

28 November 2019

Dear Shareholder

ALEXIUM INTERNATIONAL GROUP LIMITED – PRO-RATA NON-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 138,994,266 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 146,733,334 Shares at \$0.06 per Share to raise approximately \$8,804,000 ; 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 25 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 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 Shares resulting in total Shares on issue of approximately 633,213,263.

A copy of the Prospectus is available on ASX's and the Company's website. Eligible Shareholders will be mailed a copy of the Prospectus together with an Entitlement and Acceptance Form no later than 5 December 2019. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Offer (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Automic Registry Services (**Share Registry**) by no later than 4:00 pm on 16 December 2019, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.06 per New Share).
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 4:00 pm on 16 December 2019, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.06 per New Share).
- You may wish to accept all of your Entitlement and apply for any Shortfall. To take up all of your Entitlement and apply for any shortfall you will need to ensure your application money for all your Entitlement is received by the Share Registry by no later than 4:00 pm on 16 December 2019, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form as well as the additional number of Shares you wish to apply for from any shortfall together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies or by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.06 per New Share).

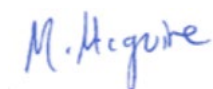
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer

Event	Proposed Date
Prospectus and Appendix 3B lodged with ASX Notification sent to option holders	27 November 2019
Notice of Rights Issue sent to Optionholders	27 November 2019
Notice of Rights Issue sent to Shareholders	28 November 2019
Existing shares quoted on an 'ex' basis	29 November 2019
Record date	2 December 2019
Despatch of Rights Issue Documents to Eligible Shareholders Offer Period Opens	5 December 2019
Last day to extend the Closing Date	11 December 2019
Offer Period Closes	16 December 2019
Securities quoted on a deferred settlement basis.	17 December 2019
Notification of under-subscriptions to ASX (if any)	19 December 2019
Issue of Rights Issue Shares Holding statements despatched	23 December 2019
Shortfall Settlement date	24 December 2019

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