.1. Scientific Rationale

The use of α-GC as an anti-tumour agent has, to date, demonstrated inconsistent clinical results and concerns have been raised regarding excessive immune stimulation. Consequently, efforts have been directed at the design of iNKT agonists that could minimise anergy, not overstimulate iNKTs and may offer more consistent clinical benefits (Kerzerho J 2012).

With this in mind, iOx is developing a number of α-GC derivative drugs for the treatment of cancer. The lead candidate is the subject of a fully funded UK based three arm Phase I/ Phase II trial in melanoma to be conducted by Oxford University. IMM47 was the first promising α-GC derivative developed by iOx and has undergone extensive pre-clinical testing. At present, iOx management are assessing the strategic options for IMM47 and the rest of their pipeline.

3.2. Mechanism of Action

IMM47 and IMM60 have been designed to bind to the CD1d glycoprotein of APCs. Both are non-galactose and therefore less likely to cause immune system attack. These characteristics result in differences in the activation of iNKT cells but without a loss of their potent anti-tumour activity. IMM47 and IMM60's binding to human CD1d has been verified, in addition IMM47 and IMM60 have been tested with human iNKT cells and in animal models of cancer with positive results.

A study by Silk JD 2008 demonstrated that IMM47 loaded human CD1d has a lower affinity for human iNKT TCRs than α-GC loaded human CD1d, consequently, it is a less potent stimulator of human iNKT cells. In addition, DC cell maturation is still observed but DC cell lifespan is longer when compared with activation of human iNKTs by α-GC. IMM47 showed potent anti-tumour activity as an adjuvant with a tumour specific antigen in animal models. Co-administration of IMM47 with a tumour antigen primes antigen specific T and B cell responses, leading to complete rejection of tumour cells compared to controls. IMM47 induces less prolonged anergy of iNKT cells than α-GC. iNKT cells recovered from activation induced anergy 14 days after initial stimulation with IMM47, showing ~50 per cent. recovery in IFN-γ secretion, a pro-inflammatory cytokine. Overall these results indicate a single mechanism of action for IMM47: indirect attack of tumours via T and B cell

activation by stimulated iNKT cells. In addition to the anti-tumour response, IMM47 augments the activation of iNKTs when compared to α-GC activation leading to both longer DC lifespan and shorter iNKT anergy.

A study of IMM60 is in preparation for publication, in which, the binding activity of IMM60 to human and mouse CD1d has been characterised, its activity in a mouse model of melanoma has been explored, its effect on downstream immune effector cells has been delineated and its activity as an adjuvant with PD-1 has been investigated.

3.3. Preclinical Studies

3.3.1. Planned Toxicology Study

In addition to completing a small non-GLP (Good Laboratory Practice) toxicology study with IMM47, iOx have designed a clinical development plan in consultation with the UK Medical and Healthcare products Regulatory Agency (MHRA). The plan includes the design of a GLP toxicology programme, a current Good Manufacturing Practice (cGMP) manufacturing programme and a clinical development plan. Successful completion of the GLP toxicology programme, required for regulatory approval for human testing, will allow iOx to follow the clear path set for manufacturing and clinical development.

3.4. Clinical Development – Planned Studies

3.4.1. iOx Phase I/Phase II

iOx has secured full funding for a combined Phase I-II study of their lead candidate, in melanoma in combination with a checkpoint inhibitor. The study was designed in consultation with the UK MHRA, funding has been agreed and it will be conducted by Oxford University clinicians. The study has three arms covering monotherapy, combination therapy and standard of care. The design should provide robust read outs for safety, efficacy and whether iOx candidates can act as a standalone or adjuvant therapy with a checkpoint inhibitor.

4. Manufacturing

Preliminary work has been overseen by the Ludwig Institute and outsourced for finished product manufacture. Extensive characterisation and stability experiments have been undertaken for drugs in the iOx pipeline. This early work and the associated knowledge base can be leverage for the remaining pipeline drugs. iOx has a highly experienced drug manufacturing specialist overseeing the process through scale up to industrial level under cGMP thus ensuring there is sufficient material of appropriate quality for the clinical trial use. The final formulation is still to be determined before clinical trials start.

5. Oncology Therapeutics Market Overview

Cancer is the leading cause of premature death in the world. GLOBOCAN estimates that in 2012, there were 14.1 million new cancer cases worldwide with 8.2 million cancer deaths. Cancer is the largest therapeutic segment in the pharmaceutical market with a value of approximately $90 billion in 2014 and expected to grow to over $157 billion by 2020 (Cowen & Co. September 2015). The market is currently dominated by monoclonal antibody treatments (MAbs). The table below summarises the market for cancer drugs by class. It indicates that currently the most valuable class of therapeutic is monoclonal antibodies / targeted therapies. This category is predicted to maintain its value position and grow robustly over the next 4-5 years.

Estimated Worldwide Market for Cancer Drugs

Drug Class	2014 (M)	2020P (M)	CAGR
MAbs/ Targeted Therapies	$46,859	$113,336	16%
Chemotherapeutics	$23,270	$29,661	4%
Blood Cell Factors	$16,942	$13,162	-4%
Chemopreventatives	$745	$275	-15%
Other Therapies	$838	$795	-1%
Total Market	$88,654	$157,228	10%

Source: Cowen and Company (September 2015)

Historically treatment has relied upon chemotherapy and radiotherapy which seek to destroy tumours through cytotoxicity and with ionising radiation respectively. Such treatments have not targeted the underlying biology of the disease and merely sought to eradicate it by killing the cancer cells. Research has ultimately led to more targeted therapeutic approaches using MAbs. Antibodies are naturally occurring components of the immune system although therapeutic antibodies are generated *ex-vivo* and then injected into the patient. Antibody based therapeutics such as Herceptin, Cetuximab, Avastin and Rituxan have all contributed to better treatment of cancer. The table below shows common forms of cancer in the USA, including data for annual new cases and deaths. These data indicate the stark differences in the incidence of, and deaths due to, different types of cancer. The recent launch of treatments that work with or modulate the patient's own immune system is demonstrating a significant step forward in cancer therapeutics and survival rates.

Most Common Forms of Cancer in the USA

Cancer Site	Est. New Cases 2015 (000s)	Est. Deaths 2015 (000s)
Lung	240	162
Breast	234	41
Prostrate	221	28
Colorectal	133	50
Bladder	74	16
Melanoma	74	10
Non-Hodgkin Lymphoma	72	20
Kidney	62	14
Thyroid	62	2
Uterus	55	10
Leukaemia	54	24
Pancreas	49	41
Oral Cavity	46	9
Liver	36	25
Myeloma	27	11
Stomach	25	11
Brain	23	15
Ovarian	21	14
All sites	1,658	589

Source: The American Cancer Society and Cowen and Company.

5.1. Cancer Immunotherapy

Cancer immunotherapies use the body's immune system to fight cancer. Immunotherapies treat disease by inducing, enhancing or suppressing an immune response. Thus, immunotherapies can be classified as immune potentiators or inhibitors of immune suppressors.

Cancer immunotherapies enable the host immune system to recognise and destroy cancer cells, taking advantage of the differences between host and cancer antigens. This approach can be categorised as active, passive or combinatory (active and passive), see table below. Active immunotherapies provoke the immune system into attacking tumour cells by targeting tumour antigens. Active cellular therapies involve the removal, expansion and infusion of a patient's immune cells specific for the tumour and include Cell Therapies, which also include Cancer Vaccines. Passive immunotherapies are intrinsically functional and include MAbs, which as a class also includes CPIs. iOx's iNKT agonists have the ability to regulate and coordinate the behaviour of the immune system, thus they are passive immunotherapies. These cancer immunotherapies are explored in more detail below and leading therapies are also summarised in the Selected Cancer Immunotherapies table.

Types of Cancer Immunotherapy

Active	Passive	Combinatory
Cell Therapy, including Cancer Vaccines	Monoclonal Antibodies, including CPIs Cytokines iOx agonists	Combination therapy of active and passive

MAbs are monospecific antibodies that are made by identical immune cells that are all clones of a unique parent cell. MAbs bind to specific protein targets and are used to treat cancer and other conditions, for example autoimmune. MAbs can initiate tumour-antigen-specific immune responses. Such responses can be induced through the induction of antibody-dependent cellular cytotoxicity, promotion of antibody-targeted cross-presentation of tumour antigens, or by triggering of the idiotypic network.

Selected Cancer Immunotherapies*

Therapy Type	Company	Product	Generic Name	Pharmaco-logical Class	Patent Expiry	WW Sales 2014 (M)	WW Sales 2020 (M)
CPI	Bristol-Myers Squibb	Opdivo	nivolumab	PD-1 MAb	Dec 2030	$6	$8,246
Monoclonal antibody	Roche	Avastin	bevacizumab	Anti-VEGF MAb	Jul 2019	$7,018	$6,239
Monoclonal antibody	Roche	Herceptin	trastuzumab	Anti-HER2 MAb	Jun 2019	$6,863	$5,374
CPI	Merck & Co	Keytruda	pembroli-zumab	PD-1 MAb	May 2029	$55	$5,297
Monoclonal antibody	Roche	Rituxan	rituximab	Anti-CD20 MAb	Dec 2018	$7,547	$5,044
Monoclonal antibody	Roche	Perjeta	pertuzumab	Anti-HER2 MAb	Jun 2025	$1,004	$3,381
CPI	Roche	Atezolizumab	atezolizumab	PD-L1 MAb	Nov 2030	—	$2,575
CPI	Bristol-Myers Squibb	Yervoy	ipilimumab	CTLA-4 MAb	Dec 2023	$1,308	$2,004
Monoclonal antibody	Roche	GAZYVA	obinutuzumab	Anti-CD20 MAb	Nov 2025	$54	$1,904
Monoclonal antibody	Eli Lilly	Cyramza	ramucirumab	Anti-VEGF-2 MAb	Dec 2021	$76	$1,655
Antibody Drug Conjugate	Roche	Kadcyla	ado-trastuzumab emtansine	Anti-HER2 MAb-DM1 maytansinoid conjugate	Dec 2023	$586	$1,485

Source: EvaluatePharma.
*Includes some monoclonal antibody therapies where the mechanism of action may not be immune mediated

Herceptin, also a Roche drug, blocks cancer cell growth by blocking surface receptors that promote uncontrolled growth. As such it is not an immune mediated therapy but utilises immune system molecules (antibodies) to mediate its effect. Treating patients with Herceptin in addition to traditional chemotherapy can lead to a 40 per cent. improvement in disease free survival at 10 years compared to chemotherapy treatment alone (Perez EA 2014). However, tumour cells need to express the antigen the antibody is raised against and, consequently, Herceptin only targets HER2 positive cancer cells which are typically present in only 15 per cent. of breast cancer patients. In addition, tumour cells can develop resistance to Herceptin thus decreasing therapeutic efficacy. Strategies, such as dual therapy and antibody-drug conjugates, are being developed to overcome such resistance (Lavaud P 2014).

Cancer vaccines can be divided into two types, those that treat existing cancer and those that prevent cancer development. In either case vaccines can be made up of attenuated cancer cells, cancer cell components or antigens. In an individual patient centric treatment, the patient's own immune cells are removed and exposed to the vaccine in the lab to create a vaccine which is then returned to the

patient to stimulate an immune response against the original cancer. This highly individualized treatment is known as an autologous therapy. In 2010 the FDA approved the first autologous treatment vaccine sipuleucel-T, for metastatic prostate cancer.

The following issues have been encountered with cancer vaccine therapy, T cell exhaustion can mean that patients cannot mount an adequate immune response to the tumour once its antigen has been presented (Sciavolino PJ 2014). In addition, the tumour microenvironment can actively recruit immune suppressing cells, thus limiting the response despite successful recognition of the cancer by the immune system (Sciavolino PJ 2014). As a result of these issues cancer vaccines are often combined with other therapeutic agents called adjuvants that help boost the immune response. Cancer cells are derived from normal tissue, consequently cancers will express antigens shared between tumours and normal tissues. This has led to problems with autoimmunity resulting in damage of normal tissue. However, as understanding of tumour biology improves and cancer specific antigens are isolated these adverse effects should decrease.

CPIs, act by ''releasing the brakes'' on the immune system checkpoints that cancer cells have applied. Certain checkpoints such as CTLA-4 and inhibitory receptor Programmed Death (PD)-1 have been studied as targets for cancer therapy. Inhibiting a checkpoint, ''releasing the brakes'', on the immune system appears to enhance an anti-tumour T-cell response. See further section on CPIs below.

Cytokines are cell signalling molecules that aid cell to cell communication in immune responses and stimulate the movement of cells towards sites of inflammation, infection and trauma. They are used in immunotherapy to activate the immune system by stimulating immune effector cells at the tumour site and enhance tumour cell recognition by effector cells. The first cytokine therapy, IL-2, was approved by the FDA in 1992 and high concentrations can lead to complete remission in a small number of kidney and melanoma patients. However, toxicities associated with administration mean IL-2 is limited to use in a limited number of patients in a hospital setting (Seattle Cancer Care Alliance). Clinical trials are underway with other cytokines that exhibit less toxicity but similar efficacy.

Cell therapies relate to whole cell therapies or the use of immune cells to recognise, infiltrate and ultimately kill tumours. Research and development into such cell therapies include genetically modified T cells, tumour infiltrating lymphocytes (TILs) and engineered Natural Killer (NK) cells. Chimeric antigen receptor (CAR) T-cell therapy, involves removing a patient's own T cells, engineering them to recognise specific antigens, increasing the cell population then injecting them back into the patient. Results have been very promising in some cases, in acute lymphoblastic leukemia 27 of 30 patients showed disease free survival at two years. However, other CAR-T studies have been halted due to patient deaths as a result of the release of high levels of the cytokine IL-6, part of the bodies normal response to infection (Ledford H 2014). In addition, concerns have been raised about problems in expanding cell populations *ex vivo* in sufficient numbers and the identification of suitable antigens to engineer T-cells to recognise.

5.2. Immune Checkpoint Inhibitors

Some cancer cells express a protein called PD-L1 that binds to PD-1 receptors on the surface of cytotoxic T-cells inhibiting their activation and proliferation. Similarly, CTLA-4, a cytotoxic T-lymphocyte-associated protein, is a cell surface molecule that is a powerful negative regulator of T cell activation. One of the recent key areas of cancer immunotherapy involves blocking these interactions thus enabling T-cells to remain active and kill cancer cells. Drugs that perform this function are known as CPIs. This area is by far the most technically and commercially active in cancer immunotherapy currently.

The first CPI to receive FDA approval was Ipilimumab (Yervoy), an anti-CTLA-4 MAb, which was approved in March 2011 to treat late-stage metastatic melanoma. Whilst results were an improvement on traditional chemotherapies, the benefit of Ipilimumab was largely restricted to a small number of patients who enjoyed a strong lasting response. Marketed CPIs lack efficacy if the patient has an exhausted immune system, thus failing to mount an effective response to the tumour. Tumours that also recruit immune suppressing cells may go undetected by the accelerated immune response induced by CPI therapy. This characteristic is often a feature of CTLA-4 and PD-1 blocking antibodies and so research has focused on combinations of agents that can improve efficacy and/or widen the addressable patient population.

Thus, combination therapies with checkpoint inhibitors appear to be a promising way forward as clinical research has begun to demonstrate that bringing together two CPIs can yield a materially greater benefit than either one individually. For example, in May 2015 Bristol-Myers Squibb

announced results of combining Ipilimumab (Yervoy) with Nivolumab (Opdivo); median progression-free survival was 2.9 months for Yervoy alone, 6.9 months for Opdivo and 11.5 month for both together.

Whilst early CPI clinical development has focused mainly on melanoma, the range of indications being researched has expanded significantly to other cancer areas, including lung, renal, bladder, head and neck, gastric, breast, among others. Whilst results are encouraging, significant work remains to further develop CPIs to the wider range of cancer indications (Plieth J 2015).

5.3. Recent Cancer Immunotherapy Deal Activity

In the last 12 months there have been a total of 51 cancer therapy licensing deals, summarised in the Table below: 31 MAbs deals including nine CPIs, 17 cell therapy deals and three vaccine deals. Over the last year MAbs have generated the most value in terms of deal size, totalling $12.8 billion half of which is attributable to deals for CPIs. Cell therapy deals totalled $3.7 billion and vaccines totalled $2.5 billion.

The most valuable licensing deal in 2015 was Xencor's deal with Amgen for six cancer immunotherapy programmes. Amgen will be responsible for development of Xencor's bispecific antibodies from preclinical to commercialisation. Amgen have agreed to pay Xencor up to $1.75 billion, including a $45 million upfront, with the remaining value paid through development and sales milestones. Over the last 12 months the most valuable single programme deal was for Innate Pharma's Phase II anti-NKG2A CPI, for which AstraZeneca paid $1.28 billion in total. The terms of this deal included a $250 million upfront, $1.025 billion in developmental and regulatory milestones, a 50 per cent. profit split and undisclosed sales milestones and royalties. This licensing deal highlights the premiums that can be earnt by later stage CPI programmes.

Late in 2014 Pfizer and Merck KgGaA completed a CPI deal with the highest value upfront component to date, primarily for Merck's Phase II anti-PD-L1 antibody in multiple indications. The terms of this deal included an $850 million upfront, $2 billion in developmental and regulatory milestones, a 50 per cent. profit split and undisclosed sales milestones. As part of the deal Pfizer and Merck collaborated on up to 20 cancer immunotherapy clinical development programmes during 2015, including pivotal registration studies. Separate from PD-L1, Merck and Pfizer agreed to collaborate on advancing Pfizer's anti-PD-1 antibody into Phase I. The companies also agreed to co-promote Pfizer's drug XALKORI in the US.

Cancer Immunotherapy Licensing Deals: Last 12 Months

Cancer Immunotherapy Technology	No. of Deals	Average Value	Aggregate Value
Monoclonals	31	$414.1	$12,836.2
Cell Therapies	17	$217	$3,689.3
Vaccines	3	$839.8	$2,519.5

Source: ReCap IQ, averages calculated from overall deal size, including: upfront, development and sales milestone payments

6. Competitive Landscape

6.1. Drugs in development

There are eight other compounds that act on iNKT cells at various stages of development, see Table below. A further five compounds have been abandoned in R&D phases. The most advanced compound, RGI-2001, is being developed by REGiMMUNE Corp, a private biotechnology company that licenses immune regulating technology from RIKEN, Japan's largest research institution. REGiMMUNE has successfully completed four rounds of venture capital fund raising to a value of $21 million, the most recent round was February 2014. RGI-2001 is being developed as a treatment for Graft Versus Host Disease in patients with bone marrow or peripheral blood stem cell transplantation leukaemia. RGI-2001 is a liposomal formulation of α-GC combined with REGiMMUNE's reVax technology. The compound is currently undergoing a combined Phase I-II trial in the USA. At present Phase I results, safety and tolerability, have been positive and enrolment for Phase II began in 2014, this study is expected to read out in December 2015.

NKT Therapeutics is developing monoclonal antibodies that can activate, NKTT320, or inactivate, NKTT120, NKT cells in a range of indications, including cancer, infectious and autoimmune diseases. NKT Therapeutics is a private company and has completed two rounds of venture capital financing

to a value of $12 million, the most recent round was August 2010. NKTT320 is still in preclinical development, while NKTT120 has successfully completed a Phase I trial in patients with Sickle Cell Diseases, reaching its primary endpoint of safety. NKTT120 was granted Fast Track status by the FDA in October 2014, and the company is advancing towards a Phase IIb trial to demonstrate NKTT120's clinical efficacy.

RIKEN, Japan's largest research institution, in collaboration with Chiba University has successfully completed a number of early stage clinical studies assessing the role of α-GCAPCs and NKTs in head and neck cancer and Non-Small Cell Lung Cancer (NSCLC). Currently, recruitment is underway for four Phase II trials of α-GCAPC in patients with NSCLC, salivary gland tumour, head and neck mucosal malignant melanoma and head and neck squamous cell carcinoma (HNSCC). There is clearly a sustained effort by RIKEN and Chiba to develop an iNKT cell-based therapy.

The other clinical stage iNKT drug is ABX-196, originated by Wittycell SAS but under development by Abivax. Abivax is a public company founded in 2013, Abivax floated on the Euronext Paris in June 2015 with an IPO of $62 million. As of December 2015 Abivax had a market capitalisation of $150 million. Currently, the largest shareholder is Truffle Capital, a venture capital firm, holding ~69 per cent. of the outstanding shares. Abivax is developing a number of anti-viral therapeutics using a proprietary technology platform. As a company focused on anti-viral therapies, ABX-196 is the only iNKT modulating drug in Abivax's pipeline and was in-licensed from a number of US research centres, including the Scripps Research Institute.

ABX-196 is a derivative of α-GC but it activates iNKT cells more aggressively. ABX-196 is being tested as an adjuvant for prophylactic vaccine against hepatitis B and has completed a Phase I trial. A second Phase I-IIa clinical trial is planned for 2016, this study will assess a new formulation and administration route after limited adverse effects linked to systemic delivery of ABX-196 in liposomes were observed in the previous Phase I study (Tefit JN 2014). Liposomal ABX-196 systemic administration showed excellent safety and tolerability in animal models, however, a maximal effective dose was seen in humans in the completed Phase I study. Three of the study participants showed excess IFN-γ secretion and liver toxicity and were withdrawn from the trial. There are well documented limitations to animal models and their applicability as predictors of success in man (Knight A 2007, Greek R 2013). A specific problem incurred by ABX-196 was the difference in liposomal transport in human and animals. Systemic delivery led to transport to the liver and hepatocyte damage due to cytokine toxicity. Limiting transport to the liver and formulation of ABX-196 in an emulsion is foreseen by Abivax as a solution to this problem.

iNKT Modulators in Development

Originator	Highest Status	Drug name	Indications
REGiMMUNE Corp	Phase 2 Clinical	RGI-2001	Graft versus host disease
NKT Therapeutics Inc	Phase 1 Clinical	NKTT-120	Asthma
NKT Therapeutics Inc	Discovery	NKTT-320	Cancer
NKT Therapeutics Inc	Discovery	recombinant fusion protein	Cancer
RIKEN	Phase 1 Clinical	iNKT cell-based immunotherapy	Non-small-cell lung cancer
University of California	Discovery	iNKT cell-based immunotherapy	Cancer
University of Minnesota	Discovery	iNKT cell-based immunotherapy	Autoimmune disease
Wittycell SAS	Phase 2 Clinical	ABX-196	Vaccination

Source: Cortellis

We have identified 23 patents, assigned to institutions or companies other than iOx, which listed the modulation of iNKTs in the prevention of disease. The low number of development stage compounds and the number of abandoned entities suggests this is a challenging target and thus a potential risk for iOx. Past failures might indicate that translating iNKT modulation from *in vitro,* to non-human *in vivo* and ultimately into a therapeutic to treat cancer is a significant challenge. Compelling clinical data from iOx or others can reverse such a view. Conversely, α-GC was only isolated in 1994, and

clinical trials of α-GC in patients with solid tumours were first conducted as recently as 2002 so the field is relatively young and thus major pharmaceutical companies may be biding their time until compelling evidence emerges. Consequently, iNKT modulators are a new therapeutic concept. Arguably, iOx represents a second generation of iNKT modulating drugs, those building on the scientific base of the very first movers. This could be to iOx's advantage, if clinical success can be translated from the promising animal model results.

