



ASX ANNOUNCEMENT
20 November 2017

2017 ANNUAL GENERAL MEETING

Sydney, Australia - QRxPharma Limited is conducting its 2017 Annual General Meeting today at the offices of History House, Level 1, 133 Macquarie St, Sydney, commencing at 10:00am (Sydney time). Please find below the address to be delivered by Mr Timothy Heesh, the Chairman of the Meeting.

Chairman's Address - Mr Timothy Heesh

Ladies and gentlemen,

As you may be aware certain former Directors of the Company (QRx) have been sued for damages in a Court class action brought by former and current shareholders. Whilst the company is not a party to the litigation it has been required to disclose to the litigants a great number of documents in its possession. This has involved time and expense and required the Company to maintain the office facility in North Sydney and to retain solicitors to advise on questions of privilege and disclosure of relevant documents and to keep Chubb Insurance informed at every stage of involvement. Chubb Insurance issued the Directors and Officers Insurance Policy which has been engaged by the defending Directors.

The Company has negotiated that Chubb meet most of the legal costs involved in complying with requirements for provision of documents to the litigating parties and asserting privilege claims as advised.

To date the Company has not been joined or threatened to be joined as a party in the class action, and it seems ever less likely that it will as time passes.

Former directors and agents of QRx are respondents to proceedings commenced in the Federal Court of Australia Proceeding in 2015 (Proceeding). Subject to the matters referred to below, QRx is not a party to the Proceeding.

Since 15 September 2017, the Applicant in the Proceedings has made applications seeking orders dealing with, amongst other things, the form of lists of documents provided on discovery by the Respondents (Application). The relevant lists include claims for legal professional privilege made on behalf of QRx. Because the Application concerns claims for privilege made on behalf of QRx, QRx was joined to the Application (but not the entire Proceedings) as a respondent on the basis that it be treated as a party to the Proceeding but only in respect of the Application and matters incidental thereto. QRx is to be treated as a party to the Proceeding but only in respect of that Application.

The Applications are ongoing and the Company is largely taking the position requested by Chubb.

The Company has reported a closing cash position of A\$531,000 at 30 September 2017 and the Board continues to closely monitor cash outflows.

The Company received a notice from the ASX advising that it may face automatic removal from the ASX Official List should the company remain continuously suspended on 22 May 2018. The Board will continue to evaluate potential opportunities that will assist the reinstatement of the Company's securities to official quotation on the Australian Securities Exchange (ASX).

I would like to thank our shareholders for their extended patience, commitment and support, which are greatly appreciated.

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Forward Looking Statements

This ASX announcement contains forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks and important factors that may cause actual results, performance or achievements of QRxPharma to be materially different from the statements in this announcement.