

21 October 2016

ASX Compliance Pty Limited Level 4 North Tower 525 Collins Street Melbourne VIC 3000

Share Purchase Plan 2016

The Company notifies that the attached Share Purchase Plane 2016 documentation will be dispatched to all eligible shareholders.

Yours faithfully

Kevin Hollingsworth Company Secretary

Klli

ABN: 94 169 346 963

Web: http://paradigmbiopharma.com/

PARADIGM BIOPHARMACEUTICALS LIMITED

ACN 169 346 963

2016 SHAREHOLDER SHARE PURCHASE PLAN OFFER DOCUMENT

This non-renounceable offer (**Offer**) of new fully paid ordinary shares in the capital of Paradigm Biopharmaceuticals Limited ACN 169 346 963 (**Company**) is made on the terms and conditions of the Share Purchase Plan 2016 (**Plan**) set out in this Offer Document and the accompanying Application Form.

It is important to ensure that you read this Offer Document and accompanying Application Form in full. You should seek independent legal and/or financial advice if you are in any doubt about the terms of this offer or whether to accept this offer.

KEY OFFER DETAILS				
Issue Price	48 cents (\$0.48) per New Share			
Minimum application amount	\$3,000 per shareholder			
Maximum application amount	\$15,000 per shareholder			
Applications can be made for parcels of shares (rounded up to the next whole number of shares) valued at: *	A \$3,000 (6,250 New Shares) B \$6,000 (12,500 New Shares) C \$9,000 (18,750 New Shares) D \$12,000 (25,000 New Shares) E \$15,000 (31,250 New Shares)			
Target amount to be raised ^	\$1 million			
Underwriting	The Share Purchase Plan is not underwritten.			
Proposed use of funds	 Funds raised from this offer will be used: to accelerate the Alphavirus program, in particular to enter Phase II clinical trials for Ross River virus and chikungunya; to strengthening balance sheet; to further Clinical Development Programs, including Asthma pre-clinical & new IP projects; to further develop the Company's Intellectual Property; and for working capital requirements. 			
Record Date (for determining recipients of the Offer) +	7pm Melbourne time 17 October 2016, being the business day before the date on which the details of the Plan were first announced to the ASX.			
Closing Date +	17 November 2016			
Anticipated issue of New Shares +	24 November 2016			

- * Custodians may apply for up to \$15,000 on behalf of each distinct beneficiary represented, using a separate Application Form for each beneficiary, an Application Form can be obtained from the Company or its Share Registrar. Further details are provided below.
- ^ If the total number of New Shares applied for exceeds a subscription for \$1 million the Company may reduce the number of shares to be issued in response to each application on a pro rata basis. In that case the Company will refund excess application monies received by the Company from to each unsuccessful applicant. Refunds will be paid to the applicant by cheque. No interest shall be paid on refunded application monies.
- + <u>The above dates are indicative only.</u> The Company reserves the right to change any date without notice, including by postponing the Closing Date or closing the Offer early, or to withdraw or cancel the Offer (in which case all monies subscribed will be refunded).

All references to \$ amounts in the Plan and this Offer document are to Australian dollars.

If you wish to participate in this Plan you must apply for New Shares using the personalised Application Form accompanying this Offer Document, unless you are a custodian and wish to apply on behalf of distinct beneficiaries (see Section 3.3 below).

If any of your details on the Application Form are incorrect, please contact the Company's Share Registrar urgently.

Terms and Conditions of Plan Offer

1 PARTICIPATION

Participation in the Plan is open on the same terms to all shareholders (**Eligible Members**) who, as at the record date of 17 October 2016, are registered holders of ordinary shares in Paradigm Biopharmaceuticals Limited and who have an address (as recorded in the Company's register of members) in Australia or New Zealand by subscribing for up to \$15,000 of new fully paid ordinary shares (**New Shares**) in the Company at \$0.48 (**Issue Price**) without incurring brokerage, commission, stamp duty or other transaction costs.

The Plan is established pursuant to Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 125 and Class Order 09/425. That Class Order grants the Company relief from the requirement to prepare a prospectus for the offer of New Shares under the Plan.

