



Date: 25 July 2019

Sydney, Australia

ASX Limited
20 Bridge Street
SYDNEY NSW 2000

NOTICE UNDER SECTION 708A(12C)(E) OF THE CORPORATIONS ACT 2001 (CTH)

Noxopharm Limited (ASX: NOX) (**Noxopharm** or the **Company**) gives this cleansing notice under section 708A(12C)(E) of the Corporations Act 2001 (Cth) (**Corporations Act**) as amended by *ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Securities) Instrument 2016/82* (**Cleansing Notice**).

As announced by the Company on 19 July 2019, the Company secured a funding facility (**Facility**) for up to AU\$26 million from two New York institutional investors – Lind Global Macro Fund, L.P, managed by The Lind Partners, LLC and CST Investment Funds (**Investors**). The Facility comprises of two secured convertible securities (each has a face value of \$2,280,000 – therefore, combined, the total face value is \$4,560,000) (with 6-month lock-up) (**Convertible Securities**) and up to AU\$22,200,000 in ordinary share placements over a 12-month period. The Company has ability to vary monthly share subscriptions between AU\$200,000 and AU\$2,000,000 over the next 12 months, subject to agreement by the parties.

The Convertible Securities are 'convertible notes' within the meaning of the Corporations Act.

As announced by the Company today, the First Closing under the Facility has completed which has resulted in the Company receiving AU\$4,000,000 (prior to fees and expenses) comprised of:

- (a) the issue of the Convertible Securities (AU\$3,800,000 in funding from the Investors); and
- (b) the agreement to issue maximum number of shares under the first tranche of ordinary shares to the value of AU\$200,000 (in equal amounts of AU\$100,000 each to the Investors), at a minimum floor price of \$0.40.

The Company has given a General Security (over all its assets other than its intellectual property rights) in favour of the Investors to secure its obligations under the Convertible Securities and placement obligations.

The Company hereby gives notice that:

- (a) the Convertible Securities (on the terms as described in this notice) were issued without disclosure to investors under Part 6D.2 of the Corporations Act; and
- (b) this Cleansing Notice has been given in accordance with section 708A(12C)(E) of the Corporations Act as amended by *ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Securities) Instrument 2016/82*.

The issue of this Cleansing Notice enables the fully paid ordinary shares of the Company (**Shares**) issued on convertible of the Convertible Securities to be on-sold to retail investors without further disclosure.

This Cleansing Notice is important and should be read in its entirety. Neither ASIC or ASX take responsibility for the contents of this Cleansing Notice.

1. CONTENTS OF THIS CLEANSING NOTICE

This Cleansing Notice sets out the following:

- (a) in relation to the Convertible Securities:
 - (i) the effect of the issue on the Company;
 - (ii) a summary of the rights and liabilities attaching to the Convertible Securities; and
 - (iii) a summary of the rights and liabilities attaching to the Shares that will be issued on conversion of the Convertible Securities; and
- (b) any information that:
 - (i) has been excluded from continuous disclosure notice in accordance with the ASX Listing Rules;
 - (ii) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Shares; and
 - (iii) other information relating to the Company's status as a disclosing entity.

2. EFFECT OF THE CONVERTIBLE SECURITIES ISSUE ON THE COMPANY

The principal effect of the issue of the Convertible Securities on the Company will be to:

- (a) increase the Company's cash reserves by \$3,800,000 (prior to fees and expenses);
- (b) increase the number of unlisted secured Convertible Securities on issue from nil to 2;
- (c) give rise to the Company having a liability for the amount of the face value of the Convertible Securities (being \$4,560,000); and
- (d) if the Convertible Securities are converted, either whole or in part, increase the number of Shares on issue as a consequence of the issue of Shares on the conversion of the Convertible Securities.

A table setting out the effect of the issue of Convertible Securities is set out below:

Securities	Number on issue immediately prior to the entry into the Facility	Number on issue on the date of this Cleansing Notice ¹	Number on issue assuming full conversion of the Convertible Securities ²
Shares	122,601,393	126,101,393	137,501,393
Options	25,696,611	30,418,833	30,418,833
Convertible Securities	Nil	2 (face value of \$4,560,000)	Nil

¹ This can be calculated on the basis that the following securities have been issued pursuant to the Facility: 4,722,222 unlisted options (issued on 23 July 2019), 3,000,000 collateral shares (issued on 23 July 2019), maximum number of 500,000 shares under the first tranche of the placement (as if issued at the floor price of \$0.40) and 2 Convertible Securities (with a total face value of \$4,560,000) (issued today).

