

27 November 2019

Dear Optionholder

**Alexium International Group Limited - pro-rata renounceable rights issue**

As announced on 27 November 2019, Alexium International Group Limited (ACN (064 820 408)) (**Alexium**) is undertaking capital raise comprised of:

- (a) a two (2) for five (5) pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 138,994,265 fully paid ordinary shares (**New Shares**) at an issue price of \$0.06 per New Share (**Issue Price**) to raise approximately \$8,339,656, pursuant to which the Company has lodged a prospectus for the Offer with ASIC on 27 November 2019 (**Prospectus**);
- (b) a placement to directors, management and sophisticated and professional investors of approximately 138,066,667 Shares at \$0.06 per Share to raise approximately \$8,266,000; and
- (c) the issue of a 6% senior secured convertible note to Colinton Capital Partners Fund I (A) Pty Ltd (ACN 620 748 718) as trustee for Colinton Capital Partners Fund I (A) Trust (**Colinton**) (or its nominee) for the principal sum of \$5,150,000,

(together, the **Capital Raising**).

The Offer is partially underwritten up to \$7,757,935 by the parties set out in the table below (**Underwriters**). Pursuant to the Underwriting Agreements, the Company has agreed to pay the Underwriters a cash underwriting fee of 5% of the total underwritten amounts.

Underwriter	Maximum underwriting commitment (\$)
Colinton Capital Partners Fund I (A) Pty Ltd as trustee for the Colinton Capital Partners Fund I (A) Trust	\$3,000,000
Wentworth Williamson Management Pty Limited	\$850,000
Viaticus Capital Pty Ltd	\$810,000
DDH Graham Limited as trustee for the Lugarno Fund	\$500,000
DS Capital Pty Ltd as trustee for the DS Capital Growth Fund	\$400,000
MNM Capital Pty Ltd as trustee for the Bright Future Trust	\$250,000
N&G TD Proprietary Limited	\$120,000
Lisa Gamble as trustee for the Papillon Super Fund	\$20,000
Princeton Enterprises Pty Ltd as trustee for the Mason Super Fund	\$150,000
Baker Young Stockbrokers Limited	\$1,657,935

As announced on 27 November 2019, funds raised under the Capital Raising are intended to be applied towards reduction of the Company's debt and working capital.



The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00 pm (WST) on 2 December 2019, whose registered address is in Australia, New Zealand, the United Kingdom, Hong Kong and Singapore.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue.

Following completion of the Offer and the Capital Raising, the Company will have issued approximately 285,727,600 New Shares resulting in total Shares on issue of approximately 633,213,263.

### **Optionholders**

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be allotted and to be entered on the Company's register of members on or before 5:00 pm (WST) on 2 December 2019 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company at Level 11, 125 St Georges Terrace, Perth WA 6000:

- (a) A notice of exercise of options (attached to this letter);
- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Alexium International Group Limited".

To ensure that your new shares are allotted prior to the Record Date, the above must be received by Alexium International Group Limited **no later than 29 November 2019**. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Maja McGuire, the Company Secretary, on +61 8 9384 3160.

Yours sincerely

**Maja McGuire**  
**Company Secretary**