7. iOx Personnel

iOx has a management team and Board that has a particularly high level of expertise and experience in cancer immunotherapy in both academic and industry settings. They have successfully steered oncology drugs through each stage of development from early R&D to marketing approval as well as managing companies through their life cycle. The management team have an extensive network of industry and academic contacts allowing them, if necessary, to draft in specialist consultants. Two key executives are:

Ian Walters, the CEO, has wide ranging experience having worked as a lead investigator in immunology at Rockefeller University and in clinical drug development and transactions at Bristol-Myers Squibb (BMS). Ian is Entrepreneur in Residence at Mediqventures. Over his 16 year career, he demonstrated both leadership and expertise in drug development, including the advancement of multiple cancer compounds from research stages through approval. He has worked at PDL BioPharma Inc., Millenium Pharmaceuticals, and Sorrento Therapeutics leading corporate development, translational medicine, clinical development and medical affairs. Ian spent seven years at BMS, where he managed physicians overseeing the international development of more than eight oncology compounds, including: Nivolimab (anti-PD-1), Ipilimumab (anti-CTLA-4), brivanib (anti VEGF/FGF), anti-IGF/IR, VEGFR2 biologic, Elotuzimab (anti-CS1). He was a core member of the Strategic Transactions Group evaluating and executing licensing agreements, mergers and acquisitions, clinical collaborations, and the company's cancer immunotherapy strategy. Before entering the private sector, Ian was a lead investigator at the Rockefeller University and initiated advanced immunology research to understand the mechanism of action of several compounds. Ian received his MD from the Albert Einstein College of Medicine and an MBA from the Wharton School of The University of Pennsylvania.

Vincenzo Cerundolo, M.D., PhD is Professor of Immunology at the Weatherall Institute of Molecular Medicine, University of Oxford. Professor Cerundolo was the first to show the mechanism of ligand binding of lipids to CD1d receptors and their subsequent presentation to lymphocytes. In addition, Professor Cerundolo was able to demonstrate the importance of iNKT cells in enhancing antigen specific T and B cell responses in disease and their ability to abolish the immuno-suppressive activity of myeloid derived suppressor cells. This work led to the development of the engineered iNKT agonists being developed by iOx as potential immunotherapy candidates. Professor Cerundolo acts as scientific advisor to iOx.

The remainder of the iOx Board comprises highly accomplished individuals with extensive experience in academia and industry in the cancer immunotherapy field.

Declan Doogan, M.D., Partner of Mediqventures, was Senior Vice President and Head of Worldwide Development at Pfizer, delivering multibillion dollar programmes such as Viagra and Lipitor. Dr Doogan has extensive experience in executive roles in smaller companies as well, notably CMO and acting CEO of Amarin where he transformed it from a failing Neuroscience company into a Cardiovascular company with a market capitalisation of over one billion dollars before his departure.

Jonathan C.A. Skipper, PhD, is Executive Director of Technology Development at the Ludwig Institute for Cancer Research (LICR). Dr Skipper has over 15 years' experience in IP management and technology licensing. In his role at LICR, Dr Skipper has extensive experience in establishing drug development projects and business development strategies for exploiting the opportunities resulting from LICRs research programmes. In addition, he has completed a number of licensing contracts with large pharmaceutical companies, and was responsible for overseeing LICRs interests in Plramed Ltd, which was acquired by Roche in 2008.

Annalisa Jenkins, MBBS, MRCP, an independent director, is currently CEO at gene therapy company Dimension Therapeutics. Dr Jenkins has over 20 years' experience in the pharma industry, previously Dr. Jenkins was Executive Vice President, Head of Global R&D at Merck Serono, in addition to leading Global Medical Affairs and Quality and a member of Merck Serono's Pharmaceutical Executive Committee. Dr Jenkins was also Senior Vice President and Head of Global Medical Affairs

at BMS. Dr Jenkins is a member of the board of directors of Biothera and Viventia Bio Inc. and a committee member of the Science Board of the U.S. FDA which advises the FDA leadership on scientific and technical issues.

In addition, iOx has a board of scientific advisors who all have highly relevant expertise and experience in the cancer immunotherapy areas relevant to iOx.

Madhav Dhodapkar, MBBS is the Arthur H. and Isabel Bunker Professor of Medicine (Haematology), Professor of Immunobiology and Chief, Section of Haematology at the Yale University School of Medicine. His research interest includes immunobiology of myeloma; development of novel biological approaches to treat cancer; and dendritic cell biology. The theme of Dr Dhodapkar's research is how the human immune system interacts with growing tumours in patients. Dr Dhodapkar has investigated how α-GCAPCs could be used in treating cancer through modulating iNKT cells. Previously, Dr Dhodapkar was Head of Rockefeller University's Laboratory of Tumour Immunology and Immunotherapy.

Jedd Wolchok, MD, PhD is Chief, Melanoma and Immunotherapeutics Service and holds The Lloyd J. Old Chair in Clinical Investigation at Memorial Sloan-Kettering Cancer Centre. He is a specialist in investigating novel approaches for cancer immunotherapy and mechanisms of tumour cell-immune cell interactions in the treatment of metastatic melanoma. In particular, Dr Wolchok was instrumental in the clinical development of ipilimumab (Yervoy) for the treatment of melanoma.

George Coukos, MD, PhD is Director of the Lausanne branch of the Ludwig Institute, Director of the Swiss Cancer Center Lausanne and a Professor at the University of Lausanne. He has focused his research work on immunotherapy and the exploration of tumour immunology, with a focus on ovarian cancer. Dr Coukos works on the clinical development of novel immunotherapies, in particular dendritic cell vaccines that involve the manipulation and reinfusion of a patient's T cell.

8. Risks

8.1. Technical Risk

Both the academic and private research examined demonstrates significant efforts into developing iNKT modulation as a safe and effective cancer therapeutic. Research over the last two years is supportive of the iOx approach. iOx is advancing drugs that have demonstrated efficacy in animal and cell models. This efficacy has yet to be demonstrated in a human clinical setting. Success in preclinical testing is no predictor of success in the clinic and the transfer from animals to humans in oncology carries a degree of risk. iOx will be exposed to the same degree of risk. At least two of iOx's pipeline drugs are liposome embedded α-GC derivatives. When Abivax's liposome embedded α-GC derivative, ABX-196, was first tested in man it experienced unforeseen serious adverse effects causing three participants to withdraw. These events have caused delays in their clinical development programme. This will add delay and cost to their program and regulatory approval will need to be granted again for a Phase I trial. As far as we are aware, Abivax is the only other company developing liposome embedded α-GC derivatives that activate iNKTs more potently than α-GC. The absence of competitor technology (other than Abivax) in this space could be a strength for iOx should their compounds succeed in their first clinical trial. Conversely the difficulties experienced by Abivax indicates that iNKT modulation as a therapeutic approach carries demonstrable risk. The probability of ultimately gaining market authorisation is much lower for earlier stage indications than those that are more mature in their development. Until the completion of clinical trials that successfully demonstrate the efficacy of iOx's drugs in humans, there remains a risk that they will fail to show the necessary standards of safety and efficacy required for approval although the risk is not considered to be any greater than for other similar approaches in oncology.

8.2. Funding Risk

Drug development is a high risk / high reward endeavour. Industry data (Thomson Reuters 2015) indicates that it requires in the region of $40 million to $100 million to take a compound through clinical development in Oncology and the probability of succeeding is 10 per cent. or less. iOx have benefited from grant funding which will meet some of the funding requirements, further development is likely to be undertaken by a licensing partner or acquirer of the asset.

8.3. IP Risk

iOx currently has licenced from the Ludwig Institute an IP portfolio comprising two granted patents and one under review. There exists a risk that the third patent may not proceed to grant and the

general risk that the granted IP may yet face challenge. Overall, these risks are not perceived to be any greater for iOx than for other early stage drug development companies.

8.4. Manufacturing Development Risk

The final formulations of iOx's drugs has still to be established although work is ongoing. Management anticipate a final formulation will be in place well before clinical trials start in 2017. However, there are risks associated with development work, not least how well the final manufacturing process will be scaled up to industrial level cGMP. Any failure or delay to the manufacture of clinical trial material may impact on development timelines and cost. iOx have taken appropriate steps to mitigate such risk by appointing a highly experienced drug manufacturing specialist to oversee the process. In addition, knowledge from earlier manufacturing development of pipeline drugs can be leveraged.

8.5. Competitor Risk

iOx is developing drugs in the intensely competitive market of cancer therapeutics. There is competition from direct competitors developing iNKT modulators derived from α-GC, from large pharma companies and small innovative competitors developing novel drugs in the same indications. RIKEN is one potential direct competitor that has already successfully completed Phase I studies with α-GCAPC in a number of cancer indications and is currently recruiting into a number of Phase II trials. This gives RIKEN both a time and knowledge advantage over iOx. Taken together, all of the above competitors have the potential to compete for market share with iOx which may limit commercial value. Another potential route for development could be as an adjuvant with PD-1 where there is also fierce competition to find combinations with CPIs. As an example Opdivo, the leading anti PD-1 MAb marketed by Bristol-Myers Squibb, is currently involved in 50 trials either as a monotherapy or combination therapy. A measure of assurance can be gained from iOx successfully securing funding for the first clinical trial.

9. Conclusions

The potential of iOx in the competitive cancer immunotherapy field has to be analysed in the context of the stage of its clinical development and how this can be suitably benchmarked. From a clinical development perspective the iOx approach represents no greater risk than approaches taken by other preclinical stage oncology companies. Thus the probability of iOx successfully progressing their compounds through to market approval is the same as other preclinical compounds, namely 6 per cent. (PAREXEL, 2014). Although some failures have been published in the literature, at least one other academic group and the commercial organisation, Abivax, are pursuing α-GC derivatives as a therapeutic. Furthermore, REGiMMUNE has demonstrated success with liposomal delivery of α-GC. The total cost of taking an oncology drug from preclinical development to commercialisation is significant (~$100 million) but other iNKT therapeutic companies have successfully secured investment on completion of preclinical and clinical development milestones.

Drug development is a high risk endeavour which the management are aware of. In assembling a highly competent and experienced team of executives and advisors, iOx have taken appropriate steps to mitigate this risk. Securing full, non-dilutive, external funding for the 2017 Phase I-II trial is a strong endorsement of the company and its technology. The design of the clinical trial is also a strength as it allows an assessment of the lead compound as both a standalone therapy and as an adjuvant to complement CPIs. Over the last two years there is ample evidence of the potential upside of licensing deals for cancer immunotherapies. The Pfizer-Merck deal of 2014 serves to highlight the potential magnitude of the upside for successful cancer immunotherapy compounds.

Glossary

α-GC – α-galactosylceramide, prototypical ligand recognised by the TCR expressed by iNKTs

α-GCAPC – Antigen Presenting Cells pulsed or loaded with α-galactosylceramide *in vitro*

Agonist – a substance that can bind to a receptor and activate a physiological response

APC – Antigen Presenting Cells, displays antigens to immune cells for example iNKTs and T cells

B cell – or B lymphocytes, secrete antibodies and cytokines and present antigens

CAR-T – Chimeric Antibody Receptor-T cell, anti-tumour receptors genetically engineered into T cells

CD1d – glycoprotein on Antigen Presenting Cells, presents lipid or glycolipid antigens to NKTs

CPI – immune CheckPoint Inhibitor, a therapeutic intervention that can inhibit immune checkpoints that downregulate the immune system

CTLA-4 – Cytotoxic T-Lymphocyte-Associated protein 4, an immune checkpoint receptor that downregulates the immune system

Cytokine – a very large class of small proteins important for cell-cell signalling

FDA – Federal Drug Administration

GLP – Good Laboratory Practice is a set of guidelines for conducting experimental studies. Adhering to these guidelines when conducting pre-clinical and clinical studies is a pre-requisite for regulatory approval

HNSCC – Head and Neck Squamous Cell Carcinoma

IFN-γ – Interferon-gamma, a cytokine

IL-2 – Interleukin-2, a cytokine

iNKT – Type I, or invariant NKTs, express an invariant T cell receptor. Attacks tumours directly, indirectly through recruitment of Natural Killer cells and T cells or through modulation of the tumour microenvironment

MAb – Monoclonal Antibody, made by identical immune cells that are all clones of a unique parent cell

NK – Natural Killer cells, a type of cytotoxic lymphocyte

NKT – Natural Killer T cells, expresses a T cell receptor, they are a distinct class of T lymphocyte that share properties of both T-cells and natural killer cells

NSCLC – Non-Small Cell Lung Cancer

OSCC – Oral Squamous Cell Carcinoma

PD-1 – Programmed Death-1, inhibitory receptor expressed by iNKTs and other immune cells

PD-L1 – Ligand of PD-1, binds to PD-1 to cause immune inhibition

T cell – or T lymphocyte, express T cell receptor. There are a number of subtypes including cytotoxic, memory and helper

TCR – T cell receptor, recognises antigen fragments

TIL – Tumour Infiltrating Lymphocytes

TNF-α – Tumour Necrosis Factor-alpha, a cytokine

VEGF – Vascular Endothelial Growth Factor, a signalling protein that stimulates blood vessel growth

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PART V

HISTORICAL FINANCIAL INFORMATION ON THE GROUP

The following financial information on the Group is available at http://www.3legsresources.com/investor-centre/corporate-information/financial-reports/ (up to Admission) and is incorporated by reference into this document:

Information	*Source information*	*Page numbers*
The Company's unaudited consolidated accounts for the six months ended 30 June 2015	Interim Report for the six months to 30 June 2015	4 – 13
The Company's consolidated accounts for the year ended 31 December 2014	Annual Report and Accounts for the year ended 31 December 2014	15 – 41
The Company's consolidated accounts for the year ended 31 December 2013	Annual Report & Accounts 2013	36 – 56
The Company's consolidated accounts for the year ended 31 December 2012	Annual Report & Accounts 2012	32 – 53

Shareholders have the right to receive hard-copies of the source information but this will not be provided unless it is requested.

Shareholders may request a hard copy of the source information from the Company's registered office, Commerce House, 1 Bowring Road, Ramsey, Isle of Man IM8 2LQ, or by calling +44(0)1624 811 611 until the conclusion of the General Meeting.

PART VI

HISTORICAL FINANCIAL INFORMATION AND ACCOUNTANT'S REPORT ON SALVARX

This Part VI contains in Section A the Accountants' Report on the consolidated historical financial information on SalvaRx and in Section B the consolidated historical financial information on SalvaRx for the period from incorporation to 30 September 2015.

SECTION A – INDEPENDENT REASONABLE ASSURANCE REPORT ON THE HISTORICAL FINANCIAL INFORMATION

The following is the full text of the Accountants' Report on the consolidated historical financial information on SalvaRx.

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The Directors and the Proposed Directors
3 Legs Resources plc
Commerce House
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IM8 2LQ

3 March 2016

Dear Sirs,

3 Legs Resources plc ("the Company")

We report on the consolidated historical financial information of SalvaRx Limited and its subsidiary (the "SalvaRx Group") set out in Section B of this Part VI (the "Historical Financial Information") of the Admission Document dated 3 March 2016 ("Admission Document") of the Company. This Historical Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the Historical Financial Information. This report is required by paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, or consenting to its inclusion in the Admission Document.

Responsibilities

The Directors and the Proposed Directors of the Company are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the Historical Financial Information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the SalvaRx Group as at the date stated and of its results, cash flows and changes in equity for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

RSM Corporate Finance LLP
Regulated by the Institute of Chartered Accountants in England and Wales

SECTION B – CONSOLIDATED HISTORICAL FINANCIAL INFORMATION ON SALVARX LIMITED

SalvaRx Limited

Consolidated Statement of Comprehensive Income

	Notes	*6 May 2015 to 30 September 2015* £
Expenses		
Research and development		(62,787)
Consulting fees		(44,000)
Professional fees		(14,970)
Other operating costs		(5,273)
Operating Loss		**(127,030)**
Bank charges		(154)
Loss Before Tax		**(127,184)**
Income tax	**8**	—
Total loss and comprehensive loss for the period		**(127,184)**
Total loss and comprehensive loss attributable to:		
Owners of the Company		**(108,798)**
Non-controlling interest		**(18,386)**
		(127,184)

SalvaRx Limited

Consolidated Statement of Financial Position

	Notes	*As at 30 September 2015* £
Assets		
Non Current Assets		
Goodwill	**4**	**1,209,974**
Current Assets		
Trade and other receivables	**5**	**939,773**
Total assets		**2,149,747**
Liabilities and Shareholders' equity		
Current liabilities		
Trade payables	**6**	**136,941**
		136,941
Shareholders' Equity		
Share capital	**7**	**939,990**
Retained earnings		**(108,798)**
Total equity attributable to the owners of the Company		**831,192**
Non-controlling interest		**1,181,614**
Total equity		**2,012,806**
Total liabilities and Shareholders' equity		**2,149,747**

SalvaRx Limited

Consolidated Statement of Changes in Equity
For the Period from 6 May 2015 to 30 September 2015

	Share capital £	*Retained earnings* £	*Equity attributable to the owners of the Company* £	*Non-controlling interest* £	*Total Equity* £
At 6 May 2015	—	—	—	—	—
Shares issued	939,990	—	939,990	—	939,990
Acquisition of iOx	—	—	—	1,200,000	1,200,000
Net loss for the period	—	(108,798)	(108,798)	(18,386)	(127,184)
At 30 September 2015	**939,990**	**(108,798)**	**831,192**	**1,181,614**	**2,012,806**

SalvaRx Limited

Consolidated Statement of Cash Flows

	6 May 2015 to 30 September 2015 £
Cash flows from operating activities	
Net loss for period	**(127,030)**
Net change in working capital components	
Increase in trade and other receivables	**(724,763)**
Increase in trade payables	**136,941**
Net cash flows into operating activities	**(714,852)**
Cash flows into investing activities	
Net Liability on acquisition of iOx	**(9,974)**
Net cash flows into investing activities	**(9,974)**
Cash flows from financing activities	
Bank charges	**(154)**
Share issues (Note 7)	**724,980**
Net cash flows from financing activities	**724,826**
Increase in cash during the period	—
Cash at beginning of period	—
Cash at end of period	—

SalvaRx Limited

Notes to Consolidated Historical Financial Information
Period from 6 May 2015 to 30 September 2015

1. NATURE OF OPERATIONS AND GOING CONCERN

SalvaRx Limited ("SalvaRx") was incorporated on 6 May 2015 and is domiciled in the British Virgin Islands ("BVI") as a BVI Business Company with its registered office located at Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, BVI.VG1110.

SalvaRx is an immuno-oncology company engaged in identifying and managing early stage oncology assets with the potential to work together with the new emerging standard of care in oncology and become part of best-in-class cancer therapeutics. Currently, SalvaRx holds a majority interest in a UK incorporated private company, IOX Therapeutics Limited ("iOx"), a private company incorporated in the UK under the Companies Act 2006 on 10 February 2015 with company number 9430782 which is engaged in developing a series of compounds for cancer immunotherapy (Note 4).

SalvaRx is in the pre-clinical stage, and as such no revenue has been generated, nor is expected to be generated in the foreseeable future. SalvaRx has accumulated losses of approximately £127,000 and has negative cash flows from operating activities of approximately £715,000 during the period from the date of its inception, 6 May 2015 to 30 September 2015.

The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the Historical Financial Information. In developing these forecasts the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period. On this basis, the Directors are confident that SalvaRx has sufficient working capital to enable it to complete its pre-clinical and clinical work and other commitments over the forecast period. Accordingly, the Directors continue to adopt the going concern basis in preparing the Historical Financial Information.

2. BASIS OF PRESENTATION

(a) Statement of Compliance and Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee.

These consolidated financial statements have been prepared on a historical cost basis except for goodwill which is measured at fair value as detailed in Note 4 to these financial statements. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

SalvaRx has no requirement to report on segments as it operates as only one segment. A single operating segment is reported in line with the internal reporting provided to the chief operating decision maker.

b) Consolidation

The consolidated financial statements include the accounts of SalvaRx and iOx. SalvaRx acquired 60.49 per cent. equity in iOx on 24 June 2015. At this date SalvaRx obtained control of iOx, on the basis that SalvaRx is exposed, or has rights, to variable returns from its involvement in iOx and has ability to affect these returns through its power over iOx.

All inter-company balances and transactions have been eliminated on consolidation.

(c) Functional and presentation currency

SalvaRx's functional and presentation currency is the British Pound.

(d) Use of Estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimations that the Directors have made in the process of applying SalvaRx's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

Fair Value for acquisition

The acquisition of a controlling interest in a business requires assessment of fair values or realizable values of the assets and liabilities of that business on the date of acquisition. If the acquisition price exceeds the fair value of the assets and liabilities acquired, then excess is treated as goodwill and if the acquisition price is less than the fair value of assets and liabilities acquired, then fair value of assets and liabilities are proportionately reduced to the acquisition price.

Assessment of impairment of goodwill

The recoverability of the carrying value of goodwill is usually assessed on an annual basis and whenever events occur or when circumstances change that would, more likely than not, indicate that the fair value of goodwill in the form of a fair value of cash generating unit is below its carrying value. In such circumstances, any excess of the carrying cost over the fair value is written off. The fair value assessment is usually done by way of a qualitative and quantitative analysis

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the period presented in these consolidated financial statements, which have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarised below:

Financial instruments

Financial assets

All financial assets are initially recorded at fair value and are designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss (''FVTPL'').

Financial assets classified as FVTPL are measured at fair value with unrealised gains and losses recognised through earnings. SalvaRx's cash is classified as FVTPL.

Financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. SalvaRx's advances and other receivables are classified as loans and receivables.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognised at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. SalvaRx's trade and other payables are classified as other financial liabilities.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Impairment of financial assets

SalvaRx assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortised cost would have been had the impairment not been recognised. Any subsequent reversal of an impairment loss is reversed through profit or loss.