² This can be calculated on the basis that the following securities have been issued pursuant to the Facility in addition to 1: Shares resulting from the conversion of 2 Convertible Securities (with a total face value of \$4,560,000) (issued today) at the floor price of \$0.40, being 11,400,000 ordinary shares. It is noted that the maximum number of shares of 11,400,000 is subject to shareholder approval for the amount above the available capacity under Listing Rule 7.1.

3. RIGHTS AND LIABILITIES ATTACHING TO THE CONVERTIBLE SECURITIES

The following is a broad summary of the rights and liabilities attaching to each of the 2 Convertible Securities. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of each of the Investors.

Term	Period commencing from the date of the First Closing (which is 24 July 2019) and ending on the later of the date that is 24 months from the date of the First Closing, and the date which is 30 days after the date upon which the Company has satisfied all of its obligations under the agreement.
Total face value	AU\$2,280,000
Funded amount	AU\$1,900,000
Interest	Nil
Issue date	25 July 2019
Security	Yes
Collateral Shares	<p>1,500,000 collateral shares have been issued to each Investor (the Collateral Shares). number of Collateral Shares is the Collateral Shareholding Number and is initially 1,500,000. Each Investor can elect to reduce the Collateral Shareholding Number in lieu of conversion to newly issued shares at the Collateralisation Price. If there are still any Collateral Shareholding Number exceeds zero at the end of the Term, then the Investor must pay for them at the Collateralisation Price. The Collateralisation Price is:</p> <p>(a) the price per Share equal to 90% of the average of the five (5) lowest daily VWAPs per Share during the Collateralisation Pricing Period; and</p> <p>(b) the price per Share equal to 130% of the 20 day VWAP for the twenty (20) Trading Days immediately prior to the Execution Date (\$0.479).</p> <p>The Collateralisation Pricing Period is the twenty (20) consecutive Trading Days immediately prior to the date of the relevant election is made to pay for Collateral Shares and reduce the Collateral Shareholding Number.</p>
Conversion and Conversion Price	<p>The Convertible Securities can be converted after the earliest of 24 October 2019 or the default or termination or pause (Lock-Up Period) to Shares at a conversion price which is the lowest of (a) the price per Share equal to 90% of the average of the five (5) lowest daily VWAPs per Share during the 20-trading day period immediately prior to the relevant notice of Conversion Date; (b) AU\$0.58, and (c) in the event of an IPO on NASDAQ, 80% of the NASDAQ IPO price (the Conversion Price).</p> <p>If the Conversion Price in respect of a conversion is less than AU\$0.40 (the Floor Price), subject to the Investor's Election, the Company may elect to make a payment to each Investor in immediately available funds in lieu of issuing the conversion shares, provided that the Company repays 105% of the conversion amount relating to the conversion shares to the Investor on the conversion date.</p> <p>The Investor's Election is to elect to either receive each conversion share at the Floor Price or agreeing to a conversion by way of a reduction in the Collateral Shareholding Number at the Floor Price.</p> <p>The agreement contains provisions that may require approval of Shareholders as required under ASX Listing Rules 7.1 and 7.1A in the future.</p>
Restricted Conversion Period	For a period commencing on the day after the lock-Up Period and ending on the earliest of 180 days from that date or the default, termination or pause the Investors may not give conversion notices in a calendar month for an aggregate conversion amount exceeding AU\$100,000, provided that this restriction will cease to apply during such time that the market capitalisation of the Company is:

	<p>(i) less than AU\$45,000,000; or</p> <p>(ii) more than AU\$78,000,000.</p>
Company's Buy-Back Right	<p>The Company may, by the issue of a buy-back notice for the Convertible Security (Buy-Back Notice), buy-back the outstanding balance of the Convertible Security at any time.</p> <p>A Buy-Back Notice must exclude amounts where the Investor has already given a Conversion Notice to the Company (the Excluded Converted Amount).</p> <p>The Investor may elect to give a Conversion Notice to the Company for up to 50% of the Face Value of the Convertible Security at the time of issue (Buy-Back Conversion Amount) at the Conversion Price.</p> <p>(d) Upon issuing a Buy-Back Notice, the Company must buy-back the relevant Convertible Security (excluding the Buy-Back Conversion Amount and Excluded Converted Amount), for the Buy-Back Amount Outstanding;</p>

4. RIGHTS AND LIABILITIES ATTACHING TO SHARES ISSUED ON CONVERSION OF THE CONVERTIBLE SECURITIES

The Shares to be issued to Investors on the conversion of the Convertible Securities will rank equally in all respects with all of the Company's existing Shares. The rights attaching to Shares, including new Shares to be issued to the Investors on the conversion of the Convertible Securities, as set out in the Company's Constitution, and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, and general law.