Participation in the Plan is optional and by accepting the offer to purchase New Shares under the Plan, each holder agrees to be bound by the terms and conditions of the Offer and the Company's constitution.

On Tuesday 18 October 2016 the Company announced a share placement of approximately 13 million Shares (at \$0.48 per Share) to professional and sophisticated investors (**Private Placement**), issued pursuant to and in accordance with ASX Listing Rule 7.1. At the same time the Company announced a share purchase plan for existing shareholders (**Offer**) at the same price as under the Private Placement.

The Company reserves the right (in its absolute discretion) to scale back applications or to accept oversubscriptions as outlined in section 5. In addition the Company will reject applications or scale back applications to the maximum aggregate \$15,000 limit (in accordance with the requirement under ASIC Class Order 09/425) where it believes the maximum

aggregate investment of \$15,000 worth of shares by any shareholder under the Offer exceeds that \$15,000 limit.

Excess subscription monies, or any money from rejected applications will be refunded (without interest) as soon as reasonably practicable.

The Plan is governed by the law in force in Victoria. By accepting the offer under the Plan, a holder submits to the non-exclusive jurisdiction of the courts of Victoria.

2 ISSUE PRICE

The shares are being offered at an issue price of **48 cents per share**, which is the same issue price as under the proposed Private Placement.

The Issue Price represents a 5.88% discount to the last close price on Thursday 13 October 2016 (\$0.51), and a 12.20% discount to the 30-day VWAP (\$0.5467).

As required by ASX Listing Rule 7.2 Exception 15, the issue price represents at least 80% of the VWAP for the 5 days in which trading of the Company's Shares occurred.

No brokerage, commissions, stamp duty or other transaction costs will be payable by Shareholders in respect of the application for and issue of the New Shares under the Plan.

As the Company's share price may increase or decrease between the date the Offer is made under the Plan and the date when the New Shares are allotted and issued to Eligible Members under the Plan, the price paid by a member for the New Shares under the Plan may be higher or lower than the share price at the time of the Offer or at the time the New Shares are issued and allotted to the eligible Member.

The minimum value of New Shares for which each Eligible Member may subscribe under this Offer is \$3,000 and the maximum value of New Shares for which each Eligible Member may subscribe is \$15,000 (subject to scale back described further below). Subscriptions will only be accepted in the amounts outlined above (being \$3,000, \$6,000, \$9,000, \$12,000 and \$15,000).

3 ELIGIBILITY FOR PARTICIPATION

Offers made under the Plan are non-renounceable. This means that a holder cannot transfer their right to acquire New Shares under the Plan to anyone else.

New Shares subscribed for will be issued only to the registered holder to whom they are offered. Each Offer is made on the same terms and conditions. All eligible holders receive the same offer, irrespective of the number of shares which they hold on the Record Date.

A director's participation under the Plan (in their capacity as Eligible Members) is permitted as an exception to the prohibition under ASX Listing Rule 10.11 (ie. Exception 8 in ASX Listing Rule 10.12).

3.1 Individual members

Unless a holder is a Custodian (defined below), each individual member is entitled to apply for up to a maximum subscription amount of \$15,000 of New Shares (irrespective of whether the individual member receives multiple offers under the Plan, for example, due to multiple registered holdings), subject to the Company being reasonably satisfied that (and the individual member certifying that) the total of the application moneys subscribed for the following does not exceed \$15,000:

- (a) the New Shares the subject of the Acceptance Form (pursuant to this Plan); and
 - (b) any other fully paid ordinary shares in Paradigm Biopharmaceuticals Limited:
 - (i) issued to that sole holder; and
 - (ii) which that sole holder has instructed a custodian to acquire on their behalf; and
 - (iii) issued to a custodian as a result of an instruction given by that sole holder to the custodian to apply for shares on their behalf, under the Plan or any similar arrangement in the 12 months before the application (but noting that Paradigm Biopharmaceuticals Limited has not conducted a share purchase plan or similar Plan in the prior 12 months).

By completing and submitting (or by making payment via BPAY) the personalised offer and Acceptance Form (referred to below) which accompanies the Plan, a sole holder certifies the above statements in clause 3.1.