Foreign currency translation

The functional and presentation currency of SalvaRx and its subsidiaries is the British Pound. Monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date. Non-monetary assets are translated at exchange rates in effect when they were acquired. Expenses are translated at the approximate average rate of exchange for the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

Research and Development Expenses

(i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and SalvaRx intends to and has sufficient resources to complete development and to use or sell the asset. No development costs have been capitalised to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

(iii) Clinical trial expenses

Clinical trial expenses are a component of SalvaRx's research and development costs. These expenses include fees paid to contract research organisations, clinical sites, and other organisations who conduct development activities on SalvaRx's behalf. The amount of clinical trial expenses recognised in a period related to clinical agreements are based on estimates of the work performed using an accrual basis of accounting. These estimates incorporate factors such as patient enrolment, services provided, contractual terms, and prior experience with similar contracts.

Goodwill

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses which are not reversed. Goodwill is allocated to the cash generating unit expected to benefit from the business combination in which the goodwill arose, for the purpose of impairment testing.

Business Combinations

SalvaRx applies the acquisition method to account for all acquired businesses, whereby the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values (with few exceptions as required by IFRS 3 *Business Combinations*).

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred and the equity interests issued by SalvaRx.

On acquisition date, goodwill is measured as the excess of the aggregate of consideration transferred, any non-controlling interests in the acquiree, and acquisition-date fair value of SalvaRx's previously held equity interest in the acquiree (if business combination achieved in stages) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after appropriate reassessment, the amount as calculated above is negative, it is recognised immediately in profit or loss as a bargain purchase gain.

At acquisition date, non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement is made separately for each business combination. Other components of non-controlling interests are measured at their acquisition-date fair values, unless otherwise required by IFRS.

The acquisition-date fair value of any contingent consideration is recognised as part of the consideration transferred by SalvaRx in exchange for the acquiree. Changes in the fair value of contingent consideration that result from additional information obtained during the measurement period (maximum one year from the acquisition date) about facts and circumstances that existed at the acquisition date are adjusted retrospectively against goodwill.

Contingent liability

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the corporation; or a present obligation that arises from past events (and therefore exists), but is not recognised because it is not probable that a transfer or use of assets, provision of services or any other transfer of economic benefits will be required to settle the obligation; or the amount of the obligation cannot be estimated reliably.

Determination of fair value

A number of SalvaRx's accounting policies and disclosures required the determination of fair value, both for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following method set out in (a) below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) The fair value of advances and receivable and accounts payable and accruals is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Income Tax

SalvaRx is a British Virgin Island corporation. The Government of British Virgin Islands does not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon SalvaRx or its security holders. The British Virgin Islands is not party to any double taxation treaties. However, iOx is incorporated in the UK and is subject to UK taxes.

SalvaRx complies with IAS 12 which provides for the following:

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not

recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

No deferred tax asset has been recognised for losses incurred by SalvaRx as the losses arose are in the British Virgin Islands. No deferred tax asset has been recognised for losses incurred by iOx as it is not probable that sufficient profits will be available in the foreseeable future to allow all or part of the assets to be recovered.

There were no significant tax liabilities or assets nor any interest and penalties at September 30, 2015. SalvaRx is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective and have not been applied in preparing these financial statements:

	effective for accounting periods beginning on or after
IFRS 9 *Financial Instruments* classification and measurement requirements replacing IAS 39	1 January 2018
IFRS 10 (amendment) *Consolidated Financial Statements* addresses inconsistency with IAS 28	1 January 2016
IFRS 11 (amendment) *Joint Arrangements* on acquisition of an interest in a joint operation	1 January 2016
IFRS 14 *Regulatory Deferral Accounts* recognition of amounts related to rate regulation	1 January 2016
IFRS 15 *Revenue from Contracts with Customers* improvement to the financial reporting of revenue	1 January 2018
IAS 1 (amendment) *Presentation of Financial Statements* disclosure initiative	1 January 2016
IAS 16 (amendment) *Property, Plant and Equipment* regarding bearer plants	1 January 2016
IAS 27 (revised) *Separate Financial Statements* on using the equity method to account for investments	1 January 2016
IAS 28 (amended) *Investments in Associates and Joint Ventures* consolidation exception for investment entities	1 January 2016
IAS 38 (amendment) *Intangible Assets* clarification of acceptable depreciation and amortisation methods	1 January 2016

The standards and interpretations above have not been applied in preparing these financial statements and the Directors do not expect that their adoption in future periods will have a material impact on the financial statements of SalvaRx.

4. ACQUISITION

On 24 June 2015, SalvaRx acquired 15,313 new Seed Preferred Shares in iOx at a price of £120 per Seed Preferred Share, which represents 60.49 per cent. equity in iOx for £1,837,560, payable in cash as £510,000 upfront and the balance of £1,327,560 in four instalments over the following twelve months on the later of (i) the dates below or (ii) satisfaction of the relevant milestone by iOx:

Timing	*Payment in £*
30 September 2015*	430,000
30 December 2015*	515,000
30 March 2016*	305,000
30 June 2016*	77,560
	1,327,560

* Agreed milestones not yet achieved.

Except for a preference over Ordinary Shares on winding up, Seed Preferred Shares have the same voting rights as Ordinary Shares and are convertible into equal number of ordinary shares.

iOx is engaged in developing a series of compounds for cancer immunotherapy. iOx has a worldwide licence from the Ludwig Institute to research, develop and commercialise iNKT cell agonists for the treatment of various forms of cancer under the Ludwig Institute's intellectual property and know-how.

SalvaRx has a majority equity interest and also has significant control over the management of iOx. As a result, these financial statements include results of operations for iOx from 24 June 2015 to 30 September 2015 and assets and liabilities as at 30 September 2015.

The non-controlling interests in iOx on the date of acquisition was valued at £1.2 million, based on their 39.51 per cent. equity being valued on the basis of the price SalvaRx paid for 60.49 per cent. equity in iOx. As at 24 June 2015, net assets acquired were determined as per *IFRS 3 – business combinations*, as follows:

	£	£
Goodwill		1,209,974
Other net assets		
Liability assumed	(10,074)	
Assets assumed*	1,837,660	
		1,827,586
Net assets acquired		3,037,560
Allocated to		
Cash consideration paid for company's interest		1,837,560
Non-controlling interest (39.51 per cent.)**		1,200,000
		3,037,560

* Consideration was paid for new Seed Preferred Shares in iOx. As SalvaRx has control over iOx and the consideration paid by SalvaRx will remain within group, the net cash impact of the acquisition on the group is £nil.

** Non-controlling interest has been valued based on 39.51 per cent. of the grossed up consideration paid by SalvaRx ((£1,827,586 / 60.49 per cent.) x 39.51 per cent.)

Had iOx been acquired at the beginning of the accounting period, consolidated loss and accumulated loss for the period would have been £137,258. The net loss of iOx since its inception to September 30 2015 was £94,109.

SalvaRx assesses the recoverability of the carrying value of goodwill on an annual basis and whenever events occur or when circumstances change that would, more likely than not, indicate that the fair value of the reporting unit (iOx) is below its carrying value.

For the purpose of impairment testing, goodwill is attributable to iOx, which is considered a cash generating unit.

For the goodwill impairment analysis performed at 30 September 2015, the Directors performed a qualitative assessment to determine whether it was more likely than not that the goodwill asset was impaired in order to determine the necessity of performing a quantitative impairment test, under which management would calculate the asset's fair value. When performing the qualitative assessment, the Directors evaluate events and circumstances that would affect the significant inputs used to determine the fair value of the goodwill. Events and circumstances evaluated include: macroeconomic conditions that could affect SalvaRx, industry and market considerations for the pharmaceutical industry that could affect SalvaRx, cost factors that could affect SalvaRx's performance, its existing agreement for clinical testing and its financial requirements, and consideration of any company-specific events that could negatively affect it, it's business, or it's fair value. Based on the Directors' assessment of the aforementioned factors, it was determined that it was more likely than not that the fair value of SalvaRx's one reporting unit is greater than its carrying amount as of September 30 2015, and therefore no quantitative testing for impairment was required.

5. TRADE AND OTHER RECEIVABLES

	£
Cash held in trust with lawyers (i)	697,941
Subscription receivable (Note 7)	215,010
iOx receivable acquired	50
Prepaid expenses (ii)	22,500
VAT recoverable	4,272
	939,773

(i) SalvaRx and its subsidiary, iOx, had not opened bank accounts as at 30 September, 2015 and cash collected from shares issued were held by their corporate lawyers in their trust accounts. The balances held were not subject to any restrictions except that the solicitors have sole authorisation over their client account. Both SalvaRx and iOx have opened bank accounts subsequent to the balance sheet date and cash transferred to these accounts which are under control of the directors of the respective entities.

(ii) Prepaid expenses relate to annual license fee and patent reimbursement costs paid for the period from October 2015 to June 2016.

6. TRADE PAYABLES

	As at 30 September 2015 £
Trade payables	43,577
Payable to related parties (Note 10)	93,364
	136,941

The average credit period was much higher than the standard 30 days due to delay in opening bank accounts. SalvaRx has financial risk management policies to ensure that all payables are paid within the credit timeframe.

The Directors consider that the carrying amounts of trade payables approximate to their fair value. No interest is generally charged on balances outstanding. SalvaRx was able to obtain extended credit terms from the vendors without any interest.

At 30 September 2015, SalvaRx had a payable to iOx of £1,327,560 which relates to deferred consideration from the acquisition of iOx on 24 June 2015 as described in note 4. This balance is not shown on a consolidated basis as an equivalent receivable is included in the books of iOx and therefore the two balances net off on consolidation.

7. CAPITAL STOCK

(a) Authorised**:** Unlimited number of ordinary shares without par value

(b) Issued

	As at 30 September 2015	
	Common shares	*Amount in £*
Balance, 6 May 2015	—	—
Issued under private placement (i)	64,333	—
Balance, 30 September 2015	**64,333**	**—**

(i) On 30 June 2015, SalvaRx raised £510,000 through issuance of 50,000 ordinary shares at £10.20 per ordinary share. On 30 September 2015, SalvaRx raised further £429,990 through issuance of 14,333 ordinary shares at £30 per ordinary share. Of this amount, £214,980 was received and held in trust by a lawyer and the balance subscription of £215,010 was received in October 2015 and was therefore unpaid at 30 September 2015. These amounts have been included in trade and other receivables (Note 5). The entire subscription amount of £939,990 is included in share premium.

8. TAXATION

There is no tax charge for the period due to losses arising. SalvaRx is exempt from all forms of taxation in the British Virgin Islands. iOx is subject to tax in the UK. The nil charge for the period is different from that arising from applying the standard rate of corporation tax in the UK (20 per cent.), reconciled as follows:

	SalvaRx 6 May 2015 to 30 September 2015	*iOx 24 June 2015 to 30 September 2015*	*Total*
	£	*£*	*£*
Loss on ordinary activities	(80,650)	(46,534)	(127,184)
Current tax (credit)	—	(9,307)	(9,307)
Tax losses not recognised	—	9,307	9,307
Provision for income tax	—	—	—

A deferred tax asset has not been recognised in respect of these losses as iOx does not anticipate sufficient profits to arise in the foreseeable future to fully utilise them.

The estimated value of the deferred tax asset not recognised measured at a standard rate of 20 per cent. is approximately £9,300.

9. COMMITMENTS

Under the terms of the Licence Agreement dated 1 July 2015, iOx is required to pay to the Ludwig Institute, an annual, non-refundable, non-creditable licence fee of £15,000. Additionally, various development and commercial milestone payments under the Licence Agreement are payable by iOx to the Ludwig Institute upon achievement of the agreed milestones commencing from Phase 3 Clinical Trial initiation and on various sales milestones. Single-figure royalties are also payable by iOx to the Ludwig Institute based on annual net sales worldwide.

10. RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to between the related parties. Related party transactions and balances are listed below, unless they have been disclosed elsewhere in the consolidated financial statements:

	Dr. Ian Walters	*Dr. Robert Kramer*	*Galloway Limited**
	6 May 2015 to 30 September 2015		
	£	£	£
Expenses reimbursed	794	458	—
Research and development costs	26,000	18,000	—
Consulting fee	26,000	18,000	—
Payable as at 30 September, 2015	655	—	92,709

* During the period SalvaRx and iOx did not have bank accounts as cash was held with solicitors and therefore Galloway Limited, a related party, advanced funds to pay for consultants' fees and other operating expenses.

Dr. Ian Walters is the Chief Executive Officer of SalvaRx and a director of iOx.

Dr. Robert Kramer is the Chief Scientific Officer of SalvaRx.

Galloway Limited, is a private company controlled by Mr. James Mellon, one of the key shareholders and a director of SalvaRx.

SalvaRx has consulting contracts with Dr Ian Walters and Dr Robert Kramer expiring in or around April 2017 and carrying a total monthly commitment of US$27,500. The consulting contract with Dr Ian Walters will terminate on Admission without any compensation payable to him. Any early termination of the consulting contract prior to 1 May 2016 without cause would require a lump sum compensation of US$24,375 to be paid. Any termination after 1 May 2016 would require a lump sum compensation payment of US$97,500 to be payable to Dr Ian Walters. Dr Ian Walters has agreed, pursuant to a deed of waiver dated 2 March 2016, to waive any compensation payments payable to him pursuant to his consulting contract. Further, both the consultants have been granted options to acquire up to 8 per cent. in aggregate of the equity in SalvaRx from Mr Jim Mellon and Dr Greg Bailey. The option entitlements begin on 1 May 2016 and will vest over four years.

iOx has a consulting contract with its Chief Financial Officer, Mr. Kam Shah expiring on 1 October, 2016. Mr. Shah shall be issued 0.25 per cent. fully diluted options which will vest at the one-year anniversary for the first year of his services in lieu of his fees. The option entitlement begins on 1 October 2016. Terms of the options are not yet agreed.

Following Completion of the Acquisition, the Company will be the ultimate controlling party of SalvaRx.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

SalvaRx's financial instruments recognised in the balance sheet consist of the following:

	30 September 2015 Carrying value £
Financial assets at amortised cost	
Cash held in trust by lawyers	**697,941**
Share subscription and other receivables	**215,060**
VAT recoverable	**4,272**
Financial liabilities at amortised cost	
Accounts payable	**136,941**

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of SalvaRx's risk exposures as it relates to financial instruments are reflected below:

a) Fair value of financial instruments

SalvaRx's financial assets and liabilities are comprised of cash, advances and receivable and, accounts payable and accrued liabilities.

SalvaRx classifies the fair value of these transactions according to the following fair value hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

SalvaRx's financial instruments are exposed to certain financial risks: credit risk, liquidity risk, other price risk and market risk.

b) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted at (a) below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

a. Trade and other receivables – SalvaRx is not exposed to major credit risk attributable to customers. A significant portion of this amount is cash held in trust with major UK law firms. The funds were transferred to bank accounts that were opened subsequent to the balance sheet dates.

c) Liquidity risk

Liquidity risk is the risk that SalvaRx will encounter difficulty in satisfying financial obligations as they become due.

SalvaRx's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to SalvaRx's reputation. SalvaRx holds sufficient cash to satisfy obligations under accounts payable and accruals.

SalvaRx monitors its liquidity position regularly to assess whether it has the funds necessary to take care of its operating needs and needs for investing in new projects. SalvaRx believes that its existing cash and reverse take over transaction proposed after the balance sheet date (Note 13) will allow it to finance the drug development work apart from meeting its operational needs at least for another eighteen months now added. However, the exact need for additional cash cannot be reasonably ascertained at this stage. Should SalvaRx require further funding, it intends to secure it through further rounds of equity financing.

However, as a biotech company at an early stage of development and without significant internally generated cash flows, there are inherent liquidity risks, including the possibility that additional financing may not be available to SalvaRx or that actual drug development expenditures may exceed those planned. The current uncertainty in global markets could have an impact on SalvaRx's future ability to access capital on terms that are acceptable to SalvaRx. There can be no assurance that required financing will be available to SalvaRx.

12. SUBSIDIARY

Name	*Class of shares/ Ownership class*	*Effective interest and voting rights*	*Country of incorporation*	*Nature of business*
IOX Therapeutics Limited	Seed Preferred Shares	60.49 per cent.	United Kingdom	Biotechnology

The rights of the Seed Preferred Shareholders are governed by the articles of association of iOx. These rights are summarised below:

a. The surplus assets of iOx on a distribution on a liquidation or a return of capital (other than a conversion, redemption or purchase of shares), after paying its liabilities shall be applied first in paying to each of the holders of the Seed Preferred Shares

b. Holders of the Seed Preferred Shares are entitled to require conversion of their shares into equal number of ordinary shares

c. Seed Preferred Shares shall rank *pari passu* in all respects with the Ordinary Shares.

In the period from 10 February 2015 (date of its inception) to 30 September 2015, IOX made a loss of £94,109.

13. CAPITAL DISCLOSURES

SalvaRx considers the items included in shareholders' equity as capital. SalvaRx had payables of approximately £0.1 million as at 30 September 2015 and current assets, mostly in cash held in trust with lawyers, of approximately £0.9 million. SalvaRx's objectives when managing capital are to safeguard SalvaRx's ability to continue as a going concern in order to pursue new business opportunities and to maintain a flexible capital structure which optimises the costs of capital at an acceptable risk.

SalvaRx manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, SalvaRx may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

As at 30 September 2015, the shareholders' equity was approximately £0.8 million, all of it was held in the form of cash held in trust by lawyers and subscriptions receivable, all of which were received in October 2015.

SalvaRx is not subject to any externally imposed capital requirements and does not presently utilise any quantitative measures to monitor its capital. There have been no changes to SalvaRx's approach to capital management during the period ended 30 September 2015.

14. POST BALANCE SHEET EVENT

On 2 March 2016 3Legs Resources plc, which currently holds approximately 11 per cent. equity in SalvaRx, agreed to acquire all the remaining shares of SalvaRx for an aggregate consideration of £8.8 million, to be settled by issuance of 24,788,732 shares of the Company. The acquisition is of sufficient size to constitute a reverse take-over under the AIM Rules. Following approval of this transaction by the independent shareholders of the Company, the Company will change its name to SalvaRx Group PLC and apply for re-admission to the AIM market (''Admission''). Subject to Admission, the Company raised £1.95 million (before expenses) concurrently with the completion of this transaction. SalvaRx will continue as a wholly owned subsidiary of SalvaRx Group PLC.

In December 2015, the directors of iOx approved the grant of options representing, in aggregate, 2.6 per cent. of the issued share capital of iOx to two non-executive directors of iOx, two members of the Scientific Advisory Board of iOx and a consultant. The options are valid for five years vesting over a period of two years and are convertible into equal number of shares at an exercise price of £120 each.

PART VII

UNAUDITED PRO-FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited pro-forma statement of net assets of the Group, which has been prepared on the basis of the notes set out below, to show the effects of the Acquisition and the Placing on the net assets of the Group as at 30 June 2015, as if these transactions had occurred on that date.

The pro-forma statement of net assets has been prepared for illustrative purposes only and, because it addresses a hypothetical situation, does not represent the Enlarged Group's actual financial position either prior to or following the Acquisition and the Placing.

	Net assets of the Group as at 30 June 2015 (note 1)	*Net assets of SalvaRx as at 30 September 2015 (note 2)*	*Adjustment (note 3)*	*Unaudited pro-forma net assets of the Enlarged Group as at 30 June 2015 (note 4)*
	£'000	*£'000*	*£'000*	*£'000*
ASSETS				
NON-CURRENT ASSETS				
Goodwill	—	1,210	—	1,210
CURRENT ASSETS				
Trade and other receivables	29	940	—	969
Cash and cash equivalents	1,183	—	1,361	2,544
	1,212	940	1,361	3,513
TOTAL ASSETS	1,212	2,150	1,361	4,273
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	(67)	(137)	—	(204)
TOTAL LIABILITIES	(67)	(137)	—	(204)
NET ASSETS	**1,145**	**2,013**	**1,361**	**4,519**

Notes

1. The net assets of the Group have been extracted without material adjustment from the unaudited consolidated accounts for the six months ended 30 June 2015 incorporated by reference in Part V of this document.
2. The net assets of SalvaRx have been extracted without material adjustment from the historical financial information set out in Section B of Part VI of this document. Trade and other receivables of SalvaRx as at 30 September 2015 includes £0.7 million of cash held on trust for SalvaRx and £0.2 million of share subscriptions receivable, all of which was received by SalvaRx subsequent to 30 September 2015. No adjustment has been made for these receipts.
3. The adjustment assumes the net proceeds of the Placing receivable by the Company will amount to £1,361,000, being the gross proceeds of £1,950,000 less issue costs amounting to £590,000 exclusive of VAT where applicable.
4. No account has been taken of any movement in the net assets of the Group or SalvaRx since 30 June 2015 or 30 September 2015 respectively, nor of any fair value adjustments arising on the Acquisition nor of any other event save as disclosed above.

PART VIII

ADDITIONAL INFORMATION

1. Responsibility

1.1 The Company (whose registered office address appears on page 13 of this document) and, save as set out in paragraph 1.2 below, the Directors and the Proposed Directors (whose names, business address and functions appear on page 13 of this document) accept responsibility for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 The Independent Directors accept responsibility for the recommendation to Shareholders at paragraph 28 of Part I to vote in favour of Resolution 1 and the Waiver Resolution.

1.3 For the purpose of Rule 19.2 of the Takeover Code only, each member of the Concert Party accepts responsibility for the information contained in this document relating to each of them as members of the Concert Party. To the best of the knowledge and belief of each member of the Concert Party, having taken all reasonable care to ensure that such is the case, the information contained in this document for which such member of the Concert Party is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.4 RSM Corporate Finance LLP accepts responsibility for its report set out in Section A of Part VI of this document and for any information sourced from that report in this document. To the best of the knowledge and belief of RSM Corporate Finance LLP (which has taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.5 PharmaVentures Ltd accepts responsibility for its report set out in Part IV of this document and for any information sourced from that report in this document. To the best of the knowledge and belief of PharmaVentures Ltd (which has taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1 The Company was incorporated on 22 July 2002 in the Isle of Man under the Isle of Man Companies Act 1931 to 1993 as a private limited company with registered number 106331C and the name Colby Mining Limited. The Company changed its name to 3Legs Natural Resources Limited on 21 July 2006. On 2 January 2007 the Company de-registered under the Isle of Man Companies Acts 1931 to 2004 and subsequently re-registered under the IoM 2006 Act as a limited company with the name 3Legs Resources plc and company number 000258V.

2.2 The Company's principal activity is that of an investing company. Following Admission, its principal activity will be that of a holding company.

2.3 The principal legislation under which the Company was incorporated and operates is the IoM 2006 Act. The liability of Shareholders is limited.

2.4 The Company's legal and commercial name is 3Legs Resources plc. It is proposed to change the name of the Company to SalvaRx Group Plc with effect from Admission by resolution of the Board in accordance with the power conferred by the IoM 2006 Act.

