

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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

De.mem Limited

ABN

12 614 756 642

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 | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 13,621,427 |
| 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) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

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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"> • 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>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.14 per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Placement to sophisticated and high-quality institutional investors. The funds raised will provide the Company with critical working capital to propel the Company's growth.</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>28 May 2019</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>13,621,427</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>N/A</p>

+ 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)	N/A	
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	Refer annexure	
7	+Issue dates	1 July 2019	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 139,089,750	+Class Ordinary fully paid shares.

+ See chapter 19 for defined terms.

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	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	3,800,000	Unlisted options, exercisable at \$0.30 each, expiring on or before 30 March 2020.
		4,250,000	Unlisted options, exercisable at \$0.30 each, expiring on or before 21 November 2019.
		375,000	Unlisted options, exercisable at \$0.30 each, on or before 15 May 2020, vesting two years from the date of issue, subject to continued and unterminated service to the Company.
		375,000	Unlisted options exercisable at \$0.30 each, on or before 15 May 2020, vesting two weeks before the anniversary of three years from the date of issue, subject to continued and unterminated service to the Company.
		1,250,000	Unlisted options exercisable at \$0.30 each, on or before 11 September 2020.
		250,000	Unlisted options exercisable at \$0.30 on or before 13 April 2021 vesting 13 April 2020, subject to continued and unterminated service to the Company.
		250,000	Unlisted options exercisable at \$0.30 on or before 10 April 2021 vesting 31 March 2021, subject to continued and unterminated service to the Company.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Pro rata issue – deleted as not applicable

+ 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

⁺ See chapter 19 for defined terms.

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Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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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

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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)

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

+ 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 Amended 04/03/13

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 the +issue date or date of agreement to issue	107,668,974
<p>Add the following:</p> <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 <ul style="list-style-type: none"> <li style="margin-left: 20px;">4,587,762 – Non-renounceable Rights Issue <li style="margin-left: 20px;">4,453,702 – Rights issue shortfall • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval <ul style="list-style-type: none"> <li style="margin-left: 20px;">1,970,296 – Rights issue shortfall <li style="margin-left: 20px;">2,900,000 – Rights issue shortfall <li style="margin-left: 20px;">2,222,222 - Placement • 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> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	123,802,956

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	18,570,443
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> 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><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>1,665,367 – Akwa Worx deferred consideration for meeting Milestones 2 and 3.</p> <p>13,621,427 - Placement</p>
“C”	15,286,794
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	18,570,443
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	15,286,794
<p>Total [“A” x 0.15] – “C”</p>	<p>3,283,649</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2 – Not Applicable

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>	123,802,956
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	12,380,296
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 Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – 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>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> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
“E”	-

+ See chapter 19 for defined terms.

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>	12,380,296
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	12,380,296 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.



1 July 2019

Company Announcements Office, ASX Limited
By E-Lodgement

Cleansing Notice

On 1 July 2019, De.mem Limited (“De.mem” or “Company”) issued 13,621,427 fully paid ordinary shares in capital of the Company at an issue price of \$0.14 per share. These shares were issued to sophisticated and high-quality institutional investors, which was announced to the ASX on 27 June 2019.

The shares were issued using the Company’s placement capacity under Listing Rule 7.1.

This notice is given by the Company under section 708A(5)(e) of the Corporations Act 2001 (Cth) (“Corporations Act”), as modified by Australian Securities and Investments Commission.

For the purposes of section 708A(5)(e) of the Corporations Act, the Company advises as follows:

- a) the Company issued the Shares without disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (Corporations Act);
- b) as at the date of this notice the Company has complied with:
 - i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - ii) section 674 of the Corporations Act as it applies to the Company; and
- c) as at the date of this announcement, De.Mem advises that it is in negotiations with an Australian company in relation to a potential acquisition. The negotiations are incomplete and confidential and there can be no certainty that any agreement will be reached, or that any investment or transaction will eventuate. De.Mem will make a further announcement in the event the negotiations complete and an agreement is executed.

Other than the above, there is no excluded information of the type referred to in sections 708A(7) and 708A(8) of the Corporations Act.

If you have any questions please call Deborah Ho on 08 9482 0500.

Yours sincerely,
Deborah Ho
Joint Company Secretary