3.2 Joint Holders

Unless a holder is a Custodian (defined below), if a holder is recorded with one or more other persons as the joint holder of the Company's shares, the joint holding is considered a single registered holding for the purpose of the Plan. Joint holders are entitled to participate in respect of that single holding and may apply for up to a maximum amount of \$15,000 of New Shares (irrespective of whether the holder and the other person or persons receive multiple offers under the Plan, for example, due to multiple identical registered holdings), subject to the joint holder certifying that the total of the application moneys subscribed for the following does not exceed \$15,000:

- (a) the New Shares the subject of the Acceptance Form (pursuant to this Plan) returned, and
- (b) any other fully paid ordinary shares in the Company:
 - (i) issued to that joint holder, and
 - (ii) which that joint holder has instructed a custodian to acquire on their behalf; and
 - (iii) issued to a custodian as a result of an instruction given by that joint holder to the custodian to apply for shares on their behalf,

under the Plan or any similar arrangement in the 12 months before the application.

By completing and submitting (or by making payment via BPAY) the personalised offer and Acceptance Form (referred to below) which accompanies the Plan, a joint holder certifies the above statements in clause 3.2.

3.3 Custodians and Nominees

Eligible Members who hold shares as custodian or nominee (as defined in ASIC class order CO 09/425) (**Custodian**) for one or more persons on the Record Date (**Beneficiaries**) may apply for up to a maximum amount of \$15,000 of New Shares in respect of each Beneficiary in any 12 month period, subject to the Custodian certifying to the Company that:

- (a) the Custodian is an eligible holder of shares in the Company on behalf of one or more Beneficiaries,
- (b) a copy of the Offer documentation was given by the Custodian to each Beneficiary,
- (c) each Beneficiary requiring New Shares has instructed the Custodian to apply for the New Shares on its behalf under the Plan,
- (d) the number of Beneficiaries instructing the Custodian to participate, and
- (e) in respect of each participating Beneficiary:
 - (i) the number of fully paid ordinary shares in the Company that the Custodian holds on their behalf; and
 - (ii) the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
 - (iii) undertaking not to, in respect of the Plan or other similar plan, accept on behalf of any Beneficiary, in any consecutive 12 month period, shares in the Company with an aggregate application price which exceeds \$15,000.

By completing and submitting (or by making payment via BPAY) the personalised offer and Acceptance Form (referred to below) which accompanies this offer, a Custodian certifies the above statements in clause 3.3.

If a Custodian requires more than one personalised offer and Acceptance Form to provide the above information, the Custodian should contact the Company or the Company's share registrar and make that request.

*It is at the discretion of the Custodian whether to extend the Offer to all of their Beneficiaries.

4 HOW TO APPLY FOR NEW SHARES

The Offer to participate in the Plan opens on 28 October 2016.

An offer to participate in the Plan may be accepted by a registered Eligible Member (**Acceptance**) by completing and returning the personalised offer and acceptance form (**Acceptance Form**) provided by the Company, together with the appropriate payment for the amount to which the acceptance relates (by cheque in Australian dollars drawn on an Australian bank made payable to "**Paradigm Biopharmaceuticals Limited**"), by no later than the Offer closing date of 17 November 2016 (**Closing Date**). Acceptances received after that time will not be accepted.

Acceptance includes making payment using the BPAY facility offered by Computershare Investor Services Pty Limited, but only via the customer reference number as described on your personalised Acceptance Form, by no later than the Closing Date (in which case the Acceptance Form need not be returned to the Company).

If Acceptance (via BPAY) or one or more Acceptance Forms are received from an Eligible Member in relation to shares with a value greater than \$15,000, the Eligible Member holder will be issued with the maximum number of New Shares permitted by the Plan (subject to any scaling back by the Company in accordance with this Offer). The difference between the subscription moneys received from such member, and the number of New Shares allocated to that member multiplied by the Issue Price, will be refunded to the eligible Member by cheque, without payment of any interest, as soon as reasonably practicable following allotment of all the New Shares.

If an Eligible Member subscribes for an amount which is not exactly divisible by the Issue Price for the shares, in calculating the number of shares to be issued, all fractional entitlements will be rounded down to the next whole share.