2.5 The registered office of the Company is Commerce House, 1 Bowring Road, Ramsey, Isle of Man, IM8 2LQ. The telephone number of the principal place of business of the Company is +44(0) 1624 811 611.

2.6 The address of the Company's website, at which the information required by Rule 26 of the AIM Rules can be found, is www.3legsresources.com. The Company's website address will be changed to www.salvarx.io with effect from Admission.

3. The Enlarged Group

Following Completion and as at Admission, the Company will have one wholly-owned subsidiary, SalvaRx, which in turn owns 60.49 per cent. of iOx.

4. Share Capital

4.1 The authorised and issued share capital of the Company as at the date of this document and as it will be immediately following Admission is set out below:

As at the date of this document	*Number*	*Aggregate par value (£)*
Existing Ordinary Shares	618,492,947	154,623.24
Immediately following Admission		
New Ordinary Shares	36,466,619	911,655.48

4.2 The Company was incorporated on 22 July 2002 with two ordinary shares of £1.00 each of which were issued fully paid.

4.3 On 3 November 2014, the Company's issued share capital was 86,126,729 Existing Ordinary Shares. Since 3 November 2014, there have been the following changes in the issued share capital of the Company:

(a) on 16 February 2015, the Company issued 345,025,861 Existing Ordinary Shares at a price of 0.232 pence each;

(b) on 29 April 2015, the Company issued 2,155,172 Existing Ordinary Shares to Peterhouse Corporate Finance Limited at a price of 0.232 pence each pursuant to the terms of its engagement letter; and

(c) on 9 June 2015, the Company issued 185,185,185 Existing Ordinary Shares at a price of 0.27 pence each.

4.4 The Existing Ordinary Shares are in registered form and are in certificated form, except where such shares are held in CREST in accordance with the Uncertificated Regulations.

4.5 The Existing Ordinary Shares have the rights and are subject to the restrictions set out in the Articles as summarised in paragraph 5 of this Part VIII.

4.6 Save as set out in this paragraph 4 and paragraphs 7, 8 and 9 of this Part VIII, at Admission the Company will not have any Existing Ordinary Shares in issue, under option or under warrant.

4.7 The Placing Shares to be issued or sold under the Placing and the Consideration Shares to be issued under the Acquisition will, on Admission, rank *pari passu* in all respects with the New Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after the date of this document. The Placing Shares and the Consideration Shares will be freely transferable in accordance with the New Articles (see paragraph 5 of this Part VIII).

4.8 As at Admission, the Company will not hold any Existing or New Ordinary Shares in treasury.

4.9 The Company does not have in issue any securities not representing share capital.

4.10 On 29 April 2015, the Company granted 8,623,051 Non-Plan Options to each of Richard Armstrong, Colin Weinberg and Catalyst Corporate Consultants Limited. On 31 July 2015, the Company issued 8,623,053 Non-Plan Options to each of Jim Mellon and Dr Greg Bailey.

4.11 The Non-Plan Options are exercisable at a price of 0.232p per Existing Ordinary Share and can be exercised at any time until 16 February 2021. The number of Non-Plan Options and exercise price will be adjusted to take account of the Share Consolidation.

4.12 On 16 February 2015, the Company granted Northland Capital an option over 4,311,526 Existing Ordinary Shares exercisable at any time at 0.232p per share expiring on the third anniversary of the date of grant. In part consideration for its services in connection with the Placing, the Company granted Northland Capital an additional option to acquire up to 182,333 New Ordinary Shares (equivalent to 0.5 per cent. of the Enlarged Share Capital immediately following Admission). The option is exercisable (in whole or in part) at any time prior to the

fifth anniversary of Admission and the exercise price is at 71p per New Ordinary Share. Subject to Admission, Northland Capital will therefore hold options over 225,448 New Ordinary Shares (representing 0.62 per cent. of the Enlarged Share Capital).

4.13 On 2 March 2016, pursuant to the Plan, Plan Options over a total of 2,508,779 New Ordinary Shares were granted to Richard Armstrong, Colin Weinberg, Catalyst Corporate Consultants Limited and the Management and Consultant Optionholders. These Plan Options are conditional upon Admission, vest in three equal tranches (the first tranche vesting on 22 March 2017 and annually thereafter) and are exercisable at a price of 35.5p per New Ordinary Share expiring on the third anniversary of the date of grant. The Plan Options granted to Richard Armstrong and Colin Weinberg will all vest (in respect of their individual awards) in the event that they step down from the Board in due course on the appointment of new non-executive directors.

4.14 On 2 March 2016, the Company granted options over 60,563 New Ordinary Shares to an adviser for services rendered in connection with the Proposals. The options are conditional upon Admission and are exercisable at the Placing Price per New Ordinary Share at any time during the three year period commencing on Admission.

4.15 Other than as disclosed in paragraph 8 of Part I and in paragraphs 4.10 to 4.14 (inclusive) above, the Company has not issued any convertible securities, exchangeable securities or securities with warrants.

4.16 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

4.17 Save as disclosed in this Part VIII:

4.17.1 no share or loan capital of the Company has been issued since incorporation or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;

4.17.2 no unissued share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

4.17.3 no commission, discount, brokerage or any other special term has been granted by the Company or any of its subsidiaries or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company or any of its subsidiaries;

4.17.4 no fee and no founder, management or deferred shares have been issued by the Company; and

4.17.5 no person has any acquisition right over, and the Company has incurred no obligation over, the Company's authorised but unissued share capital or given any undertaking to increase the Company's capital.

4.18 On completion of the Placing and the Acquisition as at Admission, the issued share capital of the Company will be increased by 30,281,690 New Ordinary Shares, resulting in an immediate dilution of 83.04 per cent. excluding the exercise of the options described in paragraphs 4.10 to 4.14 (inclusive) of this Part VIII.

5. Memorandum and Articles of Association

Memorandum of Association

The Company has, subject to the IoM 2006 Act, the capacity and the rights, powers and privileges of an individual. Furthermore, the Memorandum of Association of the Company does not set out any restrictions on the exercise of the rights, powers and privileges of the Company.

Articles of Association

Below is a summary of the principal provisions of the Articles in force as at the date of this document. It is proposed that the Articles be amended with effect from Admission as summarised in the Notice. A copy of the New Articles showing changes to the Articles is available at www.3legsresources.com. References in this paragraph 5 to the "Board" or the "Directors" shall mean the board of directors of the Company from time to time and references to a "Director" shall be to any one of them.

5.1 ***Capital structure***

Unless the Company shall by resolution otherwise direct, the amount of share capital of the Company available for issue is £750,000 divided into 3,000,000,000 ordinary shares of 0.025p each.

5.2 ***Variation of rights***

Subject to the provisions of the IoM 2006 Act, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in par value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles. This paragraph shall apply also to the variation or abrogation of the special rights attached to only some of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied. Subject to the terms of issue or the rights attached to any shares, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the Board resolving that a class of shares is to become or cease to be a share or class of shares or a renounceable right of allotment or a share, title to which is permitted to be transferred by means of a relevant system in accordance with the Uncertificated Regulations.

5.3 ***Alteration of capital***

To the extent that the shares in the capital of the Company comprise shares with a par value, the Company in general meeting may from time to time by ordinary resolution:

(i) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;

(ii) consolidate and/or divide, re-designate or redenominate or convert all or any of its share capital into shares of larger or smaller par value, into shares having a purchase price of another currency, or into different classes of shares than its existing shares; and

(iii) sub-divide its shares or any of them into shares of smaller par value and may by such resolution determine that as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares but so that the proportion between the amount paid up and the amount (if any) not paid up on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

Subject to compliance with the solvency test (as defined in Section 49 of the IoM 2006 Act) and to any rights for the time being attached to any shares, the Company may by special resolution reduce its paid up share capital in any manner.

5.4 ***Issue of shares***

Subject to the provisions of the Articles summarised in paragraph 5.5 (Pre-emption rights) below, and subject to any resolution of the Company, all unissued shares in the Company shall be at the disposal of the Board and they may allot, grant options over or otherwise deal with or dispose of them to such persons, at such times and on such terms as the Board may decide.

5.5 ***Pre-emption rights***

Subject as indicated in the paragraph below, and unless the Company shall by special resolution otherwise direct, unissued shares in the capital of the Company shall only be allotted for cash in accordance with the following provisions:

(i) all shares to be allotted (the "**offer shares**") shall first be offered to Shareholders who the Directors determine can be offered such shares without the Company incurring securities offering compliance costs which, in the opinion of the Directors, would be burdensome given the number of Shareholders in the relevant jurisdiction in relation to which such compliance costs would be incurred (the "**relevant members**");

(ii) the offer to relevant members set out in sub-paragraph (i) above (the "**offer**") shall be made in proportion to the existing holdings of shares of relevant members;

(iii) the offer shall be made by written notice (the "**offer notice**") from the Directors specifying the number and price of the offer shares and shall invite each relevant member to state in writing within a period, not being less than fourteen days, whether they are willing to accept any offer shares and, if so, the maximum number of offer shares they are willing to take;

(iv) at the expiration of the time specified for acceptance in the offer notice the Directors shall allocate the offer shares to or amongst the relevant members who shall have notified to the Directors of their willingness to take any of the offer shares but so that no relevant member shall be obliged to take more than the maximum number of shares notified by him under sub-paragraph (iii) above; and

(v) if any offer shares remain unallocated after the offer, the Directors shall be entitled to allot, grant options over or otherwise dispose of those shares to such persons on such terms and in such manner as they think fit save that those shares shall not be disposed of on terms which are more favourable to their subscribers than the terms on which they were offered to the relevant members.

There are no statutory pre-emption rights under Isle of Man law which have automatic application. Such rights are therefore embodied in the Articles.

The provisions of the paragraphs above shall not apply to:

(i) the allotment of any shares for a consideration other than cash: the Directors may, subject to compliance with the IoM 2006 Act and the Articles, allot or otherwise dispose of any unissued shares in the capital of the Company for a consideration other than cash to such persons at such times and generally on such terms as they may think fit; and

(ii) the allotment of any shares in connection with:

(A) any bonus scheme approved by the Remuneration Committee of the Company from time to time; or

(B) an employees' share scheme.

A reference in the foregoing paragraphs to the allotment of any shares includes the grant of a right to subscribe for, or to convert any securities into, shares but such reference does not include the allotment of any relevant shares pursuant to such a right, and without prejudice to the foregoing paragraphs, shall not apply to the allotment of any shares pursuant to a right to such allotment granted prior to the first working day following the original admission of the Company's shares to trading on AIM.

5.6 ***Voting rights***

Subject to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting every Shareholder who (being an individual) is present in person shall on a show of hands have one vote and every Shareholder who (being a corporation) is present by duly authorised corporate representative shall on a show of hands have one vote, and on a poll every Shareholder present in person or by proxy or (in the case of a corporate Shareholder) by duly authorised representative shall have one vote for each share ,of which he is the holder.

5.7 ***Dividends***

Subject to the provisions of the Articles, the Company may, subject to the satisfaction of the solvency test (as defined in section 49 of the IoM 2006 Act), by resolution declare that out of profits available for distribution in accordance with Isle of Man law dividends be paid to Shareholders according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board. There is no fixed date on which an entitlement to dividend arises.

5.8 ***Transfer of shares***

Each Shareholder may transfer all or any of his shares in the case of certificated shares by instrument of transfer in writing in any usual form or in any form approved by the Board or in the case of uncertificated shares without a written instrument in accordance with the Uncertificated Regulations. Any written instrument shall contain the business or residential address of the transferee and be executed by or on behalf of the transferor and (in the case of a

transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Company's register of Shareholders as the holder of the share.

No transfer of any share shall be made:

(i) to a minor; or

(ii) to a bankrupt; or

(iii) to any person who is, or may be, suffering from a mental disorder and either:

(A) has been admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 (an Act of Parliament) or any similar statute relating to mental health (whether in the United Kingdom, the Isle of Man or elsewhere); or

(B) an order has been made by any court having jurisdiction (whether in the United Kingdom, the Isle of Man or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs,

and the Directors shall refuse to register the purported transfer of a share to any such person.

The Board may in its absolute discretion and without giving any reason refuse to register any transfer of a certificated share unless:

(i) it is in respect of a share which is fully paid up;

(ii) it is in respect of a share on which the Company has no lien;

(iii) it is in respect of only one class of shares;

(iv) it is in favour of a single transferee or not more than four joint transferees;

(v) it is duly stamped (if so required);

(vi) it is delivered for registration to the registered agent of the Company, or such other person as the Board may from time to time appoint, accompanied (except in the case of a transfer where a certificate has not been required to be issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so; and

(vii) the holding of such share would not result in a regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or its Shareholders as a whole including, but not limited to, where such a disadvantage would arise out of the transfer of any share to a Prohibited Person (as defined in paragraph 5.9 (Compulsory transfer of shares) below),

provided that where any share is listed on AIM such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

Notwithstanding the foregoing, the Board shall have the right to refuse (and cause the Company to refuse) to register any transfer of shares which is:

(A) not made (i) in accordance with Regulation S, (ii) pursuant to registration under the Securities Act or (iii) pursuant to an available exemption from registration under the Securities Act;

(B) made by a Shareholder reasonably believed by the Company to be a ''qualified purchaser'' (as defined in the US Investment Company Act) to a ''US person'' (as defined in Regulation S) who is not a ''qualified purchaser'';

(C) in favour of a Prohibited Person (as defined in paragraph 5.9 (Compulsory transfer of shares) below); or

(D) in favour of any holder who (or whose holding of shares), as determined by the Board, would or might result in the Company being required to register as an ''investment company'' under the US Investment Company Act, or being or potentially being in violation of such act or the rules or regulations promulgated thereunder or the assets of the Company being deemed to be assets of an ERISA Plan Investor.

The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Board in its absolute discretion may from time to time determine following the giving of notice by advertisement in not less than two newspapers circulating generally in the Isle of Man (subject to the Uncertificated Regulations in the case of any shares of a class which is a Participating Security (as defined below)).

The Board shall register a transfer of title to any uncertificated share or the renunciation or transfer of any renounceable right of allotment of a share which is a share or class of shares or a renounceable right of allotment of a share ("**Participating Security**"), title to which is permitted to be transferred by means of a relevant uncertificated system in accordance with the Uncertificated Regulations, held in uncertificated form in accordance with the Uncertificated Regulations, except that the Board may refuse (subject to any relevant requirements applicable to the recognised investment exchange(s) to which the shares of the Company are admitted) to register any such transfer or renunciation which is in favour of more than four persons jointly or in any other circumstance permitted by the Uncertificated Regulations.

5.9 ***Compulsory transfer of shares***

(i) If it shall come to the notice of the Board that any shares:

(A) are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those shares and, in the sole and conclusive determination of the Board, such ownership or holding or continued ownership or holding of those shares (whether on its own or in conjunction with any other circumstance appearing to the Board to be relevant) would, in the reasonable opinion of the Board, cause a pecuniary or tax disadvantage to the Company or any other holder of shares or other securities of the Company which it or they might not otherwise have suffered or incurred; or

(B) are or may be owned or held directly or beneficially by any person that is an ERISA Plan Investor; or

(C) are or may be owned or held directly or beneficially by any person to whom a transfer of shares or whose ownership or holding of any shares might in the opinion of the Board require or expose the Company to a substantial risk of registration of the Company as an investment company under the US Investment Company Act; or

(D) are or may be owned or held directly or beneficially by any "United States person" (as defined in Section 957(c) of the US Internal Revenue Code of 1986, as amended) and such person's shareholding amounts to ten per cent. or more of the shares, unless otherwise approved by the Board, (collectively, a "**Prohibited Person**"),

the Board may serve written notice (hereinafter called a "**Transfer Notice**") upon the person (or any one of such persons whose shares are registered in joint names) appearing in the register as the holder (the "**Vendor**") of any of the shares concerned (the "**Relevant Shares**") requiring the Vendor within ten days (or such extended time as in all the circumstances the Board consider reasonable) to transfer (and/or procure the disposal of interests in) the Relevant Shares to another person who, in the sole and conclusive determination of the Board, would not fall within sub-paragraphs (A), (B), (C) or (D) above (such a person being hereinafter called an "**Eligible Transferee**"). On and after the date of such Transfer Notice, and until registration of a transfer of the Relevant Shares to which it relates pursuant to the provisions referred to in this paragraph or the paragraph below, the rights and privileges attaching to the Relevant Shares will be suspended and not capable of exercise.

(ii) If within ten days after the giving of a Transfer Notice (or such extended time as in the circumstances the Board consider reasonable) the Transfer Notice has not been complied with to the satisfaction of the Board, the Company may sell the Relevant Shares on behalf of the holder thereof by instructing a London Stock Exchange member firm to sell them at the best price reasonably obtainable at the time of sale to any one or more Eligible Transferees. To give effect to a sale the Board may authorise in writing any officer or employee of the Company to transfer the Relevant Shares on behalf of the holder thereof (or any person who is automatically entitled to the shares by transmission or by law) or to cause the transfer of the Relevant Shares to the purchaser and in relation to an uncertificated share may require the system operator to convert the share into certificated

form and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the Relevant Shares. The Eligible Transferee is not bound to see to the application of the purchase money and the title of the Eligible Transferee is not affected by any irregularity in or invalidity of the proceedings connected to the sale. The net proceeds of the sale of the Relevant Shares, after payment of the Company's costs of the sale, shall be paid by the Company to the Vendor or, if reasonable enquiries have failed to establish the location of the Vendor, into a trust account at a bank designated by the Company, the associated costs of which shall be borne by such trust account. The Company may register or cause the registration of the Eligible Transferee as holder of the Relevant Shares and thereupon the Eligible Transferee shall become absolutely entitled thereto.

(iii) A person who becomes aware that he falls, or is likely to fall, within any of sub-paragraphs (A), (B), (C) or (D) as listed in sub-paragraph (i) above, shall forthwith, unless he has already received a Transfer Notice pursuant to the above provisions, either transfer his shares to one or more Eligible Transferees or give a request in writing to the Board for the issue of a Transfer Notice in accordance with the above provisions. Every such request shall, in the case of certificated shares, be accompanied by the certificate(s) for the shares to which it relates.

(iv) Subject to the provisions of the Articles, the Board shall, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that none of the shares are held in such a way as to entitle the Board to serve a Transfer Notice in respect thereof. The Board may, however, at any time and from time to time call upon any holder (or any one of joint holders or a person who is automatically entitled to the shares by transmission or by law) of shares by notice in writing to provide such information and evidence as they require upon any matter connected with or in relation to such holders of shares. In the event of such information and evidence not being so provided within such reasonable period (not being less than ten clear days after service of the notice requiring the same) as may be specified by the Board in the said notice, the Board may, in its absolute discretion, treat any share held by such a holder or joint holders or person who is automatically entitled to the shares by transmission or by law as being held in such a way as to entitle them to serve a Transfer Notice in respect thereof.

(v) The Board will not be required to give any reasons for any decision, determination or declaration taken or made in accordance with these provisions and such actions by the Board shall be conclusive and binding on all persons concerned and shall not be open to challenge. The exercise of the powers conferred by the provisions referred to in this paragraph 5.9 (Compulsory transfer of shares) may not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or indirect beneficial ownership or holding of shares by any person or that the true direct or beneficial owner or holder of any shares was otherwise than as appeared to the Board at the relevant date provided that the said powers have been exercised in good faith.

Neither the Company nor the Board shall be liable to indemnify, reimburse or compensate any Shareholder in respect of any cost, liability or expense (including, without limitation, any taxes or duties imposed, paid or suffered under the laws of the US, the United Kingdom, the Isle of Man or any other jurisdiction) arising from or by reference to any sale or forfeiture of any shares as described in this paragraph 5.9 (Compulsory transfer of shares).

5.10 ***Directors***

At every annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office by rotation provided that if there is only one Director who is subject to retirement by rotation, he shall retire.

5.11 ***Directors' interests***

A Director who to his knowledge is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

Save as provided below, a Director shall not vote on or be counted in the quorum in relation to any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party and in which, together with any interest of any Connected Person, he has (directly or indirectly) an interest which is material (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through the Company) or a duty which conflicts with the interests of the Company unless his duty or interest arises only because the resolution relates to one of the matters set out in the following sub-paragraphs in which case he shall be entitled to vote and be counted in the quorum:

(i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

(iii) where the Company or any of its subsidiaries is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;

(iv) relating to another company in which he and any Connected Persons do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the Act) representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company;

(v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or

(vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

An interest of a Connected Person shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director otherwise has.

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or termination) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case, each of the Directors concerned (if not otherwise debarred from voting under the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

The Directors (other than alternate directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding in aggregate £250,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Executive Directors may be paid money in addition to any fee payable to him for his services as a Director. Each Director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as a Director.

Subject to the IoM 2006 Act, the Company may indemnify every Director, alternate Director or other officer of the Company (other than an auditor) to the fullest extent permitted by law.

5.12 ***Disclosure of interests***

Every person who to his knowledge becomes interested, or becomes aware that he is or has become interested, in three per cent. or more of the shares for the time being in issue of any relevant class of shares of the Company, shall be under an obligation to give to the Company notice in writing of that fact, specifying the following information:

(i) the number of shares of the relevant class in which he was to his knowledge interested immediately after the obligation arose and the percentage of voting rights in the Company held through those shares (and/ or any other direct or indirect holding of Relevant Financial Instruments (as defined in the Disclosure and Transparency Rules (the "**DTR**") published by the UK Listing Authority in such shares);

(ii) the chain of controlled undertakings through which voting rights are effectively held, if applicable;

(iii) the date on which the threshold was reached or crossed;

(iv) the identity and address of each registered holder of such shares and of any person entitled to exercise voting rights on behalf of that holder; and

(v) in respect of any notification of voting rights arising from the holding of Relevant Financial Instruments, the following shall be required:

(A) the resulting situation in terms of voting rights;

(B) if applicable, the chain of controlled undertakings through which financial instruments are effectively held;

(C) the date on which the threshold was reached or crossed;

(D) for instruments with an exercise period, an indication of that date or time period where shares will or can be acquired, if applicable;

(E) date of maturity or expiration of the instrument; and

(F) identity of the holder

(collectively, the "**Relevant Information**").

Every person who ceases to be interested, or becomes aware that he has ceased to be interested, in three per cent. or more of the shares for the time being in issue of any relevant class of shares of the Company shall be under an obligation to give to the Company notice in writing of that fact, specifying the Relevant Information.

Where:

(i) a person is, to his knowledge, interested in three per cent. or more of the shares for the time being in issue of any relevant class of shares of the Company; and

(ii) there occurs to his knowledge, or he becomes aware that there has occurred, an integer change in his percentage interest in the shares of that class for the time being in issue;

that person shall be under an obligation to give to the Company notice in writing of the change, specifying the Relevant Information.

