

12 September 2018

Placement Update, Section 708A Cleansing Notice and Appendix 3B

Auctus Alternative Investments Limited ('Auctus' or 'the Company') advises that it has issued 4,036,110 fully paid ordinary shares in accordance with the Company's previous ASX announcement dated 14 August 2018. It is noted that the Company is progressing discussions in relation to indicative offers which have been received for the remaining balance of the Tranche 1 placement (approximately \$285,000) and will provide an update in due course once (and if) the commitments have been finalized.

Section 708A Cleansing Notice

This notice is given by Auctus Alternative Investments Limited (**Company**) under Section 708A(5)(e) of the Corporations Act 2001 (Cth) (Corporations Act).

The Company hereby confirms that:

- a) It has issued 4,036,110 fully paid ordinary shares (Shares) at an issue price of \$0.045 per share in relation to a placement to investors as announced on 14 August 2018;
- b) The Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- c) The Company is providing this notice under section 708A(5)(e) of the Corporations Act;
- d) As at the date of this notice the company, as a disclosing entity under the Corporations Act, 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
- e) As at the date of this announcement, there is no excluded information of the type referred to in Sections 708A(7) and 708A(8) of the Corporations Act.

An Appendix 3B relating to the share issue noted above is attached to this announcement.

On behalf of the board:

Justin Mouchacca
Company Secretary

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, and 04/03/13

Name of entity

Auctus Alternative Investments Limited

ABN

76 149 278 759

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 | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 4,036,110 |
| 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 |
| 4 | 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: <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 | Yes |
| 5 | Issue price or consideration | \$0.045 per fully paid ordinary share |

+ See chapter 19 for defined terms.

APPENDIX 3B
New issue announcement

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Fully Paid Ordinary Shares issued as a partial allotment to investors with proceeds to be used in accordance with the Company's announcement dated 14 August 2018.	
6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i> , and comply with section 6i	Yes	
6b	The date the security holder resolution under rule 7.1A was passed	28 November 2017	
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	4,036,110	
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	-	
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	-	
6f	Number of ⁺ securities issued under an exception in rule 7.2	-	
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	7.1 7.1A	6,672,060 -
7	⁺ Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	12 September 2018	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	Number 249,234,912	⁺ Class Fully Paid Ordinary Shares

+ See chapter 19 for defined terms.

	Number	*Class
9	Number and *class of all *securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Please refer to Annexure A following this Appendix 3B
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - 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 sub-registers) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

APPENDIX 3B

New issue announcement

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 offer documents 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	*Issue date	N/A

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

+ See chapter 19 for defined terms.

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 Do the *securities rank equally in all respects from the *issue date with an existing *class of quoted *securities?
- N/A
- 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
- 41 Reason for request for quotation now
- N/A
- Example: In the case of restricted securities, end of restriction period
(if issued upon conversion of another *security, clearly identify that other *security)
- | Number | *Class |
|--|--------|
| 42 Number and *class of all *securities quoted on ASX (<i>including</i> the *securities in clause 38) | |

+ 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 is not available now, we 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:



Date: 12 September 2018

Print Name

Justin Mouchacca

Company Secretary

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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 <u>fully paid ordinary securities</u> on issue 12 months before date of issue or agreement to issue	137,356,201
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 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"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	- - 17,671,601 – 4 October 2017 30,000,000 – 16 November 2017 30,000,000 – 2 March 2018 7,500,000 – 7 March 2018 - -
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-
“A”	222,527,802
STEP 2: Calculate 15% of “A”	
	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	33,379,170
STEP 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of <u>equity</u> securities issued or agreed to be issued in that 12 month period not counting those issued: <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"> This applies to equity securities, unless specifically excluded – not just ordinary securities Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	22,671,000 – 16 August 2018 4,036,110 - 12 September 2018
“C”	26,707,110

+ See chapter 19 for defined terms.

Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	33,379,170
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	26,707,110
Total [“A” x 0.15] – “C”	6,672,060

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>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.10	-
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>	-
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	- <i>[Note: this is the remaining placement capacity under rule 7.1A]</i>

Annexure A

Number	Class
500,000	\$0.35 Corporate Adviser Options to acquire one (1) share in the company exercisable on or before 31/12/2018
1,000,000	\$0.40 Corporate Adviser Options to acquire one (1) share in the company exercisable on or before 31/12/2018
1,000,000	\$0.60 Corporate Adviser Options to acquire one (1) share in the company exercisable on or before 31/12/2018
9,750,000	Creditor Options \$0.06, to acquire one (1) share in the company exercisable on or before 01/12/2021
9,750,000	Creditor Options \$0.12, to acquire one (1) share in the company exercisable on or before 01/12/2021
12,000,000	Creditor Options \$0.22, to acquire one (1) share in the company exercisable on or before 01/12/2021
7,500,000	Director Options \$0.06, to acquire one (1) share in the company exercisable on or before 01/12/2021
7,500,000	Director Options \$0.12, to acquire one (1) share in the company exercisable on or before 01/12/2021
14,000,000	Director Options \$0.22, to acquire one (1) share in the company exercisable on or before 01/12/2021
500,000	Employee Options \$0.06, to acquire one (1) share in the company exercisable on or before 01/12/2021
4,500,000	Employee Options \$0.12, to acquire one (1) share in the company exercisable on or before 01/12/2021
250,000	Employee Options \$0.22, to acquire one (1) share in the company exercisable on or before 01/12/2021
68,250,000	

+ See chapter 19 for defined terms.