Notwithstanding any other provision in these terms and conditions, the Board may, in its sole discretion, reject any Acceptance Form which is received from ineligible members or otherwise which:

- (a) is incomplete, incorrectly filled out or accompanied by a cheque which is not paid in full on first presentation;
- (b) the Board believes is completed by a person within, or a person acting for the account or benefit of a person within, another jurisdiction where, in the reasonable opinion of the Board, it would be unlawful or impractical for the Company to issue the New Shares.

If a cheque is not cleared through the banking system, the member's Acceptance Form will not be accepted and the member will be deemed to agree to be responsible for any dishonour fees or other costs incurred. If a cheque is dishonoured, that dishonoured cheque will not be represented.

Once submitted, Applications for New Shares under the Plan cannot be withdrawn or amended.

Shareholders should consult their taxation or investment advisers to clarify the financial and taxation implications for them in subscribing for shares under the Plan.

5 SCALE BACK / OVERSUBSCRIPTIONS

The Company has a target raise of \$1 million via the Plan and reserves the right (in the board's absolute discretion):

- (a) to scale back subscription applications should total demand exceed \$1 million; or
- (b) to accept oversubscriptions above \$1 million should the Company determine there is sufficient shareholder interest.

Any scale back of applications will be done on a pro rata basis for all applications received.

The Company also reserves the right to reject any application for shares where it believes this requirement has not been complied with or may elect to scale back applications to the maximum \$15,000 limit and in either case refunds (without interest) will be provided as soon as reasonably practicable.

The difference between the subscription moneys received from each eligible Member, and the number of New Shares allocated to each Eligible Member multiplied by the Issue Price, will be refunded to member by cheque, without payment of any interest, as soon as reasonably practicable.

6 ISSUE OF NEW SHARES

The New Shares to be issued pursuant to the Offer under the Plan will be issued as soon as reasonably practicable after the Closing Date and the Company will apply for those shares to be quoted on the ASX.

The Company will, within the period required by the ASX Listing Rules, send each participant (whose Acceptance Form has been accepted by the Company) a holding statement in respect of any New Shares issued to the participant under the Plan.

New Shares issued under the Plan will rank equally with all existing ordinary shares in the Company and will therefore carry the same voting rights, dividend rights and other entitlements as those ordinary shares from the date of issue.

7 EXCLUDED APPLICANTS

A shareholder who alone or with its associates would obtain an interest in more than 20% of the issued voting shares of the Company may be ineligible to accept (part or all of) an offer under the Plan. The Company reserves the right to refuse an application if the applicant (alone or with its associates) would obtain an interest in more than 20% of the issued voting shares of the Company.

In the event that an application is adjusted, the Company will refund to the applicant by cheque without interest the between the application monies received by the Company and application monies payable for the number of shares actually issued to the applicant.

8 SHAREHOLDER APPROVAL NOT REQUIRED

The Company is not required to seek the approval of Shareholders in relation to the offer of New Shares under the Plan.

ASX Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities which amounts to more than 15% of its ordinary securities in a rolling 12 month period without the prior approval of its shareholders or otherwise as permitted by the ASX Listing Rules.

An exception to this 15% limit is a share purchase plan under ASX Listing Rule 7.2 Exception 15. The offer of New Shares under the Plan meets the criteria set out in Exception 15.

9 PLAN NOT UNDERWRITTEN

The Plan will not be underwritten.

10 AMENDMENT OF THE PLAN

The Board may, in its absolute discretion, amend, suspend or terminate the Plan at any time (including, without limitation, by extending the Closing Date). The Company will notify ASX of any amendment, suspension or termination of the Plan, but failure to do so will not invalidate the amendment, suspension or termination.

The Company may issue to any person fewer shares than subscribed for under the Plan (or none at all) if the Company believes that the issue of those shares would contravene any law or the ASX Listing Rules or the Corporations Act 2001.

11 ADMINISTRATION AND DISPUTE RESOLUTION

The Company's principal objective in administering the Plan is to facilitate maximum participation consistent with compliance with ASIC Class Order CO 09/425 and all applicable laws and efficient administrative practices.