An obligation to give a notice to the Company under the above provisions shall be fulfilled without delay and in any event before the end of the second working day after the day on which the obligation arises.

The Directors shall keep a register (the "**Register of Substantial Interests**") and shall procure that, whenever the Company receives information from a person in consequence of the fulfilment of an obligation imposed on him by that Article, that information is within three working days thereafter inscribed in the Register of Substantial Interests against that person's name, together with the date of the inscription.

5.13 ***Suspension of rights***

The Board may at any time serve a notice ("**Information Notice**") upon a Shareholder requiring the Shareholder to disclose to the Board in writing within such period (being no less than ten days and not more than thirty days) as may be specified in the notice, information relating to any beneficial interest of any third party or any other interest of any kind whatsoever which a third party may have in relation to any or all shares registered in the Shareholder's name. If a Shareholder has been issued with an Information Notice and has failed in relation to any shares the subject of the Information Notice ("**notice shares**") to furnish any information required by such notice within the time period specified therein, then the Board may at any time following fourteen days from the expiry of the date on which the information required to be furnished pursuant to the relevant Information Notice is due to be received by the Board, serve on the relevant holder a notice (in this paragraph called a "**disenfranchisement notice**") whereupon the following sanctions shall apply:

(i) Voting

The Shareholder shall not with effect from the service of the disenfranchisement notice be entitled in respect of the notice shares to attend or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

(ii) Dividends and transfers

Where the notice shares represent at least 0.25 per cent. in par value of their class:

(A) any dividend or other money payable in respect of the notice shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the Shareholder shall not be entitled to elect pursuant to the Articles to receive shares instead of that dividend; and

(B) subject, in the case of uncertificated shares, to the Uncertificated Regulations, no transfer, other than an approved transfer, of any notice shares held by the Shareholder shall be registered unless the Shareholder is not himself in default as regards supplying the information required pursuant to the relevant Information Notice and the Shareholder proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

5.14 ***Borrowing powers***

Subject to the other provisions of the Articles and to the IoM 2006 Act, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the IoM 2006 Act, to create and issue debentures and other loan stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

5.15 ***General meetings***

The Board shall convene in each year a general meeting of Shareholders called the annual general meeting; any annual general meeting shall be held at such time and place as the Board may determine.

All general meetings, other than annual general meetings, shall be called extraordinary general meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit. At any meeting convened by the Board (or any meeting requisitioned pursuant to Section 67(2) of the IoM 2006 Act) no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not sufficient members of the Board to convene a general meeting, any Director or any Shareholder may call a general meeting.

Any annual general meeting shall be convened by not less than twenty-one clear days' notice in writing and any extraordinary general meetings shall be convened by not less than fourteen clear days' notice in writing. Notwithstanding that a meeting is convened by shorter notice than that specified in the Articles, it shall be deemed to have been properly convened if it is so agreed by all the Shareholders entitled to attend and vote at the meeting.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a Chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a Shareholder present in person or a proxy for a Shareholder or a duly authorised representative of a corporation which is a Shareholder, or one person entitled to attend and to vote on the business to be transacted, being a Shareholder holding not less than one-tenth of the issued share capital of the Company and being present in person or by proxy shall be a quorum. The provisions of Section 67(4) of the IoM 2006 Act are excluded.

If within fifteen minutes (or such longer interval not exceeding one hour as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting,

if convened on the requisition of Shareholders, shall be dissolved. In any other case, the meeting shall stand adjourned to later on the same day, to the same day in the next week at the same time and place, or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine, being not less than fourteen nor more than twenty-eight days thereafter. If at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting one Shareholder present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or, if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved. The Company shall give at least seven clear days' notice of any meeting adjourned through lack of quorum (where such meeting is adjourned to a day being not less than fourteen nor more than twenty-eight days thereafter).

5.16 ***Winding up***

The Company may only be wound up voluntarily by Shareholders with the sanction of a special resolution.

If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the Shareholders in proportion to the capital which at the commencement of the winding up is paid up on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that as nearly as may be the losses are borne by the Shareholders in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively, subject to the rights attached to any shares which may be issued on special terms or conditions.

If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the Shareholders in specie the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders. Any such division may be otherwise than in accordance with the existing rights of the Shareholders but if any division is resolved otherwise than in accordance with such rights the Shareholders shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to Section 222 of the Isle of Man Companies Act 1931 (which provision applies to the Company (with statutory modification) pursuant to the IoM 2006 Act). The liquidator may, with the like sanction, vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the Shareholders as he, with the like sanction, shall determine but no Shareholder shall be compelled to accept any assets on which there is a liability.

A special resolution sanctioning a transfer or sale to another company duly passed pursuant to Section 222 of the Isle of Man Companies Act 1931 (which provision applies to the Company (with statutory modification) pursuant to the IoM 2006 Act) may in like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the Shareholders otherwise than in accordance with their existing rights and any such determination shall be binding on all the Shareholders, subject to the right of dissent and consequential rights conferred by the said section.

6. Summary of key provisions of Isle of Man law

The Isle of Man (or the "**Island**") is an internally self-governing dependent territory of the British Crown. It is politically and constitutionally separate from the UK and has its own legal system and jurisprudence based on English common law principles. The UK Government is, however, responsible for the Island's foreign affairs and defence and, with the Island's consent, the UK Parliament may legislate for the Island in some areas of common concern (such as nationality and immigration matters).

The Isle of Man's relationship with the European Union is set out in Protocol 3 of the Act of Accession ("**Protocol 3**") annexed to the Treaty of Accession 1972, by virtue of which the UK became a member of the European Community. The Island is neither a member state nor an associate member of the European Community. By virtue of Protocol 3, the Island is part of the customs territory of the EU. Therefore the common customs tariff, levies and other agricultural import measures apply to trade between the Island and non-member countries. There is free movement of goods and agricultural products between the Island and the EU, but the EU provisions

which relate to trade in financial services and products and those in respect of the free movement of persons, services and capital do not apply to the Island. Consequently, EU law has direct application to the Island only for very limited purposes.

6.1 ***Corporate law in the Isle of Man***

The IoM 2006 Act came into force on 1 November 2006 and introduced a new simplified Isle of Man corporate vehicle (based on the international business company model available in a number of other jurisdictions). The IoM 2006 Act is largely a standalone piece of legislation and companies incorporated under the IoM 2006 Act (''**2006 Companies**'') co-exist with present and future companies incorporated under the existing Isle of Man Companies Acts 1931-2004 (as amended) (''**1931 Companies**'').

6.1.1 Key Features of a 2006 Company

A 2006 Company is a legal entity in its own right, separate from its members, and will continue in existence until it is dissolved in the same way as a 1931 Company.

Every 2006 Company is required, at all times, to have:

6.1.1.1 a registered agent in the Isle of Man who holds the appropriate licence granted by the Isle of Man Financial Supervision Commission (ensuring that there is a licenced professional on the Isle of Man overseeing the administration of the company); and

6.1.1.2 a registered office address in the Isle of Man.

6.1.2 Power and Capacity

The doctrine of ultra vires does not apply to 2006 Companies. The IoM 2006 Act expressly states that, notwithstanding any provision to the contrary in a company's memorandum or articles of association and irrespective of corporate benefit and whether or not it is in the best interests of a company to do so, a company has unlimited capacity to carry on or undertake any business or activity, to do, or to be subject to, any act or to enter into any transaction.

Notwithstanding this, the directors of 2006 Companies are still subject to the various duties imposed on directors by common law and statute as well as fiduciary duties (such as the duty to act *bona fide* in the best interests of the company).

6.1.3 Directors

A 2006 Company is permitted to have a single director which may be an individual or, subject to compliance with certain requirements, a body corporate.

6.1.4 Members

The IoM 2006 Act contains very few prescriptive rules relating to members' meetings. Companies are not required to hold annual general meetings and the IoM 2006 Act allows members meetings to be held at such time and in such places, within or outside the Isle of Man, as the convener of the meeting considers appropriate. However, as is the case with the Articles (see paragraph 5.15 above (General Meetings) of this Part VIII), more prescriptive requirements relating to members' meetings can be included in a company's articles of association.

Subject to contrary provision in the IoM 2006 Act or in a company's memorandum or articles, members exercise their powers by resolutions:

6.1.4.1 passed at a meeting of the members; or

6.1.4.2 passed as a written resolution.

The concept of ''ordinary'', ''special'' and ''extraordinary'' resolutions is not recognised under the IoM 2006 Act and resolutions passed at a members meeting only require the approval of a member or members holding in excess of 50 per cent. of the voting rights exercised in relation thereto. However, as permitted under the IoM 2006 Act, the Articles incorporate the concept of a ''special resolution'' (requiring the approval of members holding 75 per cent. or more of the voting rights exercised in relation thereto) in relation to certain matters.

6.1.5 Shares

The IoM 2006 Act provides that shares in a company may (without limitation):

6.1.5.1 be convertible, common or ordinary;

6.1.5.2 be redeemable at the option of the shareholder or the company or either of them;

6.1.5.3 confer preferential rights to distributions;

6.1.5.4 confer special, limited or conditional rights, including voting rights; or

6.1.5.5 entitle participation only in certain assets.

6.1.6 Distributions and the Solvency Test

Under the IoM 2006 Act, a 2006 Company may distribute its assets to its members by way of the direct or indirect transfer of company assets or the incurring of a debt by a company to or for the benefit of a member and the term ''distribution'' includes the payment of dividends and the redemption, purchase or other acquisition by a company of its own shares.

The IoM 2006 Act permits the directors of a company to authorise a distribution by the company to its members at such time and of such amount as they think fit if they are satisfied, on reasonable grounds, that the company will, immediately after the distribution, satisfy the solvency test. The traditional concept of capital maintenance is not applicable to 2006 Companies.

A company satisfies the ''solvency test'' if:

6.1.6.1 it is able to pay its debts as they become due in the normal course of its business; and

6.1.6.2 the value of its assets exceeds the value of its liabilities.

Provided that the solvency test has been satisfied, dividends may be paid and shares redeemed or purchased out of any capital or profits of the company.

6.1.7 Accounting Records

The IoM 2006 Act requires a company to keep reliable accounting records which:

6.1.7.1 correctly explain the transactions of the company;

6.1.7.2 enable the financial position of the company to be determined with reasonable accuracy at any time; and

6.1.7.3 allow financial statements to be prepared.

6.1.8 Offering Documents

The IoM 2006 Act does not distinguish between public and private companies and (subject to any restrictions in a company's memorandum or articles of association) a 2006 Company can offer its securities to the public.

The IoM 2006 Act requires the directors of a 2006 Company to ensure that any offering document issued in relation to that company:

6.1.8.1 contains all material information relating to the offer or invitation contained therein (i) that the intended recipients would reasonably expect to be included therein in order to enable them to make an informed decision as to whether or not to accept the offer or make the application referred to therein; and (ii) of which the directors or proposed directors were aware at the time of issue of the offering document or of which they would have been aware had they made such enquiries as would have been reasonable in all the circumstances; and

6.1.8.2 sets out such information fairly and accurately.

6.1.9 Statutory Books

Originals or copies (as appropriate) of various documents, including the constitutional documents, statutory books and accounting records of a 2006 Company, are required to be kept at the office of the 2006 Company's registered agent.

6.1.10 Disclosure of interests

As an Isle of Man incorporated company, the Company and its Shareholders are not required by statutory law to comply with all of the notification requirements of the DTR. However the Company is required by the AIM Rules for Companies to use all reasonable endeavours to ensure that Shareholders comply with the AIM Rules for Companies in respect of notifying relevant changes to significant shareholders (as those terms are defined therein) and has therefore included provisions in its Articles that are similar to the relevant provisions of the DTR. These provisions are summarised in paragraph 5.12 of this Part VIII.

6.2 ***Compulsory acquisition procedure***

Section 160 of the IoM 2006 Act sets out the steps required to be taken to effect a compulsory acquisition of shares in a company. Where a scheme or contract involving the transfer of shares to another person (the "**transferee**") has been approved by the holders of not less than 90 per cent. in value of the shares effected within the 16 weeks after the offer being made, the transferee may, at any time within 8 weeks after the transferee has acquired or contracted to acquire the relevant shares, give notice in the prescribed manner to any dissenting shareholder that it desires to acquire such dissenting shareholder's shares, and where such notice is given the transferee shall, unless (on application made by the dissenting shareholder within one month from the date on which the notice is given) the court thinks fit to order otherwise, be entitled and bound to acquire those shares on terms which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee (or on such terms as may be permitted by variation under the IoM 2006 Act in certain circumstances).

Where such a notice has been given by the transferee and the court has not, on application made by the dissenting shareholder, ordered to the contrary or any pending application to the court by the dissenting shareholder has been disposed of, the transferee shall send a copy of the notice to the company and pay or transfer to the company the consideration representing the price payable for the shares which the transferee is entitled to acquire and the company shall thereupon register the transferee as the holder of those shares. The company will be required to hold such sums in a separate bank account on trust for the dissenting shareholder.

6.3 ***Lack of "sell-out" provisions***

The IoM 2006 Act does not contain equivalent provisions to the "sell-out" right available to minority shareholders under section 983 of the Act (which provides that in the event of a successful takeover bid for a target company whereby the purchaser has acquired or unconditionally contracted to acquire not less than 90 per cent. of the voting rights in the target, the "sell-out" right under the Act allows minority shareholders (being those shareholders holding less than 10 per cent. in aggregate of the voting shares in the target company) to require the purchaser to purchase their shares on the terms available to those shareholders that accepted the purchaser's offer.

7. Additional information required by the Takeover Code

7.1 ***About the Concert Party***

Jim Mellon, of Viking House, Nelson Street, Douglas, Isle of Man, a British national and resident in the Isle of Man.

Jim Mellon is a non-executive director of SalvaRx based in the Isle of Man and holds 28,583 ordinary shares in SalvaRx representing 44.43 per cent. of the voting rights in SalvaRx at the date of this document. He joined the SalvaRx board of directors in May 2015 and is jointly responsible for business development and strategy. He is also a non-executive director of the Company and further details are provided at paragraph 10.1 of this Part VIII.

Dr Gregory Bailey, of 29 Yeomans Row, London, a Canadian national and resident in the UK.

Dr Greg Bailey is a non-executive director of SalvaRx based in the UK and holds 28,583 ordinary shares in SalvaRx representing 44.43 per cent. of the voting rights in SalvaRx at the date of this document. He joined the SalvaRx board of directors in September 2015 and is jointly responsible for business development and strategy. He is also a non-executive director of the Company and further details are provided at paragraph 10.1 of this Part VIII.

Port Erin Biopharma Investments Limited

PEBI is a company incorporated in the Isle of Man. PEBI was admitted to trading on AIM on 15 September 2011 as an investing company focused on the biotechnology and biopharmaceutical sectors. Jim Mellon is the Non-Executive Chairman of PEBI and, together with companies owned by a trust under which Jim Mellon has a life interest, he is in aggregate interested in 29 per cent. of the issued shares of PEBI.

PEBI has significant investment in Magna Biopharma Income Fund ("MBIF") whose investment objective is to seek growing income distributions with capital appreciation potential in the long term by investing in a diversified portfolio of biopharma sector securities.

Aside from MBIF, PEBI has two other significant investments, namely Plethora Solutions Holdings plc and Summit Corporation plc.

The directors of PEBI are Jim Mellon, Denham Eke and Anderson Whamond.

Galloway Limited

Galloway Limited is a company which is indirectly owned by the trustee of a settlement under which Jim Mellon has a life interest.

The sole director of Galloway Limited is Denham Eke.

Dr Ian Walters and Value Driven Drug Development Solutions LLC

Value Driven Drug Development Solutions LLC is the personal services company of Dr Ian Walters and is wholly owned by him. Value Driven Drug Development Solutions LLC is a limited liability corporation registered in Connecticut, USA. Dr Walters spent seven years at Bristol-Myers Squibb between 2007 and 2014, where he managed physicians overseeing the international development of more than eight oncology compounds as well as biomarker and diagnostic work. Dr Walters joined Mediqventures Ltd. in July 2014, a bio science investment bank headed by Jim Mellon and Dr Greg Bailey.

Dr Walters is the sole director of Value Driven Drug Development Solutions LLC.

Dr Robert Kramer and RA Kramer Consulting LLC

RA Kramer Consulting LLC is the personal services company of Dr Robert Kramer and is wholly owned by him. RA Kramer Consulting LLC is a limited liability corporation registered in Pennsylvania, USA. Dr Kramer was head of Cancer Drug Discovery at Janssen (Johnson & Johnson company) between 2011 and 2014. Prior to that appointment, Dr Kramer was Vice President of Oncology and Immunocology Drug Discovery at Bristol-Myers Squibb from 1995 to 2010, where he oversaw the Princeton, New Jersey research centre and where he first met and collaborated with Dr Walters. Dr Kramer was recruited as Chief Scientific Officer for SalvaRx by Dr Walters in 2015 having previously performed consulting roles for Mediqventures Ltd.

Dr Kramer is the sole director of RA Kramer Consulting LLC.

Kam Shah

Kam Shah has been associated with Jim Mellon, Dr Greg Bailey and Declan Doogan since they all became directors of Portage Biotech, Inc. in 2013. Along with the latter two, Kam has also been a director of Biohaven Pharmaceutical Holding Company Limited, a subsidiary of Portage Biotech, Inc., since early 2014.

Anthony Chow

Anthony Chow of 1 Wolseley Road, London W4 5EG, an Australian British national and resident in the UK. He is the Chief Executive Officer and a director of Mann Bioinvest Limited, an Isle of Man based life science advisory company majority indirectly owned by Jim Mellon who is the Chairman of Mann Bioinvest Limited.

Declan Doogan

Declan Doogan, M.D. of 15 Main St, Stonington Connecticut 06378 USA is a UK national resident in the US and a director of Portage Biotech Inc. and Biohaven Pharmaceutical Holding Company Limited.

Alexander Pickett

Alexander Pickett, of 16 Cedar St. Apt #2, Somerville MA, 02143 United States, an American National resident in the Commonwealth of Massachusetts.

Additional background on the relationships between the Concert Party

Jim Mellon, Dr Greg Bailey and Declan Doogan have shared a mutual interest in the life sciences sector since 2009 when they co-invested in Trojantec Limited, a private UK clinical stage biopharmaceutical company focused on creating and developing innovative oncology therapeutics. In November 2011, Mr Mellon and Dr Bailey incorporated Mediqventures Limited as a 50/50 joint venture to formalise their relationship in respect of the procurement, review and development of life science investment opportunities. In 2012, together with Mr Declan Doogan, they established Portage Biotech, Inc., a company working to develop cell permeable peptide therapies and which was the subject of a reverse takeover by a Canadian National Stock Exchange listed company in 2013. Mr Kam Shah was appointed as Finance Director of Portage Biotech Inc. following completion of the reverse takeover and has since worked with Mr Mellon and Dr Bailey on other ventures, including Biohaven Pharmaceutical Holding Company Limited. Mr Mellon and Dr Greg Bailey continue to work together through Mediqventures Limited (which was the party responsible for identifying iOx as a potential investment opportunity for SalvaRx) and also by making direct co-investments alongside Mr Doogan. Mr Mellon and Dr Bailey hope to complete further investments in the life sciences sector together in the future (directly and through Mediqventures Limited). Anthony Chow commenced his business relationship with Mr Mellon shortly after his move to the UK from Australia in 2007 and since then he has acted as a corporate finance adviser for Mr Mellon, in particular focussing on his personal investments in the life sciences sector. Prior to moving to moving to the UK, Mr Chow worked at ANZ Banking Group Limited in Sydney, Australia. Alexander Pickett joined Mediqventures Limited in January 2014 and is a senior employee of the company.

7.2 ***Interests of the Concert Party in the share capital of the Company***

Dr Greg Bailey owns 92,592,593 Existing Ordinary Shares, representing 14.97 per cent. of the Existing Ordinary Shares, and Non-Plan Options to subscribe for 8,623,053 Existing Ordinary Shares.

Jim Mellon owns 37,037,037 Existing Ordinary Shares, representing 5.99 per cent. of the Existing Ordinary Shares, and Non-Plan Options to subscribe for 8,623,053 Existing Ordinary Shares. Galloway Limited is a company which is indirectly wholly owned by the trustee of a settlement under which Jim Mellon has a life interest. Galloway Limited holds 37,037,037 Existing Ordinary Shares, representing 5.99 per cent. of the Existing Ordinary Shares. PEBI is a company of which Jim Mellon is the non-executive chairman and, together with companies owned by a trust under which Jim Mellon has a life interest, he is in aggregate interested in 29 per cent. of the issued share capital of PEBI. PEBI owns 18,518,518 Existing Ordinary Shares in the Company, representing 2.99 per cent. of the Existing Ordinary Shares. Combined with his direct interests, Jim Mellon holds, directly and indirectly, an interest in 92,592,592 Existing Ordinary Shares, representing 14.97 per cent. of the Existing Ordinary Shares, and Non-Plan Options to subscribe for 8,623,053 Existing Ordinary Shares.

By agreement dated 20 November 2015, Jim Mellon and Dr Greg Bailey each granted 1,608 options over shares in SalvaRx held by them to Value Driven Drug Development Solutions LLC. In addition, by agreement dated 20 November 2015, Jim Mellon and Dr Greg Bailey each granted options over 965.5 shares in SalvaRx held by them to RA Kramer Consulting LLC. In aggregate, Jim Mellon and Dr Greg Bailey have granted options over 5,147 shares in SalvaRx owned by them. Value Driven Drug Development Solutions LLC and RA Kramer Consulting LLC are the personal service companies of Ian Walters and Dr Robert Kramer respectively. The terms of the options provide for an exercise price of £10.20 per SalvaRx share and the options vest over four years in equal tranches, the first vesting date being 1 May 2016. Any unvested options automatically vest on a sale of SalvaRx which occurs after 30 June 2016. If the Acquisition completes, the options will convert into options over a total of 2,231,878 Consideration Shares then held by Jim Mellon and Dr Greg Bailey.

In addition, the Management and Consultant Optionholders (each of whom is a member of the Concert Party) have been granted 2,144,144 Plan Options as follows:

Name	*No. of Plan Options*
Ian Walters*	428,786
Robert Kramer**	256,664
Kam Shah	364,666
Anthony Chow	364,666
Declan Doogan	364,666
Alexander Pickett	364,666

* held through his personal services company, Value Driven Drug Development Solutions LLC.

