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If you have sold or otherwise transferred all of your shares in Salvarx Group plc, please pass this document, together with the accompanying Form of Proxy and Annual Report and Accounts, as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

SALVARX GROUP PLC

(incorporated and registered in the Isle of Man under the Companies Act 2006 of the Isle of Man with registered no. 000258V)

Notice of Annual General Meeting

Notice is given that the 2016 Annual General Meeting of Salvarx Group plc (the "Company") will be held at Claremont Hotel, Loch Promenade, Douglas, Isle of Man 1M1 2LX on 4 August 2016 at 1 p.m. to transact the business set out in the Notice which forms part of this document.

Letter from the Chairman of the Company

SALVARX GROUP PLC

(incorporated and registered in the Isle of Man under the Companies Act 2006 of the Isle of Man with registered no. 000258V)

Directors:

James Mellon (Non-Executive Chairman)
Colin Weinberg (Non-Executive Director)
Richard Armstrong (Non-Executive Director)
Dr. Greg Bailey (Non-Executive Director)
Dr. Ian Walters (Executive Director and CEO)
Kam Shah (Executive Director and CFO)

Registered Office:

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

29 June 2016

To the holders of ordinary shares in Salvarx Group plc (the "Company") and, for information purposes only, to the holders of options to subscribe for ordinary shares in the Company.

Dear Shareholder,

Annual General Meeting

I am writing to you with details of the Company's 2016 Annual General Meeting (the "**AGM**"), which will be held at **Claremont Hotel, Loch Promenade, Douglas, Isle of Man 1M1 2LX on 4 August 2016 at 1 p.m.**

Formal notice of the AGM (the "**Notice**") is enclosed with this letter. Also enclosed is a copy of the Company's Annual Report and Accounts for the year ended 31 December 2015 and a form of proxy (the "**Form of Proxy**").

The purpose of this letter is to provide Shareholders with some additional information with regard to the resolutions to be proposed at the AGM.

Resolution 1 - Receiving the financial statements and reports for 2015

Shareholders are being asked to receive the financial statements of the Company for the year ended 31 December 2015 (including the directors' and auditors' reports thereon), a copy of which is enclosed with this document.

Resolutions 2 and 3 - Re-election of directors retiring by rotation

In accordance with the Company's articles of association and corporate governance policy, one third of the directors are required to stand for re-election by rotation at every annual general meeting. On this occasion Richard Armstrong and Dr Gregory Bailey will retire by rotation, and each having consented to act, offer themselves for re-election.

Set out below is a biography for each of these directors.

Richard Armstrong

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, such as 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.

Dr Gregory Bailey

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 also founded several companies. Along with comprehensive experience in healthcare, finance and medicine Greg also brings to the board of directors 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.

Resolution 4 - Appointment of auditors and determination of their remuneration

The Company is required to appoint or re-appoint auditors at each general meeting at which financial statements are presented. It is proposed that RSM UK Audit LLP (previously known as Baker Tilly UK Audit LLP) be re-appointed as the Company's auditors, and that the Board is authorised to set their remuneration.

Resolution 5 - Disapplication of pre-emption rights

Article 5.2 of the Company's articles of association contains pre-emption rights that require all shares which it is proposed to allot for cash to be first offered to existing Shareholders in proportion to existing shareholdings, unless a special resolution is passed to dis-apply such rights. Such rights do not apply to an issue otherwise than for cash, such as an issue in consideration of an acquisition.

It is proposed that the directors be authorised to allot for cash, on a non-pre-emptive basis, ordinary shares in the capital of the Company for an aggregate par value of up to £227,000, as if the pre-emption rights of the Shareholders contained in article 5.2 of the Company's articles of association did not apply to such allotment(s), such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in a general meeting) at the conclusion of the next annual general meeting of the Company. The purpose of this special resolution is to give the Directors the flexibility to take advantage of specific investment opportunities as they arise, without the need to revert to Shareholders for further approval.

