

**A V E X A**

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29 July 2016

The Manager
Market Announcements Platform
ASX Limited
20 Bridge Street,
Sydney NSW 2000

Avexa Limited – Rights Issue Cleansing Notice and Appendix 3B

On 27 July 2016, Avexa Limited (**ASX: AVX**) announced to the ASX a non-renounceable rights issue (**Rights Issue**).

The Rights Issue offers shareholders whose registered addresses are within Australia, New Zealand and Singapore (**Eligible Shareholders**) one (1) fully paid ordinary share (**New Share**) for every one (1) fully paid ordinary share held as at 7.00pm on Thursday 4 August 2016 (**Record Date**) to raise up to \$2.2 million. For informational purposes, a copy of the Offer Document to be sent to Eligible Shareholders will be lodged with ASX today.

The New Shares are being issued without disclosure to investors under 708AA2(f) of the Corporations Act (as modified by ASIC Instrument 2016/84) in compliance with the requirements of sub-section 708AA(7) of the Act.

1. The Company advises that:
 - (a) The New Shares will be offered for issue without disclosure under Chapter 6D of the Corporations Act (as modified by ASIC Instrument 2016/84).
 - (b) This notice is being given under section 708AA(2)(f) of the Corporations Act (as modified by ASIC Instrument 2016/84).
 - (c) as at the date of this notice the Company has complied with the provisions of:
 - (i) Chapter 2M of the Act as they apply to the Company; and
 - (ii) Section 674 of the Act.
 - (d) As at the date of this notice, there is no information that is “excluded information” (within the meaning of sections 708AA(8) and 708AA(9) of the Corporations Act).
2. The potential effect that the issue of New Shares under the Rights Issue will have on the control of the Company is as follows:
 - (a) The effect the issue of the New Shares will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the level of shareholder interest in the Rights Issue.
 - (b) The Rights Issue is a pro-rata offer so that if all Eligible Shareholders take up their entitlements, the voting power of all Eligible Shareholders will remain substantially the same. In

that event, there will be no actual or potential effect or consequences arising from the Rights Issue on the control of the Company.

- (c) The proportional shareholdings of Shareholders who are not resident in Australia, New Zealand, and Singapore may be diluted as those Shareholders are not entitled to participate in the Offer. Additionally, if an Eligible Shareholder does not take up their entitlement in full, there is likely to be a dilutionary effect on that Shareholder's proportional shareholdings (which may occur as a result of the Underwriter subscribing for New Shares as part of any Shortfall, or as a result of the placement of any Shortfall by the Directors).
- (d) Further, in the event of a substantial Shortfall there are potential control consequences associated with the underwriting arrangements. The Underwriter holds nil shares in the Company at the date of this document but may be entitled to acquire up to 83,000,000 New Shares in the unlikely event that no Eligible Shareholders participates in the Rights Issue. In that event, the Underwriter's voting power would increase to up to approximately 45% of the enlarged issued capital of the Company on completion of the Offer, depending on the extent of participation by Eligible Shareholders and the extent of the sub-underwriting (see (e) below).
- (e) The Directors understand that the Underwriter has obtained commitments from unrelated third party sub-underwriters for a significant proportion of the Underwritten Shares. Accordingly, (assuming that the Underwriter does not elect to take up the Underwritten Shares on its own account) the impact on control of the Company is not likely to be material, even in the event that there is a significant Shortfall, by virtue of the fact that New Shares will be issued to sub-underwriters who are not associated with the Underwriter.

An Appendix 3B in relation to the New Shares is attached.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'Lee Mitchell', enclosed within a large, loopy oval shape.

Lee Mitchell
Company Secretary
AVEXA LIMITED

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

Avexa Limited

ABN

53 108 150 750

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 (New Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 101,459,128 |
| 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 ranking equally with all other shares on issue. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>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>
5	Issue price or consideration	<p>\$0.022 per New Share.</p> <p>1 million of the New Shares are to be issued to, or at the direction of, the Underwriter under the Underwriting Agreement.</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The New Shares are to be issued pursuant to the Rights Issue. Details of the Rights Issue are disclosed in the announcement lodged with the ASX on 27 July 2016.</p>
6a	<p>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>
6b	The date the security holder resolution under rule 7.1A was passed	<p>26 November 2015</p>
6c	Number of +securities issued without security holder approval under rule 7.1	<p>1 million New Shares</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of +securities issued under an exception in rule 7.2	Up to 100,459,128 New Shares				
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 to Annexure 1				
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.	##				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>201,918,256</td><td>FPO</td></tr></table>	Number	+Class	201,918,256	FPO
Number	+Class					
201,918,256	FPO					

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	⁺ Class
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	Nil
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The New Shares issued will receive dividends (if any) on the same terms and conditions as the other holders of ordinary securities.

Part 2 - Pro rata issue

11	Is security holder approval required?	no
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	1 New Share for every 1 existing share held
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares
15	⁺ Record date to determine entitlements	4 August 2016
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	No offer of New Shares will be made in countries other to shareholders with a registered address in Australia, New Zealand and Singapore.
19	Closing date for receipt of acceptances or renunciations	23 August 2016

⁺ See chapter 19 for defined terms.

20	Names of any underwriters	Interprac Financial Planning Pty Ltd
21	Amount of any underwriting fee or commission	5% of the amount of any Shortfall actually subscribed for by the Underwriter (subject to a minimum fee of \$25,000) plus one million New Shares credited as fully paid.
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	9 August 2016
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	n/a

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

	balance?	<input type="text"/>
32	How do security holders dispose of their entitlements (except by sale through a broker)?	<input type="text" value="n/a"/>
33	⁺ Issue date	<input type="text" value="29 August 2016"/>

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.

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					
40	<p>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 					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)</p>					
42	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">⁺Class</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> </tr> </tbody> </table>	Number	⁺ Class		
Number	⁺ Class					

+ 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:

Company Secretary

Date: 29 July 2016

Print name: Lee Mitchell

+ 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	49,040,973
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 	27,584,420 Shares issued on 16 February 2016 (approved by shareholders at the 2015 AGM) 11,583,735 Shares issued on 21 March 2016 pursuant to the Company’s 2016 SPP
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	88,209,128

+ 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	13,231,369
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert 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>Note:</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>4,587,461 ordinary shares issued on 29 February 2016</p> <p>1 million New Shares to be issued to the Underwriter in connection with the Rights Issue (securities the subject of this Appendix 3B).</p>
“C”	7,643,908
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>	13,231,369
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	7,643,908
Total [“A” x 0.15] – “C”	<p>5,587,461</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

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>	88,209,128
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	8,820,913
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 	7,662,539 Shares issued on 29 February 2016
“E”	7,662,539

+ 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>	8,820,913
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	7,662,539
Total [“A” x 0.10] – “E”	1,158,374 <i>Note: this is the remaining placement capacity under rule 7.1A</i>