** held through his personal services company, RA Kramer Consulting LLC.

Save for (i) the existing interests held by Dr Greg Bailey, Jim Mellon, Galloway Limited and PEBI, (ii) the options over shares of SalvaRx held by Value Driven Drug Development Solutions LLC and RA Kramer Consulting LLC (which will convert into options over 1,394,544 and 837,334 of the Consideration Shares) and (iii) the Plan Options held by the Management and Consultant Optionholders (which are conditional upon Admission), the Concert Party does not currently have any interests, rights to subscribe or short positions in the share capital of the Company.

7.3 ***Disclosures required by Takeover Code***

For the purposes of this paragraph 7.3, the following words and phrases have the following meanings:

''acting in concert''	has the meaning attributed to it in the Takeover Code; persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. A person and each of its affiliated persons will be deemed to be acting in concert all with each other. Without prejudice to the general application of this definition, the following persons will be presumed to be persons acting in concert with other persons in the same category unless the contrary is established: 1. a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status); 2. a company with its directors (together with their close relatives and the related trusts of any of them); 3. a company with any of its pension schemes and the pension schemes of any company described in (1); 4. a fund manager (including an exempt fund manager) with any investment company, unit trust or other person whose investments such fund manager manages on a discretionary basis, in respect of the relevant investment accounts; 5. a person, the person's close relatives, and the related trusts of any of them, all with each other; 6. the close relatives of a founder of a company to which the Takeover Code applies, their close relatives, and the related trusts of any of them, all with each other; 7. a connected adviser with its client and, if its client is acting in concert with an offeror or the offeree company, with that offeror or offeree company respectively, in each case in respect of the interests in shares of that adviser and persons controlling, controlled by or under the same

control as that adviser (except in the capacity of an exempt fund manager or an exempt principal trader);

8. directors of a company which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent; and
9. shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Takeover Code applies, or who, following the re-registration of that company as a public company in connection with an initial public offering or otherwise, become shareholders in a company to which the Takeover Code applies.

''arrangement''	includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
''connected adviser''	has the meaning attributed to it in the Takeover Code;
''connected person''	has the meaning given to it in section 252 of the Act;
''control''	means an interest in relevant securities carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the interest gives de facto control;
''dealing'' or ''dealt''	(a) the acquisition or disposal of relevant securities, or the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities; (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities; (c) subscribing or agreeing to subscribe for relevant securities; (d) the exercise or conversion of any relevant securities carrying conversion or subscription rights; (e) the acquisition of, disposal of, entering into, closing out, exercising (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities; (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; (g) the redemption or purchase of, or taking or exercising an option over any of its relevant securities by the Company or SalvaRx; and (h) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
''derivative''	includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security;
''disclosure period''	means the period commencing on 3 March 2015, being the date 12 months prior to the date of this document and ending on 2 March 2016;
''relevant securities''	means shares in the Company (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof, or as the context requires, the ordinary shares of SalvaRx and other securities convertible into, or exchangeable for, rights to subscribe for the options (including traded options) in respect of, or derivatives referenced to, any of the foregoing; and
''short position''	means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position

under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

7.3.1 Dealings in Shares

7.3.1.1 The following dealings in Existing Ordinary Shares by members of the Concert Party have taken place during the disclosure period:

Name	*Number of Existing Ordinary Shares*	*Nature of transaction*	*Date*	*Price per Existing Ordinary Share (p)*
Jim Mellon	37,037,037	Subscription	9/6/15	0.27
Galloway Limited	37,037,037	Subscription	9/6/15	0.27
Port Erin Biopharma Investments Limited	18,518,518	Subscription	9/6/15	0.27
Dr Greg Bailey	92,592,593	Subscription	9/6/15	0.27
Jim Mellon	8,623,053	Grant of Option	31/7/15	0.232
Dr Greg Bailey	8,623,053	Grant of Option	31/7/15	0.232

Name	*Number of New Ordinary Shares under option*	*Nature of transaction*	*Date*	*Exercise price (p)*
Ian Walters*	428,766	Grant of Option	2/3/16	35.5
Robert Kramer**	256,664	Grant of Option	2/3/16	35.5
Kam Shah	364,666	Grant of Option	2/3/16	35.5
Anthony Chow	364,666	Grant of Option	2/3/16	35.5
Declan Doogan	364,666	Grant of Option	2/3/16	35.5
Alexander Pickett	364,666	Grant of Option	2/3/16	35.5

* held through his personal services company, Value Driven Drug Development Solutions LLC.

** held through his personal services company, RA Kramer Consulting LLC.

7.3.1.2 The following dealings in the shares of SalvaRx by members of the Concert Party have taken place during the disclosure period:

Name	*Number of shares*	*Nature of transaction*	*Date*	*Price per share (£)*
Jim Mellon	50,000	Subscription	15/5/15	10.20
Dr Greg Bailey	25,000	Transfer from Jim Mellon	24/9/15	10.20
Jim Mellon	3,583	Subscription	29/9/15	30.00
Dr Greg Bailey	3,583	Subscription	29/9/15	30.00

Name	*Number of shares under option*	*Nature of transaction*	*Date*	*Exercise price (£)*
Ian Walters*	3,216	Grant of option	20/11/15	10.20
Robert Kramer*	1,931	Grant of option	20/11/15	10.20

* The above options have been granted over 2,573.5 shares in SalvaRx held by each of Jim Mellon and Dr Greg Bailey. Ian Walters holds his options through his personal services company, Value Driven Drug Development Solutions LLC and Robert Kramer holds his options through his personal services company RA Kramer Consulting LLC.

7.3.2 Save as disclosed in this document, as at the close of business on 2 March 2016 (being the latest practicable date prior to the posting of this document):

7.3.2.1 no member of the Concert Party nor any director of any member of the Concert Party nor any person acting in concert with any member of the Concert Party had any interest in or right to subscribe for, or had any short position, including any short position under a derivative, any agreement to sell or any delivery

obligation or right to require another person to purchase or take delivery, in relation to, any relevant securities, nor had any of them dealt in any relevant securities during the disclosure period;

7.3.2.2 there are no relevant securities in respect of which any member of the Concert Party or any director of any member of the Concert Party or any person acting in concert with any member of the Concert Party has borrowed or lent at any time during the disclosure period;

7.3.2.3 neither the Company nor any of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) nor any person acting in concert with the Company had any interest in or right to subscribe for, or had any short position, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in relation to any relevant securities of any member of the Concert Party nor had any of them dealt in any relevant securities during the disclosure period;

7.3.2.4 there are no relevant securities in respect of which the Company or any of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) or any person acting in concert with the Company has borrowed or lent (save for any borrowed relevant securities which have either been on-lent or sold) at any time during the disclosure period;

7.3.2.5 the Company has not redeemed or purchased any relevant securities in the Company during the disclosure period;

7.3.2.6 no agreement, arrangement or understanding exists by which any of the Consideration Shares or other New Ordinary Shares will be transferred by any member of the Concert Party to any other person;

7.3.2.7 save for the Acquisition Agreement and the Placing Agreement, further details of which are set out in paragraphs 7 and 10 of Part I and 11.1 and 11.2 of this Part VIII, there are no agreements, arrangements or understandings between any member of the Concert Party and anyone acting in concert with it and any of the Directors, recent Directors, Shareholders or recent Shareholders of the Company, or any person interested or recently interested in Existing Ordinary Shares or any of them, or any other person, having any connection with or dependence upon the Proposals; and

7.3.2.8 save for the Relationship Agreement, the Lock-In and Orderly Market Agreements, and the Placing Agreement (further details on which are set out in paragraphs 11.3, 11.4 and 11.2 respectivly, of this Part VIII) there are no relationships (personal, financial or commercial), arrangements or understandings between the Concert Party, or any member of the Concert Party, and Northland Capital or any person who is, or presumed to be, acting in concert with Northland Capital.

7.3.3 The Concert Party is not intending to seek any changes to the Company and the New Board (other than as generally described in Part I of this document) and has confirmed its intention that the business of the Company following Completion will constitute that of SalvaRx's business. The Company has no fixed assets and, save for the Proposed Directors, the Company has no employees. As such, the Concert Party is not intending to prejudice the existing employment rights, including pension rights, of any employees or directors of the Company nor to take any steps to amend the Company's admission to trading on AIM at the date of this document. Trading on AIM in the Existing Ordinary Shares has been suspended since 4 November 2015 in accordance with Rule 15 of the AIM Rules. The suspension will remain in place pending the outcome of the General Meeting. If the Resolutions are approved, it is expected that Admission will become effective and that dealings in the Enlarged Share Capital will commence on AIM on 22 March 2016.

7.3.4 No changes will be introduced to any member of the Concert Party's business as a result of Completion and there will be no repercussions on the location of any member of the Concert Party's places of business or employees.

7.3.5 No member of the Concert Party intends that the payment of interest on, repayment of or security for, any liability of theirs will depend to any significant extent on the business of the Company.

7.3.6 Save as disclosed in this document, there is no agreement, arrangement or understanding whereby the legal and/or beneficial interest in any Ordinary Shares held by or to be issued to any member of the Concert Party pursuant to the Acquisition or the Placing will be transferred to any other person.

7.3.7 There is no agreement, arrangement or understanding (including any compensation arrangement) between the Concert Party and any Director, recent directors of the Company, shareholder of the Company or recent shareholder of the Company (or any person interested in Exisiting Ordinary Shares of the Company) having any connection with or dependence upon the Acquisition.

Market Quotations

The following table shows the middle market quotations for Existing Ordinary Shares as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange on the first Dealing Day of each month for the six months immediately preceding the date of this document and on 2 March 2016 (being the last practicable day before posting of this document).

Date	*Price*
1 October 2015	0.28p
2 November 2015	0.32p
1 December 2015	0.32p*
4 January 2016	0.32p*
1 February 2016	0.32p*
1 March 2016	0.32p*
2 March 2016	0.32p*

* Admission to trading in the Existing Ordinary Shares was temporarily suspended on 4 November 2015. There has therefore been no price change since that date.

8. Interests of Directors and Proposed Directors and other major Shareholders

8.1 So far as the Directors and the Proposed Directors are aware, as at the date of this document, and as expected to be on issue of the Consideration Shares and the Placing Shares on Admission, the holdings of the Directors, Proposed Directors and of Connected Persons of a Director or Proposed Director in the issued share capital of the Company which are required to be disclosed by the AIM Rules and the existence of which is known or could with reasonable diligence be ascertained by the Directors and the Proposed Directors are as follows:

	At the date of this document			*At Admission*		
Name	*Number of Existing Ordinary Shares*	*% of Existing Ordinary Shares*	*No of options over Existing Ordinary Shares*	*Number of New Ordinary Shares*	*% of Enlarged Share Capital*	*No. of options over New Ordinary Shares*
Richard Armstrong	6,465,517	1.05	8,623,051	64,635	0.18	177,396
Colin Weinberg	4,310,345	0.70	8,623,051	43,103	0.12	177,396
Jim Mellon	92,592,592	14.97	8,623,053	13,320,291	36.53	86,230
Dr Greg Bailey	92,592,593	14.97	8,623,053	13,320,291	36.53	86,230
Ian Walters*	—	—	—	—	—	1,823,330
Kam Shah	—	—	—	—	—	364,666
Totals	195,961,047	31.69	34,492,208	26,748,340	73.35	2,715,248

* held through his personal services company, Value Driven Drug Development Solutions LLC.

8.2 Save as disclosed in paragraph 8.1 above and in this paragraph 8.2, the Directors and the Proposed Directors are not aware of any direct or indirect interest in the Company's ordinary share capital that amounts to or would, on Admission, amount to an interest of three per cent. or more of the voting rights in the Company or who (save as disclosed in this document), directly or indirectly could exercise control over the Company:

	At the date of this document		*At Admission*	
Name	*Number of Existing Ordinary Shares*	*% of Existing Ordinary Shares*	*Number of New Ordinary Shares*	*% of Enlarged Share Capital*
British Polar Engines Limited	86,206,897	13.94	862,068	2.36
Pires Investments plc	34,482,760	5.58	344,827	0.95
Vela Technologies plc	23,500,000	3.80	235,000	0.64
Hon & Co Holdings Limited	—	—	2,122,676	5.79

8.3 Save as set out in paragraphs 8.1 and 8.2 of this Part VIII, none of the Directors, the Proposed Directors nor any person connected (within the meaning of section 252 of the Act) with any Director or Proposed Director has any interest, whether beneficial or otherwise, in the share capital of the Company.

8.4 Save as set out in paragraphs 8.1 and 8.2 of this Part VIII, the Directors and the Proposed Directors are not aware of any person who immediately following Admission, directly or indirectly, jointly or severally, will own or could exercise control over the Company and the Directors and the Proposed Directors are not aware of any arrangement, the operation of which may at a date subsequent to this document result in a change in control of the Company.

8.5 No Director, Proposed Director nor any Connected Person of a Director or Proposed Director has a related financial product (within the meaning of the AIM Rules) relating to Existing Ordinary Shares.

8.6 The persons, including the Directors and the Proposed Directors, referred to in paragraph 8.1 of this Part VIII do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other Shareholder of the Company.

8.7 ***The Plan***

8.7.1 The Company has adopted the Plan, conditional upon Admission, which will be administered by the New Board. Participation in the Plan is limited to employees of the Enlarged Group although the Company is able to grant Plan Options to non-employees (for example, consultants, non-employee directors and non-executive directors) pursuant to sub-plans, which are subject to the same rules of the Plan *mutatis mutandis* unless the context otherwise provides.

8.7.2 The Plan has the following key terms:

8.7.2.1 the New Board may only grant Plan Options during specified time periods, being: (i) within 42 days of adoption of the Plan; (ii) within 42 days of the Dealing Day after the date on which the Company announces its annual or half-yearly results for any period; or (iii) at any time when the New Board considers that circumstances are sufficiently exceptional to justify the grant;

8.7.2.2 the number of Plan Options that may be granted on any day shall not, when added to the aggregate number of shares issued on the exercise of Plan Options or any other options granted by the Company in the previous 10 years or which remain capable of issue under any existing options of the Company (whether or not granted pursuant to the Plan), exceed the number of shares that represents 15 per cent. of the ordinary share capital of the Company in issue immediately prior to that day;

8.7.2.3 the exercise price for each Plan Option will be set by the New Board but must not be less than (i) the par value of the relevant shares (if the Plan Options are to be satisfied by a new issue of shares by the Company) and (ii) the fair market value at the effective date of grant of the Plan Option, as judged by the New

Board if the Company's shares are not listed on a securities exchange, or by reference to a closing price, if the Company's shares are listed on a securities exchange;

8.7.2.4 the share options may be exercised at such time or times, or upon such event or events and subject to such terms, conditions, performance criteria and restrictions as determined by the New Board and set out in the share option agreements evidencing the share options. However, no share option shall be exercisable after the expiration of 10 years after the effective date of grant;

8.7.2.5 subject to earlier lapse of a Plan Option as provided in the Plan or the specific terms set out in the relevant holder's share option agreement evidencing award of the Plan Options, Plan Options will lapse three months after termination of the Holder's employment, service or engagement to the Company or a member of its Group;

8.7.2.6 upon a change of control of the Company, the New Board may provide for acceleration of the exercisability and/or vesting of the Plan Options. The New Board also has the absolute discretion to determine that any Plan Options outstanding immediately prior to a change of control shall be cancelled in return for payment. The entity acquiring the Company may assume or continue the Company's rights and obligations in relation to each Plan Option that has been granted; and

8.7.2.7 the New Board may amend, suspend or terminate the Plan at any time.

8.7.3 As at and conditional upon Admission, the following Plan Options were granted on 2 March 2016 at an exercise price of 35.5p per New Ordinary Share:

Name	*Number of Plan Options*
Ian Walters	428,786
Robert Kramer	256,664
Kam Shah	364,666
Anthony Chow	364,666
Declan Doogan	364,666
Alexander Pickett	364,666
Richard Armstrong	91,116
Colin Weinberg	91,116
Catalyst Corporate Consultants Limited	182,333

These Plan Options vest in three equal tranches (the first tranche vesting on 22 March 2017 and annually thereafter) and are exercisable at a price of 35.5p per New Ordinary Share expiring on the third anniversary of the date of grant. The Plan Options granted to Richard Armstrong and Colin Weinberg will all vest (in respect of their individual awards) in the event that they step down from the Board in due course on the appointment of new non-executive directors.

9. Directors' Service Agreements and Letters of Appointment

9.1 ***Ian Walters***

9.1.1 On 2 March 2016, the Company entered into a consultancy agreement with Value Driven Drug Development Solutions LLC, conditional upon Admission (the "Consultancy Agreement").

The Consultancy Agreement provides that Value Driven Drug Development Solutions LLC will make available the services of Ian Walters to act as Chief Executive Officer of the Company. The Consultancy Agreement does not allow for substitution of Mr Walters, and Mr Walters has confirmed in writing that he is available to discharge these duties on the terms of the Consultancy Agreement.

Under the terms of the Consultancy Agreement, Value Driven Drug Development Solutions LLC is entitled to an annual fee of US$195,000, payable in monthly instalments in arrears. The fee is reviewable annually thereafter. Value Driven Drug Development Solutions LLC is also entitled to participate in any bonus scheme operated by the Company from time to time for the benefit of its directors and senior management

personnel in an amount to be determined by the Remuneration Committee at its absolute discretion. The Consultancy Agreement also contains provisions for immediate remuneration by the Company in certain limited circumstances (including Mr Walters not being reappointed as a director at any annual general meeting).

Under the terms of Mr Walters' Consultancy Agreement, the Company has agreed to indemnify Mr Walters against any and all losses, expenses, liabilities, claims, costs and damages arising out of Mr Walters' compliance with the terms of the letter of appointment save for where such loss, expense, liability or claim is a result of Mr Walters' wilful default, fraud or gross negligence. This indemnity is not capped.

Mr Walters is entitled to receive a cash sum equal to six months' fees in the event that the Company terminates his engagement without cause. Save as set out in this paragraph 9.1, Mr Walters shall not be entitled to receive any benefits from the Company either during the term of his appointment or on termination of such appointment.

9.1.2 Mr Walters has provided the Company with a consent letter dated 2 March 2016 pursuant to which he agrees to act as a director of the Company, with effect from and conditional upon, the passing of Resolution 4 at the General Meeting and Admission and in accordance with the terms of the Consultancy Agreement and subject to the New Articles.

9.2 ***Kam Shah***

On 2 March 2016 the Company entered into a service agreement, conditional upon and effective from, Admission with Kam Shah pursuant to which Mr Shah will be employed as Chief Financial Officer of the New Board on a full-time basis.

Under the terms of the agreement Mr Shah's gross annual salary will be US$100,000 per annum.

Mr Shah will be eligible to participate in the Company's discretionary annual bonus scheme in an amount to be determined by the Remuneration Committee at its absolute discretion.

Mr Shah will be employed by the Company on a permanent contract and his employment will continue for 12 months following Admission and thereafter until terminated by either party giving not less than 6 months' notice to the other:

In addition, the Company may terminate Mr Shah's employment without notice in certain circumstances. The agreement also contains garden leave provisions which can be utilised in event that Mr Shah's employment is terminated by the Company. The agreement contains confidentiality, non-competition and non-solicitation provisions effective for a period of 12 months following the termination.

Mr Shah is entitled to participate in the Company's permanent health insurance scheme, the life assurance scheme and the private medical expense insurance scheme under the terms of his service contract. In the event of termination of his employment, Mr Shah will lose the right to participate in and/or obtain benefits under any scheme which the Company operates from time to time.

Mr Shah has provided the Company with a consent letter dated 2 March 2016 pursuant to which he agrees to act as a director of the Company, with effect from and conditional upon the passing of Resolution 5 at the General Meeting and Admission and in accordance with the terms of his service agreement and subject to the New Articles.

Save as set out in paragraphs 9.1 and 9.2, no service agreement with any Director or Proposed Director has been entered into or amended by the Company in the six months preceding the date of this agreement.

9.3 ***Letters of Appointment***

Jim Mellon, Dr Greg Bailey, Richard Armstrong and Colin Weinberg have each entered into new letters of appointment with the Company dated 29 February 2016 pursuant to which they have agreed to continue to act as Non-executive Directors of the Company. The new letters of appointment are conditional upon Admission and supersede the existing arrangements.

They have each agreed to act for a period of up to three years from their respective appointment as Non-executive Directors subject to re-election by the Shareholders as required in the New Articles. The appointments can be terminated by the Company or by each individual prior to this time by provision of one month's prior written notice to the other party. The

Company is entitled to terminate each Non-executive Director's appointment immediately in certain specified circumstances. At the end of the initial term, the parties may agree by mutual consent (and subject to re-election requirements in the New Articles) to renew the appointment for a further term of up to three years.

Each Non-executive Director shall receive a fee of £10,000 gross per annum for his services to the Company as set out in the letters of appointment.

9.4 There are no arrangements under which any Director or Proposed Director has agreed to waive future emoluments nor have there been any waivers of such emoluments during the financial year immediately preceding the date of this document.

10. Additional information in relation to the Directors

10.1 The Directors and the Proposed Directors (in addition to their directorships of the Company) are or have been a member of the administrative, management or supervisory bodies, or directors or partners of the following companies or partnerships, within the five years immediately prior to the publication of this document:

Name	*Current directorships and partnerships*	*Previous directorships and partnerships*
Richard Armstrong	Blenheim Wind (UK) Limited Petrocapital Resources Limited (formerly Petrocapital Resources plc)	Bass Energy Pty Limited Blenheim Energy Limited Blenheim Wind and Biomass Limited CityPoint Investments plc (formerly Bella Media plc) Devonshire Wind Projects Ltd IGas Energy plc Pires Investments plc Xchange House plc (dissolved)

Richard Armstrong resigned as a director of Bass Energy Pty Ltd in January 2012. The company was placed into liquidation on 13 December 2012.