Resolution 6 - Cancellation of Share Premium account balance

The Board believes it is an appropriate time to carry out a rationalisation of the Company's balance sheet. Accordingly, approval is being sought to the cancellation of the whole of the amount standing to the credit of the Company's share premium account which will entirely eliminate the current deficit position and create positive retained earnings, on a pro forma basis, of £10.66m.

As at 31 December 2015, there was £52.53m standing to the credit of the Company's share premium account. This balance is proposed to be cancelled in full (including an increase of approximately £9.99m relating to the acquisition of SalvaRx Limited and the associated placing, which events occurred since 31 December 2015). As at 31 December 2015, the retained earnings of the Company were negative to the extent of £51.66m. The effect of the cancellation of share premium will be to extinguish this negative amount and create a pro forma positive retained earnings position.

The reduction itself will not involve any distribution of share premium account balance by the Company and will not reduce the underlying net assets of the Company. The Company has no current intention of distributing the reserves created by the elimination of the share premium account balance. This capital reduction does not require any further approval by the Courts in the Isle of Man.

Action to be taken

Whether or not you intend to be present at the AGM, you are requested to complete the Form of Proxy, in accordance with the notes set out in the attached Notice and the Form of Proxy. To be valid, the Form of Proxy must be received at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU on or before 2 August 2016 by not later than 1 p.m. Completion and return of the Form of Proxy will not preclude you from attending and voting at the AGM.

Recommendation

Your directors consider all the resolutions to be proposed at the AGM to be in the best interests of the Company and its shareholders as a whole and, accordingly, unanimously recommend you to vote in favour of them as they intend to do in respect of their own beneficial shareholdings and all entities associated with them totalling 27,610,408 ordinary shares in the capital of the Company (representing 75.71% of the issued share capital of the Company).

Yours sincerely,
James Mellon
Chairman
On behalf of the Board of Salvarx Group plc

Notice of Annual General Meeting

SALVARX GROUP PLC (the "Company")

(incorporated and registered in the Isle of Man under the Companies Act 2006 of the Isle of Man with registered no. 000258V)

Notice is given that the 2016 Annual General Meeting of the Company will be held at **Claremont Hotel, Loch Promenade, Douglas, Isle of Man IM1 2LX** on 4 August 2016 at 1 p.m. to transact the business set out below. Resolutions 1, 2, 3 and 4 will be proposed as ordinary resolutions and resolutions 5 and 6 as special resolutions.

ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions which will each be proposed as an ordinary resolution:

1. To receive the audited accounts of the Company, and the auditors' and directors' reports thereon, for the year ended 31 December 2015.
2. To re-elect Richard Armstrong as a director of the Company.
3. To re-elect Dr. Gregory Bailey as a director of the Company.
4. To re-appoint RSM UK Audit LLP as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the Company at which financial statements are laid before the Company and to authorise the directors to determine their remuneration.

SPECIAL RESOLUTIONS

5. THAT the directors be generally and unconditionally authorised to exercise all the powers of the Company to allot new ordinary shares of £0.025 each in the capital of the Company ("**Ordinary Shares**") for cash up to an aggregate par value of £227,000, as if the provisions of article 5.2 of the Company's articles of association did not apply to such allotments, such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) at the conclusion of the next annual general meeting of the Company (except that the directors of the Company may allot new Ordinary Shares pursuant to this authority in pursuance of an offer or agreement made prior to such date and which requires such shares to be allotted after such date). This authority 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.
6. THAT the share premium account be cancelled.

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

By order of the Board
Stone Limited
Company Secretary

29 June 2016

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 by 1 p.m. on 2 August 2016.
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 close of business on 2 August 2016¹ (or in the event that the meeting is adjourned, at close of business 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 6.00 p.m. on 2 August 2016.² 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' 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.

¹ NOTE: This must be a date that is 48 hours prior to the date of the AGM.

² NOTE: This must be a time/date that is 48 hours prior to the date of the AGM.