

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

Name of entity

ALEXIUM INTERNATIONAL GROUP LIMITED

ABN

91 064 820 408

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

(1) Ordinary Fully Paid Shares
(2) Unlisted Performance Rights

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

(1) 185,000
(2) 1,324,000

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

(1) Ordinary Fully Paid Shares
(2) Unlisted Performance Rights

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> 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 	<p>(1) Yes</p> <p>(2) No, no voting rights, no dividend rights, non-transferrable, convertible to fully paid ordinary shares upon satisfaction of achieving vesting conditions and specific milestones matching those approved by Shareholders and as determined by the Board.</p>
5	Issue price or consideration	<p>(1) \$71,225</p> <p>(2) Nil</p>
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(1) Shares issued as part of employee benefits to operational staff under the Company's Employee Share Plan approved by Shareholders on 21 November 2016</p> <p>(2) Performance Rights issued as part of employee incentives to operational and management staff under the Company's Performance Rights Plan approved by Shareholders on 21 November 2016</p>
6a	<p>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>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	15 November 2017
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	(1) 185,000 (21 November 2016) (2) 1,324,000 (21 November 2016)	
6f	Number of securities issued under an exception in rule 7.2	N/A	
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.	N/A	
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	N/A	
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	See Annexure 1	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	(1) 16 November 2017 (2) 16 November 2017	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number 306,437,998	+Class Fully Paid Ordinary Shares

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in section 2 if applicable)	Number	⁺ Class
		500,000	Unlisted Options expiring 31 December 2017 exercisable at \$0.70
		1,000,000	Unlisted Options expiring 31 December 2017 exercisable at \$0.80
		6,916,626	Unlisted Options expiring 7 May 2018 exercisable at \$0.75
		1,500,000	Unlisted Options expiring 30 September 2020 exercisable at \$0.75
		125,000	Unlisted Options expiring 9 November 2017 exercisable at \$1.2072
		125,000	Unlisted Options expiring 9 November 2017 exercisable at \$1.314
		300,000	Unlisted Options expiring 04 November 2019 exercisable at \$0.75
		300,000	Unlisted Options expiring 04 November 2019 exercisable at \$1.25
		300,000	Unlisted Options expiring 04 November 2019 exercisable at \$1.75
		1,324,000	Performance Rights
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

⁺ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	<p>Names of countries in which the entity has ⁺security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
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	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	N/A

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

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

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

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

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

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

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

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

N/A

39 Class of +securities for which
quotation is sought

N/A

40	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• 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	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A	
42	Number and ⁺ class of all ⁺ securities on ASX (<i>including</i> the securities in clause 38)	Number	⁺ Class
		N/A	N/A

⁺ See chapter 19 for defined terms.

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 not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


.....
(Director/Company secretary)

Date:..... 16/11/2017.....

Print name:

Kevin Kye
.....

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

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

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	301,651,485
Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 	375,000 shares – issued 30 December 2016 375,000 shares – issued 13 January 2017 200,000 shares – issued 10 February 2017 250,000 shares – issued 24 February 2017 140,000 shares – issued 24 March 2017 60,000 shares – issued 24 March 2017 284,750 shares – issued 18 August 2017 344,833 shares – issued 18 August 2017 175,000 shares – issued 18 August 2017 30,000 shares – issued 31 August 2017 30,000 shares – issued 31 August 2017 30,000 shares – issued 31 August 2017 30,000 shares – issued 31 August 2017 405,417 shares – issued 31 August 2017 1,095,000 shares – issued 31 August 2017

+ See chapter 19 for defined terms.

<ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period. <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>285,713 shares issued 25 November 2016 185,000 shares issued 16 November 2017</p> <p>Nil</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	305,947,198

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	45,892,080
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert 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"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 	<p>100,000 – shares issued 25 November 2016 for services rendered</p> <p>77,000 – shares issued 30 December 2016 for services rendered</p> <p>20,000 – shares issued 30 December 2016 for services rendered</p> <p>150,000 – shares issued 2 March 2017 in lieu of incentive payment</p> <p>43,800 – shares issued 24 March 2017 for services rendered</p> <p>100,000 – shares issued 19 May 2017 in lieu of incentive payment</p>

+ See chapter 19 for defined terms.

<p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>35,922,041 shares reserved pursuant to the Secured Convertible Note</p> <p>4,255,319 shares reserved pursuant to the Purchase Warrant</p>
“C”	40,668,160
<p>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</p>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	45,892,080
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	40,668,160
<p>Total [“A” x 0.15] – “C”</p>	<p>5,223,920</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	45,892,080
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	4,589,208
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert 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"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • 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 • It may be useful to set out issues of securities on different dates as separate line items 	-
“E”	-
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	4,589,208
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	4,589,208 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT

Further to the announcement of Alexium International Group Limited (**Company**) on 16 November 2017 in relation to the placement of the following ordinary shares (**Shares**):

The Company has issued the following shares

- 185,000 shares as part of employee benefit to operational staff

the Company confirms that the Shares and warrants have been issued and, pursuant to section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**), gives notice that:

1. the Company issued the Shares without disclosure under Part 6D.2 of the Corporations Act; and
2. as at the date of this notice, the Company has complied with:

the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and

section 674 of the Corporations Act; and
3. as at the date of this notice, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

+ See chapter 19 for defined terms.