Name	*Current directorships and partnerships*	*Previous directorships and partnerships*
Colin Weinberg	Associated British Engineering PLC Akoris Trading Limited Beech House Property Services Ltd British Polar Energy Limited British Polar Engines Limited Helen Street Engineering Limited	Aspley Investments Limited Denby Investment (UK) Limited Hirst & Mallinson Limited Kennedy Ventures plc Zander Group Limited
Jim Mellon	Biggene Limited Big Group Limited Binary (IOM) Limited Burnbrae Charlottenburg GmbH Burnbrae Commercial GmbH Burnbrae Friedrichstein GmbH Burnbrae Germany East GmbH Burnbrae Germany GmbH Burnbrae Germany North GmbH Burnbrae Germany South GmbH Burnbrae Germany West GmbH Burnbrae Group Limited Burnbrae Kreutzberg GmbH Burnbrae Limited Burnbrae Lutzowstrasse GmbH Burnbrae Mitte GmbH Burnbrae Prinzlauer Berg GmbH Burnbrae Residential GmbH Burnbrae Sachsen GmbH Burnbrae Schonefeld GmbH Burnbrae Spandau GmbH Burnbrae Tempelhof GmbH Burnbrae Tiergarten GmbH	Brazilian Gold Corporation Cytox Limited Miraculins Inc Summit Therapeutics plc

Name	*Current directorships and partnerships*	*Previous directorships and partnerships*
	Burnbrae Wedding GmbH	
	Burnbrae Wilmersdorf GmbH	
	Charlemagne Capital (IOM) Limited	
	Charlemagne Capital Limited	
	Clean Air Capital Limited	
	Condor Gold plc	
	Eidyn Trading Limited	
	Extreme Opportunities Limited	
	FastForward Innovations Limited	
	Ferrum Limited	
	Fixed-Odds Capital (Cook Islands) Ltd	
	Fruitful Publications Limited	
	Genseq Limited	
	Global Glory Investment Limited	
	IC Technology (UK) Limited	
	J2 Music Limited	
	Life Science Developments Limited	
	Mann Bioinvest (BVI) Limited	
	Mann Bioinvest Limited	
	Mann Bio Pathfinder IC	
	Mann Bio Pathfinder Limited	
	Manx Financial Group plc	
	Mediqventures Limited	
	Microcap Partners Limited	
	Plethora Solutions Holdings plc	
	Podenco Global Limited	
	Port Erin Biopharma Investments Limited	
	Portage Biotech Inc.	
	Regent Corporate Finance Limited	
	Regent Fund Management (Asia) Limited	
	Regent Fund Management Limited	
	Regent Metals Holdings Ltd	
	Regent Pacific Group Limited	
	Rivington Street Holdings plc	
	SalvaRx Limited	
	Shaanxi Red Dragon Resources Ltd	
	Shellbay Investments Limited	
	Sleepwell Hotels (UK) Limited	
	Sleepwell Hotels Limited	
	Speymill Deutsch lmmobilien plc	
	Speymill plc	
	Titec (BVI) Limited	
	West African Minerals Corporation	
	WillandJim Limited	

The Company has been informed by Jim Mellon that there is an arrest warrant in his name which was originally issued by the South Korean prosecutor's office on 19 December 2000 and subsequently reissued on 14 January 2004. The warrant was due to remain valid and effective until 12 March 2010. The arrest warrant pertains to Jim Mellon's alleged involvement in a conspiracy with Seung-Hyun Jin ("Mr Jin") and Chang-Kon Koh to manipulate the share price of Regent Securities Co., Ltd ("Regent") and a failure to make adequate investigations in connection with the provision of certain loans by one of Regent's subsidiaries to Mr Jin. Jim Mellon has informed the Company that he denies that these allegations have any substance.

On 3 September 2015, Speymill plc, a company of which Jim Mellon was a director at the time, entered into a voluntary liquidation. The creditors are owed approximately £4.3 million, of which Jim Mellon and his interests are owed £3.9 million.

On 29 January 2014, Rivington Street Holdings plc, a company of which Jim Mellon was a director at the time, entered into a voluntary liquidation. The creditors are owed approximately £4 million, of which Jim Mellon and his interests are owed £3.8 million.

On 3 January 2008, Bigsave Holdings plc, a company of which Jim Mellon was a director, entered into a voluntary liquidation. There were no unsatisfied creditors.

On 9 December 2005 Undervalued Assets Fund – Series One, a company of which Jim Mellon was a director, entered into a voluntary liquidation. There were no unsatisfied creditors.

On 8 April 2003, Regent Pacific Fund, a company of which Jim Mellon was a director, entered into a voluntary liquidation. There were no unsatisfied creditors.

Asian Opportunity Fund 1998 – Series I commenced voluntary liquidation on 5 February 2008 pursuant to its Articles and Association. Jim Mellon was a director within the 12 month periods preceding such date. There were no unsatisfied creditors.

Jim Mellon was a director of Regent Global Fund and Undervalued Assets Greater China Fund Series III, both of which went into voluntary liquidation. These two funds were liquidated with the consent of shareholders as the directors recommended that, due to a decline in the size of the funds, they were uneconomic. There were no unsatisfied creditors.

Name	*Current directorships and partnerships*	*Previous directorships and partnerships*
Dr Greg Bailey	1783485 Ontario Inc. Biohaven Pharmaceutical Holding Company Limited Culminat Capital Inc. Duramedia Inc. iWin Inc. Mediqventures Limited Palantir Group, Inc. Plethora Solutions Holdings plc Portage Biotech Inc. Portage Pharmaceuticals Limited SalvaRx Limited Topix Inc. Topix Pharma Inc.	Medivation Inc. Prism Technologies LLC SecureAxcess Trojan Technologies USA, LLC Trojantec Technologies
Ian Walters	IOX Therapeutics Limited Value Driven Drug Development Solutions LLC	
Kam Shah	Biohaven Pharmaceutical Holding Company Limited Portage Biotech Inc (formerly Bontam Corporation Inc.) Portage Pharmaceuticals Limited Skingen International Inc.	ZD Ventures Corporation

10.2 Save as disclosed, none of the Directors or the Proposed Directors:

10.2.1 is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership within the five years immediately preceding the date of this document;

10.2.2 has any unspent convictions for any indictable offences;

10.2.3 has been declared bankrupt or has entered into an individual voluntary arrangement;

10.2.4 was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;

10.2.5 was a partner in a partnership at the time of or within the 12 months preceding any compulsory liquidation, administration, or voluntary arrangement or that partnership;

10.2.6 has had any asset which has been subject to a receivership or was a partner at the time of or within the 12 months preceding any asset of the partnership being subject to a receivership; or

10.2.7 has been the subject of any public criticism by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

11. Material Contracts

Set out below is a summary of: (i) each material contract entered into by any member of the Enlarged Group other than those entered into in the ordinary course of business to which the Company or any other member of the Enlarged Group is a party within the two years immediately preceding the date of this document; (ii) all material subsisting agreements which are included within or which relate to the assets and liabilities of the Company and/or the Enlarged Group; and (iii) each material contract entered into by any member of the Concert Party other than those entered into in the ordinary course of business to which the Concert Party is a party within the two years immediately preceding the date of this document.

The Company

11.1 ***Acquisition Agreement***

On 2 March 2016, the Company entered into the Acquisition Agreement with Jim Mellon and Dr Greg Bailey pursuant to which the Company agreed to purchase the issued share capital of SalvaRx not already owned by the Company in consideration of issuing to Jim Mellon and Dr Greg Bailey (as the Vendors) the Consideration Shares. Completion of the Acquisition is conditional, *inter alia*, on:

11.1.1 the Panel granting the Rule 9 Waiver;

11.1.2 the Placing having been completed (subject only to Admission) at a price per Placing Share not less than a minimum price agreed between the parties;

11.1.3 Admission occuring; and

11.1.4 each of the Vendors entering into a lock in and orderly marketing agreement (as further described in paragraph 11.4 of this Part VIII).

The Acquisition Agreement contains customary representations and warranties granted by the Company to the Vendors and the Vendors to the Company, which are subject to customary limitation provisions. The warranties and representations given by the Vendors to the Company cover, *inter alia*, power and capacity to sell the shares in SalvaRx, good standing of SalvaRx and iOx, assets, financial matters, intellectual property, litigation, employees, material contracts and property.

The Vendors' aggregate liability under the Acquisition Agreement is limited to £2,500,000 while the Company's liability is limited to £1,600,000 save, in each case, for liability caused by fraudulent behaviour. Neither the Company nor the Vendors will be liable for a claim for breach of representation or warranty unless the claim (together with related claims) exceeds £25,000 in value and the value of all claims exceeds £100,000, in which case the party making the claim can recover the whole amount claimed and not just amounts over £100,000. Claims for breach of warranty brought by either the Vendors or the Company must be notified within specified timeframes or the claim is invalid.

The Company and the Vendors covenant in favour of one another regarding the operation of the Company's business and SalvaRx's business respectively in the period between the date of the Acquisition Agreement and Completion. In the event that either party breaches these covenents prior to Completion in a material manner, the non-breaching party is entitled to terminate the Acquisition Agreement by notice to the party in breach, subject in each case to a cure period.

The Acquisition Agreement is governed by the laws of England and Wales.

11.2 ***Placing Agreement***

On 2 March 2016, the Company entered into the Placing Agreement with Northland Capital and the Directors and Proposed Directors pursuant to which Northland Capital has agreed to use its reasonable endeavours to procure Placees for the Placing Shares at the Placing Price pursuant to the Placing. The Placing is not underwritten by Northland Capital. The Placing Agreement is conditional, *inter alia*, on:

11.2.1 the satisfaction, or waiver by the relevant parties, in full of every condition in the Acquisition Agreement;

11.2.2 the delivery of certain documentation in connection with the Placing and Admission on or before the date of execution of the Placing Agreement;

11.2.3 the warranty certificate having been duly executed and delivered to Northland Capital on the day immediately prior to the date of Admission confirming that each of the warranties set out in the Placing Agreement is true and accurate as at the date of the Placing Agreement and there being no further breach of any of the warranties prior to the date of Admission;

11.2.4 an announcement regarding, among other matters, details of the Acquisition and Placing having been released in accordance with AIM Rule 2 (the "Announcement"); and

11.2.5 Admission taking place on or before 8 April 2016 or such later date as the Company and Northland Capital may agree.

The Placing Agreement contains customary warranties and undertakings given by the Company, the Directors and the Proposed Directors to Northland Capital regarding the accuracy of the information contained in this document and other matters relating to, *inter alia*, the Placing Shares, the Acquisition, the Placing, the Company and SalvaRx. In addition, the Company has given an indemnity to Northland Capital in respect of certain customary matters.

The Placing Agreement contains provisions enabling parties to subscribe for New Ordinary Shares in the Company by way of a subscription letter to be entered into by the Company and the relevant subscriber. The subscription price per New Ordinary Share is 35.5 pence.

Northland Capital is entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission including, *inter alia*:

11.2.6 if any statement contained in the Announcement has, in the opinion of Northland Capital been discovered to be untrue, incorrect or misleading in any respect which it considers, acting reasonably, to be material in the context of the Placing and/or Admission;

11.2.7 there has, in the opinion of Northland Capital, been a breach of any of the warranties or any other obligations on the part of the Company under the Placing Agreement which it considers, acting reasonably, is material in the context of the Placing and/or Admission; or

11.2.8 if any of the conditions to the Placing Agreement become incapable of fulfilment before 8 April 2016 and have not been waived as provided by the relevant party.

In consideration of its services in connection with the Placing, the Company has agreed to pay to Northland Capital commission on the value of the Placing Shares, a corporate finance fee, an option over 182,333 New Ordinary Shares (as detailed at paragraph 4.12 of this Part VIII and certain costs and expenses (together with any related VAT) of, or incidental to, the Placing and Admission, including the costs of the costs of Marriott Harrison LLP as solicitors to Northland Capital.

The Company's liability under the Placing Agreement is unlimited. The Directors' and the Proposed Directors' respective liability in respect of the warranties is capped at specific amounts and limited to claims made within a specific time.

The Placing Agreement is governed by the laws of England and Wales.

11.3 ***Relationship Agreement***

Each of Jim Mellon, Dr Greg Bailey, Port Erin Biopharma Investments Limited and Galloway Limited (each a "**Significant Holder**") has entered into a relationship agreement with the Company and Northland Capital dated 2 March 2016.

The Relationship Agreement is effective until the earlier to occur of (i) the Company ceasing to be admitted to trading on AIM or another recognised stock exchange; and (ii) the Significant Holders (and persons connected to them) ceasing to hold for a period of at least 90 continuous days at least 30 per cent. of the New Ordinary Shares and prohibits the Significant Holders, *inter alia*, from:

11.3.1 directly or indirectly acquiring any interests in shares (including options and other securities convertible into New Ordinary Shares) which would result in less than 10 per cent. of the Company's shares being in public hands;

11.3.2 interfering or taking any action which might prevent the independent functioning of the Board;

11.3.3 entering into any transactions with the Company other than on third party arm's length terms; and

11.3.4 exercising the voting rights attaching to their New Ordinary Shares or, where applicable, voting at any meeting of the New Board, in respect of any decision by the Company to enforce its rights under the Relationship Agreement or the Acquisition Agreement.

The Relationship Agreement also provides that each Significant Holder will vote in favour of any resolution for the routine reappointment of any independent director and to procure (so far as they are able) that with effect from six months following Admission the composition of the Board includes at least two independent directors who are appointed to each of the audit, remuneration and nomination committees.

In addition to the above, Jim Mellon and Dr Greg Bailey have provided an undertaking to the Company, effective for a period of one year following Admission, to use all reasonable endeavours to notify the independent directors to the extent they are aware of an opportunity to invest in or acquire a company or asset involved in the development of antibodies and other compounds applicable to immunotherapy treatments in the oncology sector (in circumstances that would result in the Company holding more than 20 per cent. of the issued share capital of the target company or asset). Where the opportunity is capable of exploitation equally by the Significant Holders, the Company is granted a right of first refusal in respect thereof. The Company will be deemed to have declined the opportunity if it does not notify Jim Mellon and Dr Greg Bailey of its interest within six weeks of first being notified.

The Relationship Agreement is governed by the law of England and Wales.

11.4 ***Lock-In and Orderly Market Agreements***

The Company has agreed with Northland Capital that the Directors, the Proposed Directors, their respective related parties (in accordance with Rule 7 of the AIM Rules) and the additional parties set out below (to the extent not already mentioned) will be subject to lock-in and/or orderly market agreements ("**Lock-In and Orderly Market Agreements**"):

11.4.1 Port Erin Biopharma Investments Limited;

11.4.2 Galloway Limited;

11.4.3 Value Driven Drug Development Solutions LLC; and

11.4.4 RA Kramer Consulting LLC.

Under the Lock-In and Orderly Market Agreements dated 2 March 2016 and which are conditional upon Admission, the Directors, the Proposed Directors, and the persons listed above (each a "**Locked-In Person**"), have undertaken to the Company and Northland Capital, subject to certain exceptions:

11.4.5 not to dispose of (and, save in respect of Port Erin Biopharma Investments Limited and Galloway Limited, to procure that any associate of such person (as defined in the definition of "related party" in the AIM Rules) does not dispose of) any New Ordinary Shares for a period of 12 months from the date of Admission (the "**Lock-In Period**"); and

11.4.6 for a further 12 month period commencing at the end of the Lock-In Period, only to dispose of (and, save in respect of Port Erin Biopharma Investments Limited and Galloway Limited, to procure that any associate of such person (as defined in the definition of "related party" in the AIM Rules) shall only dispose of) New Ordinary Shares having obtained prior written consent from Northland Capital (or its successor as

nominated adviser), which must not be unreasonably withheld or delayed, and to dispose of the New Ordinary Shares through Northland Capital (or the Company's broker at the relevant time) in such manner as Northland Capital may require in order to maintain and orderly market in the New Ordinary Shares provided that the terms offered by Northland Capital are similar to terms offered generally by brokers in the market.

Each Locked-In Person shall provide customary representations, warranties and undertakings in favour of the Company and Northland Capital, including an acknowledgement that if he breaches the agreement, he may be required, within 24 hours of receiving notice from the Company and Northland Capital, to use best endeavours to purchase a number of New Ordinary Shares equal to the number of New Ordinary Shares disposed of in breach of the agreement.

The agreements are governed by the laws of England and Wales and the exclusive jurisdiction of the English courts.

11.5 ***Nominated adviser and broker agreement***

The Company entered into a nominated adviser agreement on 2 March 2016 with Northland Capital, pursuant to which Northland Capital agreed to act as nominated adviser and broker to the Company (the "**Nomad Agreement**"). The Nomad Agreement contains certain undertakings and indemnities given by the Company to Northland Capital. The appointment of Northland Capital as nominated adviser and broker can be terminated by either party giving three months' written notice. The Nomad Agreement is governed by the laws of England and Wales.

SalvaRx Limited

11.6 ***iOx Investment Agreement dated 1 July 2015***

By an agreement dated 1 July 2015 between the University of Oxford, ISIS, the Ludwig Institute, SalvaRx, iOx, and Professor Cerundolo, SalvaRx subscribed for preferred shares in iOx (the "**Subscription Shares**").

As at the date of this document, the Subscription Shares represent 60.49 per cent. of issued shares of iOx. Under the terms of the iOx Investment Agreement, the board of directors of iOx can grant options over shares of up to 12.5 per cent. of the fully diluted share capital of iOx.

At the date of this document, share options representing 2.6 per cent. of the diluted share capital of iOx have been granted by iOx. On a fully diluted basis (if all share options and/or warrants are allocated and granted and vest), the Subscription Shares would comprise 52.9 per cent. of the enlarged issued share capital of iOx.

The Subscription Shares have certain rights and are subject to certain restrictions, including those set out below. Pursuant to the iOx Investment Agreement, SalvaRx has agreed pay to iOx the total subscription price upon iOx's satisfaction of the following milestones:

11.6.1 signature of the agreement – £510,000;

11.6.2 receipt of active pharmaceutical ingredient manufactured to GMP by a contract research manufacturer (CRM) – £430,000;

11.6.3 initiation of GLP toxicology studies by a contract research organisation – £515,000;

11.6.4 initiation of GMP manufacture of clinical grade, formulated active pharmaceutical ingredient by a CRM – £305,000; and

11.6.5 filing of Clinical Trial Authorisation at the UK Medicines & Healthcare products Regulatory Agency – £77,560.

Accordingly, payments to date by SalvaRx to iOx total £510,000, with a balance due of £1,327,560 subject to the satisfaction of the relevant milestones.

iOx is subject to certain restrictions and has given undertakings not to carry out certain actions without the consent of shareholders including (but not limited to):

11.6.6 issuing shares;

11.6.7 changing the company's articles;

11.6.8 appointing any further directors to the board;

11.6.9 acquiring any asset with a purchase cost in excess of £50,000;

11.6.10 entering into, varying, or terminating employment of any executive receiving total remuneration in excess of £50,000 or any director of iOx;

11.6.11 creating or issuing any debenture, mortgage, charge, or other security over its assets; or

11.6.12 making any loans (other than credit given in the normal course of trading not exceeding £10,000).

Under the iOx Investment Agreement, for such time as SalvaRx holds not less than ten per cent. (10 per cent.) of the issued shares in iOx, or for the period of three years from the date of the agreement, it is entitled to appoint two directors to the board of iOx. The University of Oxford, the Ludwig Institute and Vincenzo Cerundolo, acting together, are also entitled between them to appoint two directors to the board of iOx at any time on the same conditions.

The iOx Investment Agreement contains customary warranties (from iOx and Professor Cerundolo) regarding iOx, its intellectual property and the intellectual property licenced to it. The rights of iOx under the Licence Agreement (summarised in paragraph 11.10, below) are summarised in the iOx Investment Agreement.

The iOx Investment Agreement is governed by the laws of England and Wales.

11.7 ***SalvaRx Consulting Services Agreement dated 1 July 2015***

On 1 July 2015, SalvaRx entered an agreement with iOx for the provision of consulting services. Pursuant to this agreement, SalvaRx agreed to provide the services of Dr. Ian Walters as Chief Executive Officer, and Dr. Robert Kramer as Chief Scientific Officer.

SalvaRx is to provide iOx with management and guidance on drug development, and executive, professional and back-office business management support on the terms summarised below:

(a) the agreement is for a fixed period which started on 1 July 2015 and terminates on 30 April 2017;

(b) the agreement can be terminated earlier by iOx due to various actions by SalvaRx or its key personnel; and

(c) iOx is to pay SalvaRx in advance (not later than the first of each month) a consultancy fee (exclusive of any applicable VAT) of US$13,750 per month (or *pro rata* thereof).

The SalvaRx consulting services agreement is governed by the laws of England and Wales.

11.8 ***Mediqventures Advisory Services Agreement dated 25 November 2015***

On 25 November 2015, SalvaRx entered an agreement with Mediqventures for the provision of advisory services on a non-exclusive basis.

Under the agreement, Mediqventures has agreed to provide services, which include: providing introductions to companies with novel therapeutic assets that may be of interest to SalvaRx, assisting with the due diligence process, assisting and advising with the raising of capital over a twelve month period, arranging meetings, and assisting in the negotiation of agreements.

The term of the agreement is twelve months. Mediqventures is being paid a monthly retainer of £5,000, payable once SalvaRx has raised £2,000,000 of equity capital. In addition, if a transaction or strategic alliance introduced by Mediqventures occurs during the term of the agreement, or if SalvaRx proceeds with a transaction twelve months after an introduction had been made by Mediqventures, Mediqventures will receive a fee equal to five per cent. of the gross transaction value payable in shares of SalvaRx, or an option over equity equal to ten per cent. of the deal value (in each case, issued at the higher of the implied price (or with an exercise price equal to the implied price) of the SalvaRx shares in the transaction or the volume weighted average price for the shares) exercisable for a period of three years.

Mediqventures is a company owned equally by Dr Greg Bailey, Declan Doogan and Mann Bio Holdings Limited. Mann Bio Holdings Limited is 90 per cent. owned by Galloway Limited, a company owned by a trust of which Jim Mellon is a life tenant. The agreement is governed by the laws of England and Wales.

iOx

11.9 ***Clinical Trials Sponsorship Agreement dated 1 July 2015***

The agreement is made between the University of Oxford and iOx.

Two cell agonists, IMM47 and IMM60, were assigned from the University of Oxford to the Ludwig Institute with effect from 3 December 2014. The Ludwig Institute has licenced the intellectual property rights underpinning IMM47 and IMM60 to iOx for commercial development and exploitation (including use in clinical studies) under terms of the licence agreement dated 1 July 2015 (summarised at paragraph 11.10, below).

Pursuant to the agreement, the University of Oxford will sponsor and fund or arrange funding for a clinical trial in relation to IMM47 or IMM60.

Following completion of the clinical trial, and in the event iOx wishes to use the data and results from the clinical trial to commercialise IMM47 or IMM60, or any intellectual property rights arising from and directly from the development of IMM47 or IMM60, royalties will be payable to the University of Oxford. The royalties are based solely on cumulative net sales of IMM47 or IMM60, or any intellectual property rights arising from and directly from the development of IMM47 or IMM60, and are payable at a low single-digit rate.

The clinical trials sponsorship agreement is governed by the laws of England and Wales.

11.10 ***Licence Agreement dated 1 July 2015***

On 1 July 2015, iOx obtained a licence from the Ludwig Institute to research, develop and commercialise iNKT cell agonists for the treatment of human disease, including various forms of cancer, under the Ludwig Institute's intellectual property rights and know-how. iOx intends to develop and commercialise, for the public benefit, the products created arising out of the iNKT cell agonist technologies which are developed in the course of the research collaboration.