The Company may adopt any administrative procedures it thinks appropriate (from time to time) in relation to the Plan. The Company may settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise under or in connection with the operation of the Plan, whether generally or in relation to any participant or class of participants, the Offer, any Acceptance Form or New Shares, and the decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates.

The Company reserves the right (subject to the Corporations Act 2001 and ASIC Class Order 09/425) to waive compliance with any provision of these terms and conditions.

12 NOTICES

Notices and statements to participating shareholders may be given in any manner determined by the Company.

13 PRIVACY ACT

Chapter 2C of the Corporations Act 2001 requires information about shareholders (including name, address and details of the shares held) to be included in the Company's public register. If a shareholder ceases to be a shareholder, Chapter 2C of Corporations Act 2001 requires this information to be retained in the Company's public register. These statutory obligations are not altered by the Privacy Act 1988 (Cth) as amended. Information is collected to administer shareholders' security holdings.

14 NO FINANCIAL PRODUCT ADVICE

Shareholders should obtain their own advice on whether or not to participate in the Plan. The Company is not licensed to provide financial product advice in relation to the Company's shares or any other financial products. No cooling off regime applies in respect of the acquisition of shares under the Plan (whether the regime is provided for by law or otherwise).

ENQUIRIES

If you have any question about the offer or not accept the offer, please contact your stockbroker or professional adviser, or Paradigm Biopharmaceuticals Limited's Company Secretary, on (03) 9629 5566. If you have any questions on how to complete the Application Form please contact the Company's Share Registry Computershare Investor Services Pty Limited on 1300 787 272 (within Australia) or +61 (03) 9415 4000 (outside Australia), between Monday to Friday 9am to 5pm.



ABN 94 169 346 963



PAR MR SAM SAMPLE 123 SAMPLE STREET SAMPLETOWN VIC 3000

For all enquiries:

(within Australia) 1300 787 272 (outside Australia) +61 (03) 9415 4000

Phone:

www.investorcentre.com/contact

Make your payment:



See overleaf for details of the Offer and how to make your payment

Share Purchase Plan Application Form

Your payment must be received by 5:00pm (AEDT) Thursday 17 November 2016

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of Paradigm Biopharmaceuticals Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Paradigm Biopharmaceuticals Limited shares on the terms of the Share Purchase Plan (SPP).

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the New Shares the subject of the payment slip overleaf; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment, does not exceed \$15,000.

Paradigm Biopharmaceuticals Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Paradigm Biopharmaceuticals Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Paradigm Biopharmaceuticals Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where Paradigm Biopharmaceuticals Limited does not notify you of that event.

Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Note that shares may be purchased in increments of \$3000 subject to purchase of the minimum value and not exceeding the maximum value. Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "Paradigm Biopharmaceuticals Limited" and cross "Not Negotiable". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Paradigm Biopharmaceuticals Limited Share Purchase Plan Application Form Payment must be received by 5:00pm (AEDT) Thursday 17 November 2016



Share Purchase Plan Application Form

X 999999991

IND

STEP 1

Registration Name & Offer Details

For your security keep your SRN/

Registration Name:

MR SAM SAMPLE 123 SAMPLE STREET SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Record date: 17 October 2016

Minimum value available to purchase:

\$3,000

Maximum value available to purchase:

\$15,000

STEP 2

Make Your Payment



Biller Code: 199901

Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your payment from your cheque or savings account.

Pay by Mail:



Make your cheque, bank draft or money order payable to "Paradigm Biopharmaceuticals Limited" and cross "Not Negotiable".

Return your cheque with the below payment slip to: Computershare Investor Services Pty Limited GPO BOX 505 Melbourne Victoria 3001 Australia

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEDT) Thursday 17 November 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Paradigm Biopharmaceuticals Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEDT) Thursday 17 November 2016. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Paradigm Biopharmaceuticals Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

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securities State S	20.000	maceuticals Lir S9,000 wo securities	orth of	e one option) Entitlement No: 12345678
Payment must be received by 5	:00pm (AEDT) Th	nursday 17 Noven	nber 2016 1	MR SAM SAMPLE 123 SAMPLE STREET BAMPLETOWN VIC 3000
Contact		Daytime		
Name		Telephone		
Cheque Details Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque