

## Appendix 3B

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

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

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

COVATA LIMITED

ABN

61 120 658 497

We (the entity) give ASX the following information.

#### Part 1 - All issues

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

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | (a) Ordinary fully paid shares.<br>(b) Options.   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | (a) Up to 64,064,223 new ordinary fully paid shares.<br>(b) Up to 21,354,741 free-attaching options.  |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Ordinary fully paid shares to be issued under rights issue on the basis of an entitlement of 1 share for every 11 shares held at the record date.<br>(b) Unlisted options, exercise price \$0.055 per option, expiry date 6 June 2020, to be issued as free-attaching options under rights issue on the basis of 1 option for every 3 shares subscribed under the rights issue. |

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(a) Yes.</p> <p>(b) Shares issued upon exercise of the options will rank equally with company's existing ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>(a) \$0.028 per share.</p> <p>(b) Nil, to be issued as free-attaching options.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) and (b) Rights issue to existing eligible shareholders.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>22 November 2017.</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil.</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil.</p>

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>Nil.</p>
<p>6f Number of +securities issued under an exception in rule 7.2</p>	<p>(a) Up to 64,064,223 new fully paid ordinary shares.</p> <p>(b) Up to 21,354, 741 free-attaching options.</p>
<p>6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.</p>	<p>Not applicable.</p>
<p>6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>	<p>Not applicable.</p>
<p>6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements</p>	<p>Current capacity:  LR 7.1 – 69,414,193  LR7.1A – 10,637,820</p> <p>A further Appendix 3B will be lodged at the time of issue which will include an update to the LR7.1 and 7.1A capacities.</p>
<p>7 +Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>Intended issue date is 5 July 2018. A further Appendix 3B will be lodged at the time of issue.</p>

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	679,125,222	Ordinary shares (excludes employee share loan plan shares – see item 9). <i>Includes maximum number of rights issue shares.</i>
	18,468,974	Ordinary shares subject to voluntary escrow until 25 August 2018.
	10,000,000	Ordinary shares subject to voluntary escrow until 31 January 2019.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	61,176,489	Employee share loan plan shares (ordinary, employee incentive scheme shares) (CVTAG).
	6,828,816	Options exercisable at USD\$0.1467 expiring 31 October 2019 (CVTAH/AF).
	5,000,000	Options exercisable at AUD\$0.20 expiring 31 October 2019 (CVTAF).
	1,237,500	Options exercisable at AUD\$0.20 expiring 22 December 2019 (CVTAH).
	231,400	Options exercisable at \$0.33, expiring 12 March 2020 (CVTAH).
	38,240,979	Warrants exercisable at \$0.274 (27.4 cents) expiring 25 March 2020. The warrants are subject to the vesting conditions outlined in the Company's announcement to ASX on 20 March 2015. (CVTAK)

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

300,000	Options exercisable at \$0.24, expiring 2 November 2020.
490,669	Options exercisable at \$0.33 and expiring on 17 December 2020.
400,000	Options exercisable at \$0.195 and expiring on 20 July 2021.
3,000,000	Options exercisable at \$0.20 and expiring on 4 May 2022.
840,000	Options exercisable at \$0.05 (5 cents) and expiring on 21 June 2022.
1,000,000	Options exercisable at \$0.05 (5 cents) and expiring on 17 August 2022.
11,064,000	Options exercisable at \$0.05 5 cents) and expiring on 22 November 2022.
5,569,583	Options exercisable at \$0.045 (4.5 cents) and expiring on 22 November 2022.
39,211,868	Options exercisable at \$0.055 (5.5 cents) and expiring on 6 June 2020. <i>Includes maximum number of rights issue options.</i>

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Not applicable.

**Part 2 - Pro rata issue**

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the <sup>+</sup> securities will be offered	1 new share for every 11 shares held at the record date and 1 free-attaching option for every 3 shares subscribed.
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	Ordinary fully paid shares.
15	<sup>+</sup> Record date to determine entitlements	14 June 2018.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up.
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.</small>	Only shareholders in Australia and New Zealand will receive the offer documents.
19	Closing date for receipt of acceptances or renunciations	28 June 2018.
20	Names of any underwriters	No.
21	Amount of any underwriting fee or commission	Not applicable.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable.
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	19 June 2018.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	8 June 2018.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	+Issue date	Intended issue date is 5 July 2018. The company will lodge a further Appendix 3B at the time of the issue.

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### Part 3 - Quotation of securities

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

34 Type of <sup>+</sup>securities  
(tick one)

(a)  <sup>+</sup>Securities described in Part 1

(b)  All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

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

#### Additional securities forming a new class of securities

To be provided at time of issue, if applicable.

Tick to indicate you are providing the information or documents

35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional <sup>+</sup>securities

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

38 Number of <sup>+</sup>securities for which <sup>+</sup>quotation is sought

39 <sup>+</sup>Class of <sup>+</sup>securities for which quotation is sought

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+ See chapter 19 for defined terms.



**Appendix 3B**  
**New issue announcement**

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

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

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

41 Reason for request for quotation now

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

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

42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 8 June 2018

Print name: Patrick Gowans  
(~~Director~~/Joint Company Secretary)

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## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

*Calculations reflect current capacity, to be updated at the time of issue.*

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	538,809,047
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<ul style="list-style-type: none"> <li>• 6,300,000 shares issued under shareholder approved Loan Share Plan.</li> <li>• 60,000 shares issued under shareholder approved Loan Share Plan.</li> <li>• 18,468,974 shares issued to CipherPoint Inc. vendors on 25 August 2017, ratified at annual general meeting on 22 November 2017.</li> <li>• 34,835,163 shares issued under Share Purchase Plan on 22 November 2017.</li> <li>• 10,352,298 shares issued with shareholder approval on 22 November 2017.</li> <li>• 19,182,000 shares issued under shareholder approved Loan Share Plan on 22 November 2017.</li> <li>• 10,000,000 shares issued with shareholder approval on 31 January 2018.</li> <li>• 4,085,000 shares issued under shareholder approved Loan Share Plan on 6 March 2018.</li> </ul>

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	<b>642,092,482</b>

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+ See chapter 19 for defined terms.

Appendix 3B  
New issue announcement

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	<b>96,313,872</b>
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<ul style="list-style-type: none"> <li>• 8,510,638 shares issued under placement on 7 November 2017.</li> <li>• 531,914 shares issued under placement on 22 November 2017.</li> <li>• 17,857,127 options issued on 6 June 2018.</li> </ul>
<b>“C”</b>	<b>26,899,679</b>
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b> <i>Note: number must be same as shown in Step 2</i>	<b>96,313,872</b>
<b>Subtract “C”</b> <i>Note: number must be same as shown in Step 3</i>	<b>26,899,680</b>
<b>Total [“A” x 0.15] – “C”</b>	<b>69,414,193</b> <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

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**Part 2**

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	<b>642,092,482</b>
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	<b>64,209,248</b>
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<ul style="list-style-type: none"> <li>• 53,571,428 shares issued on 6 June 2018.</li> </ul>
<b>“E”</b>	<b>53,571,428</b>

+ See chapter 19 for defined terms.

Appendix 3B  
New issue announcement

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<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
<b>"A" x 0.10</b> <i>Note: number must be same as shown in Step 2</i>	<b>64,209,248</b>
<b>Subtract "E"</b> <i>Note: number must be same as shown in Step 3</i>	<b>53,571,428</b>
<b>Total ["A" x 0.10] – "E"</b>	<b>10,637,820</b> <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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