An annual, non-refundable, non-creditable licence fee of £15,000 is payable by iOx to the Ludwig Institute until royalties are paid to the Ludwig Institute. iOx is also required to pay an annual, non-refundable patent reimbursement fee of £15,000 to the Ludwig Institute until certain patent costs incurred by the Ludwig Institute are reimbursed.

Various milestone payments are payable by iOx to the Ludwig Institute under the Licence Agreement, the first of which is triggered when the lead product enters phase III trials, and subsequent payments are due when iOx receives marketing approval and on various sales milestones.

Single-figure royalties are also payable by iOx to the Ludwig Institute based on annual net sales worldwide.

The Licence Agreement is governed by the laws of England and Wales.

11.11 ***ISIS Consultancy Agreement dated 1 July 2015***

On 1 July 2015, ISIS entered in to an agreement with iOx for the provision of consultancy services, pursuant to which ISIS will provide the consultancy services (limited to advice and exchange of ideas) of Professor Cerundolo to iOx for a fixed period of six months at a fixed price of £8,000 (exclusive of VAT and expenses) per calendar quarter.

The Concert Party

Save for the Relationship Agreement summarized at paragraph 11.3 above, there are no material contracts relating to any corporate entity within the Concert Party entered into outside of the ordinary course of business within the two years immediately preceding the date of this document.

12. United Kingdom Taxation

12.1 ***General***

12.1.1 The following paragraphs are intended as a general guide only about the UK tax position of Shareholders who are resident and domiciled in the UK and are holding shares as an investment. They do not consider the implications for Shareholders who acquire any shares or rights over shares in connection with any office or employment. Furthermore, the position of certain Shareholders who are subject to special rules, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes, is not considered in this section. The paragraphs below are based on current UK legislation and HMRC practice (which may be subject to change and, in the case of HMRC practice, may not be binding on HMRC)..

12.1.2 Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from, UK taxation may change and may have an impact on any investment in the Company.

12.1.3 Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK should consult their own professional adviser.

12.1.4 The information in these paragraphs is intended as a general summary of the UK tax position (without aiming for completeness) and should not be construed as constituting advice.

12.2 ***Taxation of dividends***

12.2.1 Under current UK legislation, no UK tax is required to be withheld from dividend payments by the Company.

12.2.2 A UK tax resident individual Shareholder will be entitled to a tax credit in respect of any dividend received from the Company and will be liable to income tax on the aggregate of the dividend and the tax credit (the "gross dividend"). The value of the tax credit is one ninth of the dividend received (or ten per cent. of the gross dividend). Dividend income from the Company will be treated as forming the highest part of an individual Shareholder's income.

12.2.3 The income tax rate applied to dividends for individual Shareholders subject to the starting or basic rate tax-payers is 10 per cent. Therefore, the tax credit an individual Shareholder is entitled to will fully settle their tax liability on such dividends, without further tax arising.

12.2.4 For individual Shareholders subject to the higher rate of income tax, such dividends will be subject to a tax rate of 32.5 per cent. on the gross dividend. After taking into account the 10 per cent. tax credit, such Shareholders will effectively be taxed at an additional rate of 25 per cent. on the dividend received.

12.2.5 For individual Shareholders subject to the additional rate of income tax, such dividends will be subject to a tax rate of 37.5 per cent. on the gross dividend. After taking into account the 10 per cent. tax credit, such Shareholders will effectively be taxed at additional rate of 30.6 per cent. on the dividend received.

12.2.6 In July 2015, the UK Government announced a proposal to reform the taxation of dividends for UK resident individuals: the tax credit which would otherwise attach to dividends paid by the Company would be replaced by a dividend allowance from 6 April 2016. The current proposal is that there would be no income tax payable in respect of the first £5,000 of cash dividend income received (although such income would still counts towards the basic, higher and additional rate thresholds). For dividends received above £5,000, the cash dividend received would be taxable at 7.5 per cent, 32.5 per cent. and 38.1 per cent. for basic rate, higher rate and additional rate taxpayers, respectively. UK resident Shareholders should therefore seek the appropriate advice on how such proposed changes may impact their tax affairs.

12.2.7 A UK tax resident corporate holder of New Ordinary Shares which receives a dividend paid by the Company will generally be subject to UK corporation tax in respect of that dividend, unless such dividend falls within the exemptions from UK corporation tax for distributions in Part 9A of the Corporation Tax Act 2009 (which are subject to certain exclusions and specific anti-avoidance rules). The rate of corporation tax for the financial year 1 April 2015 to 31 March 2016 is 20 per cent. and is due to fall to 19 per cent. on 1 April 2016 and 18 per cent. on 1 April 2020.

12.2.8 Trustees of discretionary trusts receiving dividends from New Ordinary Shares are also liable to account for income tax, generally at the rate 37.5 per cent. on the gross dividend, but subject to claiming relief for the tax credit of one ninth of the dividend received. Under the changes to taxing dividends announced in July 2015, it is expected that Trustees will be liable to account for income tax at the rate of 38.1 per cent. on the gross dividend, from 6 April 2016.

12.2.9 Whether a Shareholder who is not resident in the UK for tax purposes is entitled to a tax credit in respect of dividends paid by the Company or to claim payment of any part of the tax credit, will depend, in general, on the provisions of any double taxation

convention which exists between the Shareholder's country of residence and the UK. A non-UK tax resident Shareholder may also be subject to foreign taxation on dividend income.

12.2.10 UK tax resident Shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit, including pension funds, charities and certain individuals, are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HMRC.

12.2.11 Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed, and what tax may be payable in respect of a dividend received from the Company, in the jurisdiction in which they are resident.

12.3 ***Taxation of chargeable gains***

12.3.1 For the purpose of UK tax on chargeable gains, the acquisition of New Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company. The amount paid for the Ordinary Shares will usually constitute the base cost of a Shareholder's holding.

12.3.2 If a Shareholder disposes of all or some of his or her New Ordinary Shares, a liability to tax on chargeable gains may arise, depending on the Shareholder's circumstances and subject to any available exemptions and reliefs.

12.4 ***Individual Shareholders***

12.4.1 A disposal of all or part of an individual Shareholder's holding in New Ordinary Shares may be liable to capital gains tax. Such chargeable gains are computed by reference to the disposal proceeds (or deemed disposal proceeds), subject to deduction from the disposal proceeds (or deemed disposal proceeds) of the relevant New Ordinary Shares' base cost, incidental costs of acquisition and disposal, and subject to any available exemptions and reliefs. Subject to claiming any available reliefs, the current rates of capital gains tax are applied at 18 per cent. for starting and basic rate tax payers and 28 per cent. for individuals subject to the higher and additional income tax rates.

12.4.2 In addition, an individual UK Shareholder who ceases to be a tax resident in the UK for a period of less than five complete years and who during that period of temporary non-residence disposes of any New Ordinary Shares held prior to such period may, under anti-avoidance legislation, be liable to capital gains tax on his or her return to the UK.

12.4.3 Shareholders who are not resident in the UK (or temporarily non-resident – see above) and do not carry on a trade, profession or vocation through a branch or agent in the UK with which the New Ordinary Shares are connected, will not normally be liable to UK taxation on capital gains arising on the sale or other disposal of New Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

12.5 ***Corporate Shareholders***

12.5.1 A UK tax resident corporate Shareholder disposing of its New Ordinary Shares may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate in force at the time of disposal.

12.5.2 In computing the chargeable gain liable to corporation tax, the corporate Shareholder is generally entitled to deduct from the disposal proceeds the cost to it of the New Ordinary Shares as increased by an indexation allowance to adjust for inflation, together with incidental costs of acquisition and disposal costs.

12.5.3 The UK operates a substantial shareholding exemption regime which may apply to the disposal of New Ordinary Shares by corporate Shareholders subject to certain conditions being met.

12.6 ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

12.6.1 No stamp duty or SDRT will generally be payable on the issue of the Placing Shares or the Consideration Shares.

12.6.2 Neither UK stamp duty nor SDRT should arise on transfers of New Ordinary Shares on AIM (including instruments transferring New Ordinary Shares and agreements to transfer New Ordinary Shares) based on the following assumptions:

12.6.2.1 the New Ordinary Shares are admitted to trading on AIM, but are not listed on any market (with the term "listed" being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and

12.6.2.2 AIM continues to be accepted as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986).

12.6.3 In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of New Ordinary Shares in certain circumstances.

12.6.4 The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

13. Isle of Man Taxation

13.1 ***Tax residence in the Isle of Man***

The Company is resident for taxation purposes in the Isle of Man by virtue of being incorporated in the Isle of Man

13.2 ***Capital taxes in the Isle of Man***

The Isle of Man has a regime for the taxation of income, but there are no capital duty, stamp taxes or inheritance taxes in the Isle of Man. No Isle of Man stamp duty or stamp duty reserve tax will be payable on the issue or transfer of, or any other dealing in, New Ordinary Shares.

13.3 ***Zero rate of corporate income tax in the Isle of Man***

The Isle of Man operates a zero rate of tax for most corporate taxpayers. This will include the Company. Under the regime, the Company will technically be subject to taxation on its income in the Isle of Man, but the rate of tax will be zero; there will be no withholding to be made by the Company on account of Isle of Man tax in respect of dividends paid by the Company.

The Company will be required to pay an annual corporation charge in the Isle of Man. The current level of the corporate charge is £380 per annum.

13.4 ***Deductions in respect of Isle of Man employees***

The application of the zero rate of corporate income tax described above does not affect the liability of a company to deduct and account for income tax under the Isle of Man Income Tax (Instalment Payments) Act 1974 of national insurance contributions, if applicable, although this is not expected to be relevant to the Company as it does not have, nor does it currently intend to engage, any Isle of Man employees.

13.5 ***Isle of Man probate***

In the event of the death of a sole holder of New Ordinary Shares, an Isle of Man grant of probate or administration may be required, in respect of which certain fees will be payable to the Isle of Man government

14. No Governmental, Legal or Arbitration Proceedings

No member of the Enlarged Group has engaged in, nor is currently engaged in any governmental, legal or arbitration proceedings which may have had during the 12 months preceding the date of this document a significant effect on its financial position nor, to the best of the knowledge of the Directors and Proposed Directors, are any such proceedings pending or threatened against any member of the Enlarged Group.

15. Sufficient Working Capital

The Directors and the Proposed Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company and the Enlarged Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

16. Accounting Matters

16.1 RSM UK Audit LLP, whose registered office is at 2 Whitehall Quay, Leeds LS1 4MG, are the auditors of the Company and have audited the financial statements of the Group for each of the financial years covered by the historical financial information incorporated by reference as detailed in Part V of this document.

16.2 The accounting reference date of the Company is 31 December in each year. The current accounting reference period of the Company ended on 31 December 2015.

17. Related Party Transactions

17.1 With the exception of (i) the Subscription Letter dated 30 September 2015 between the Company and SalvaRx, a company owned by Jim Mellon and Dr Greg Bailey pursuant to which the Company made an initial investment in SalvaRx, and (ii) the Acquisition Agreement, neither the Company nor its subsidiary (up until the date of its cancellation on 19 January 2016) are, nor have they been, party to any transactions with related parties which were material to the Company or its subsidiary (up until the date of its cancellation on 19 January 2016) during the financial periods ended 30 June 2015 and up to the date of this document.

17.2 With the exception of (i) the iOx Investment Agreement dated 1 July 2015 between, *inter alia*, SalvaRx and iOx and (ii) the SalvaRx Consulting Services Agreement dated 1 July 2015 between SalvaRx and iOx (both as summarised above), iOx is not, nor has it been, party to any related party transactions which were material to iOx during the financial period ended 31 December 2014 or between that date and the date of this document.

17.3 With the exception of the Mediqventures Advisory Services Agreement dated 25 November 2015 (as summarised above), SalvaRx is not, nor has it been, party to any related party transactions which were material to SalvaRx during the financial period ended 30 September 2015 or between that date and the date of this document.

18. General

18.1 Save as disclosed in this document, no person (excluding professional advisers and trade suppliers) has: (a) received directly or indirectly from the Company or any member of the Group within the 12 months preceding the date of this document; or (b) entered into contractual arrangements to receive, directly or indirectly, from the Company or any member of the Group on or after Admission any of the following:

18.1.1 fees totalling £10,000 or more;

18.1.2 securities in the Company having a value of £10,000 or more calculated by reference to the Placing Price; or

18.1.3 any other benefit to a value of £10,000 or more on the date of Admission.

18.2 No government or regulatory authority or similar body, has received payments aggregating over £10,000 with regard to the acquisition, or maintenance of, the Company's assets.

18.3 The total costs and expenses in relation to the Proposals (including registration and London Stock Exchange fees, printing, advertising and distribution costs, legal, accounting, corporate finance and public relations fees and expenses) are payable by the Company and are estimated to amount to approximately £0.59 million, excluding VAT.

18.4 The expected gross proceeds to be raised by the Placing are £1.95 million. The expected net proceeds, after deduction of estimated fees and expenses of the Placing not already paid by the Company at the date of this document, are £1.50 million.

18.5 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Company and the Group since 30 June 2015, the date to which the latest financial information incorporated by reference in Part V of this document has been prepared.

18.6 Save as disclosed in this document, there has been no significant change in the financial or trading position of SalvaRx since 30 September 2015, the date to which the financial information in Part VI of this document has been prepared.

18.7 Save as disclosed in this document, the Company does not have, nor are there in progress by the Company, any significant investments, and there are no future investments in respect of which the Enlarged Group has made firm commitments.

18.8 To the extent that information in this document is sourced from a third party, it has been accurately reproduced and, so far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

18.9 The Directors and the Proposed Directors are not aware of any arrangements in place under which future dividends are waived or agreed to be waived.

18.10 Save as disclosed in this document, there are no trademarks, patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business.

18.11 Save as disclosed in this document, the Company has not identified any specific environmental issues that may affect its utilisation of its tangible fixed assets.

18.12 No public takeover bids have been made by third parties in respect of the Company's issued share capital since incorporation.

18.13 Other than pursuant to the Acquisition, the Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.

19. Consents

19.1 Northland Capital has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

19.2 PharmaVentures Ltd has given and not withdrawn its written consent to the inclusion of its report in Part IV of this document in the form and context in which it appears.

19.3 RSM Corporate Finance LLP has given and not withdrawn its written consent to the inclusion of its report in Section A of Part VI of this document in the form and context in which it appears.

20. Documents available for inspection

Copies of the following documents will be available on the Company's website: www.3legsresources.com:

a. this document;

b. the memorandum and Articles;

c. the New Articles;

d. the memorandum and articles of association of SalvaRx;

e. the financial information on the Company referred to in Part V of this document;

f. the report from RSM Corporate Finance LLP on the financial information on SalvaRx in Part VI of this document;

g. the report from PharmaVentures set out in Part IV of this document;

h. the Directors' and Proposed Directors' consultancy agreements, service contracts and letters of appointment referred to in paragraph 9 of this Part VIII;

i. the written consents of Northland Capital and PharmaVentures referred to in paragraphs 19.1 and 19.2 of this Part VIII;

j. the material contracts referred to in paragraphs 11.1 to 11.4 (inclusive) of this Part VIII; and

k. the irrevocable undertakings referred to in paragraph 24 of Part I of this document.

Any Shareholder, person with information rights or other person to whom this document is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to the Company Secretary at the following address or telephone number:

- the Company's registered office as provided at page 13 of Part I;
- +44 (0) 1624 811 611.

All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two business days following such request.

Dated: 3 March 2016

PART IX

NOTICE OF EXTRAORDINARY GENERAL MEETING

3 LEGS RESOURCES PLC

(Incorporated and registered in the Isle of Man with company number 00258V)

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Company will be held at The Claremont Hotel, 18 – 22 Loch Promenade, Douglas IM1 2LX on 21 March 2016 at 11.00 a.m. to consider and, if thought fit, to pass the following resolutions, of which resolutions 1 to 5 (inclusive) will be proposed as ordinary resolutions (with resolution 2 being taken on a poll by Independent Shareholders) and resolutions 6 and 7 will be proposed as special resolutions:

ORDINARY RESOLUTIONS

1. THAT the proposed acquisition by the Company of the entire issued share capital of SalvaRx Limited (the ''Acquisition'') not already owned by the Company pursuant to and on the terms and subject to the conditions contained in an agreement dated 2 March 2016 made between the Company, as purchaser, and James Mellon and Dr Greg Bailey as sellers (the ''Acquisition Agreement'') as more particularly described in the admission document of the Company dated 3 March 2016 (the ''Admission Document'') be and is hereby approved with such revisions and amendments (including as to price) of a nonmaterial nature as may be approved by the directors of the Company (''Directors'') or any duly authorised committee thereof, and that all acts, agreements, arrangements and indemnities which the Directors or any such committee consider necessary or desirable for the purpose of or in connection with the Acquisition be and they are hereby approved.

2. THAT, subject to the passing of resolution 1, the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise for the Concert Party (as defined in the Admission Document) to make a general offer to shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the issue of the Consideration Shares to the Vendors (as defined in the Admission Document) pursuant to the Acquisition, the terms of which are set out in the Admission Document of which this notice forms part, be and is hereby approved.

3. THAT every 100 existing ordinary shares of 0.025p each in the capital of the Company be consolidated into one new ordinary share of 2.5p (the ''New Ordinary Shares'') and that all fractions of shares arising on the consolidation be aggregated into whole New Ordinary Shares and sold in the market for the benefit of the Company.

4. THAT, subject to and conditional upon the passing of resolutions 1 and 2 and Admission (as such term is defined in the Admission Document), Ian Walters be appointed as a Director of the Company with effect from Admission.

5. THAT, subject to and conditional upon the passing of resolutions 1 and 2 and Admission (as such term is defined in the Admission Document), Kamlesh Shah be appointed as a Director of the Company with effect from Admission.

SPECIAL RESOLUTIONS

6. THAT, subject to and conditional upon the passing of resolution 3 and Admission (as such term is defined in the Admission Document), the articles of association of the Company be altered by:

   (a) the deletion of the definition of ''Admission'' in article 2.1;

   (b) the deletion of the definition of ''Company'' in article 2.1 and substituting the following new definition therefor:

   ''***Company***'' the company registered under the Act with company number 000258V and called 3Legs Resources plc or such other name as may be approved, from time to time, by a resolution of the Board or the members of the Company (as appropriate);

(c) the deletion of the definition of ''employees' share scheme'' in article 2.1 and substituting the following new definition therefor:

''***employees' share scheme***'' a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of:

(a) the *bona fide* employees or former employees (including any such employees or former employees who are or were also directors) of the Company, the Company's subsidiaries or holding company or a subsidiary of the Company's holding company;

(b) the wives, husbands, widows, widowers or children or step-children under the age of 18 of such employees or former employees;

(c) the directors and *bona fide* consultants (or former directors and *bona fide* consultants) of the Company, the Company's subsidiaries or holding company or a subsidiary of the Company's holding company and the wives, husbands, widows, widowers or children or step-children under the age of 18 of such directors and *bona fide* consultants (or such former directors and *bona fide* consultants);

(d) the deletion of the definition of ''Ordinary Shares'' in article 2.1 and substituting the following new definition therefor:

''***Ordinary Shares***'' ordinary shares of 2.5 pence par value each in the capital of the Company;

(e) the deletion of article 4 and substituting the following new article therefor:

4. Share capital amount

Unless the Company shall by resolution otherwise direct, the amount of share capital of the Company available for issue is £2,000,000 divided into 80,000,000 Ordinary Shares.

(f) the deletion of article 5.4 and substituting the following new article therefor:

5.4 A reference in this Article 5 to the allotment of any shares includes the grant of a right to subscribe for, or to convert any securities into, shares but such reference does not include the allotment of any relevant shares pursuant to such a right.

(g) the insertion of the following new sentence at the end of Article 71.1:

In calculating the forty-eight or twenty-four hour periods referred to in this Article 71.1, no account is to be taken of any part of a day that is a Saturday, a Sunday or a public holiday in the Isle of Man or the United Kingdom.

7. THAT, subject to and conditional on the passing of resolutions 1 – 6, the Directors be authorised to allot New Ordinary Shares for cash as if the provisions of article 5.2 of the Company's articles of association did not apply, provided that this power shall be limited to:

(a) allotment of the Consideration Shares and the Placing Shares (as defined in the Admission Document); and

(b) otherwise than pursuant to paragraph (a) above, the allotment of New Ordinary Shares up to an aggregate par value of £227,916.37 (representing approximately 25 per cent of the Enlarged Share Capital (as defined in the Admission Document)),

such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) at the annual general meeting of the Company next following the passing of this resolution (except that the Directors may allot New Ordinary Shares pursuant to this authority in pursuance of an offer or agreement made prior to the annual general meeting of the Company next following the passing of this resolution and which requires New Ordinary Shares to be allotted after such meeting).

The authority granted pursuant to this resolution 7 is in substitution for all other previous authorities conferred on the Directors but without prejudice to any allotment of shares already made or offered or agreed to be made pursuant to such authorities.

By order of the Board

Richard Armstrong, Director

Registered Office:
Commerce House
1 Bowring Road
Ramsey
Isle of Man
IM8 2LQ

Notes:

1. A member who is entitled to attend, speak and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting.
2. Forms for the appointment of a proxy in respect of the meeting have been provided to members with this Notice of meeting (the "**Form of Proxy**"). To be valid, the Form of Proxy must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 48 hours prior to the time and date of the meeting.
3. Completion and return of the Form of Proxy does not preclude a member from attending the meeting and voting in person should they wish to do so.
4. The Company, pursuant to Regulation 22 of the Uncertificated Securities Regulations 2006 (Isle of Man), specifies that only those members registered in the register of members of the Company as at 6.00 p.m. on the date which is 48 hours prior to the time and date of the meeting (or in the event that the meeting is adjourned, at 6.00 p.m. on the date which is 48 hours before the adjourned meeting) shall be entitled to attend, speak or vote at the meeting in respect of the ordinary shares registered in their name at that time. Changes to entries on the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.
5. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a "**CREST proxy appointment instruction**") must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ("**Euroclear**"), and must contain all the relevant information required by the CREST Manual. To be valid, the message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Capita Asset Services (CREST participant ID RA10) by no later than 48 hours prior to the time and date of the meeting. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means.

   The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2006 of the Isle of Man or the CREST Manual, treat a CREST proxy appointment instruction as invalid.
6. Copies of the Directors' and Proposed Directors' consultancy agreements, service contracts and letters of appointment are available for inspection at the registered office of the Company during normal business hours on any business day and will be available for inspection at the place where the meeting is being held from at least 15 minutes prior to and during the meeting. A copy of the current articles of association is also available on the Company's website at www.3legsresources.com.