The Company intends to apply to ASX for quotation of the Shares issued on conversion of the Convertible Securities (whole or part thereof).

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders of the Company (**Shareholders**).

General meetings	Each of the Shareholders has the right to receive notice of and to attend and vote at general meetings of the Company.
Voting	Each Share entitles the Shareholder to one vote on a poll, and a Shareholder has one vote on a show of hands.
Dividends	Dividends may be paid to Shareholders as declared by the board of directors of the Company at its discretion.
Rights on winding up	If the Company is wound up, the Shares attract the right to participate equally in the distribution of the surplus assets of the Company.
Transfer of Shares	Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listings Rules.
Variation of rights	If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), may be varied with the consent in writing of the holders of 75% of the issued shares of that class or if authorised by a special resolution passed at a general meeting of the holders of the shares of that class.

5. COMPLIANCE WITH CONTINUOUS DISCLOSURE

The Company is a “disclosing entity” under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under both the Corporations Act and ASX Listing Rules.

These obligations require the Company to notify ASX of information about specific events and matters as they arise. In particular, the Company is obliged to continuously disclose to the market immediately any information which a reasonable person would expect to have a material effect on the price or the value of the Company’s Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors’ statement and report, and an audit report or review. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

The Company will provide a copy of each of the following documents, free of charge, to any person on request:

- (a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 30 June 2018;
- (b) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (a) above, and before the lodgement of this Cleansing Notice with ASX; and
- (c) any continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to in (a) above, and before the lodgement of this Cleansing Notice with ASX.

A list of the continuous disclosure documents given by the Company to ASX after the lodgement of the financial report referred to in (a) above, and before the lodgement of this Cleansing Notice with ASX is set out in the table below.

Date	Announcement
28/09/2018	Change of Registry Address: Automic P/L - Sydney Office
28/09/2018	Appendix 3B
28/09/2018	Section 708 Certificate
28/09/2018	Change of Director's Interest Notice - PM
02/10/2018	Appendix 3B
02/10/2018	Section 708 Certificate
04/10/2018	Noxopharm Releases Report on Key Progress of Subsidiary
05/10/2018	Notice of Annual General Meeting & Proxy Form
22/10/2018	NOX makes key executive appointment
26/10/2018	Appendix 4C – quarterly
08/11/2018	Corporate Presentation
13/11/2018	NOX to Present Clinical Data at COSA Annual Meeting
20/11/2018	NOX 2018 AGM Information
21/11/2018	NOX 2018 AGM Presentations
21/11/2018	Appointment of Mr John Moore as Non-Executive Director
21/11/2018	Results of Meeting
21/11/2018	Initial Director's Interest Notice
29/11/2018	NOX announces Positive Data from CEP-1 Study of Veyonda
11/12/2018	DARRT-1 study advancing on basis of positive clinical data

20/12/2018	NOX Receives \$3.26M Federal Govt R&D Rebate
21/12/2018	Appendix 3B
21/12/2018	Section 708 Certificate
21/12/2018	Change of Director's Interest Notice – GK
14/01/2019	Principal Investigator Discusses LuPIN-1 Study
29/01/2019	Appendix 4C – Quarterly
01/02/2019	Appendix 3B
06/02/2019	Veyonda and Radiotherapy Delivers Clinical Benefits
06/02/2019	FNN interview with Nox Chief Medical Officer on Interim Data
08/02/2019	Updated Share Trading Policy
14/02/2019	Change of Director's Interest Notice – GK
21/02/2019	Appendix 4D and Half Year Accounts
21/02/2019	Noxopharm to expedite Veyonda Clinical Program
05/03/2019	New Corporate Presentation Released
06/03/2019	NOX provides update to Nyrada Note Holders
19/03/2019	KZA: Kazia sells stake in Noxopharm
21/03/2019	Becoming a substantial holder
25/03/2019	Section 708 Certificate
25/03/2019	Appendix 3B
05/04/2019	Updated Top 20 shareholder List
08/04/2019	Securities to be released from Voluntary Escrow
10/04/2019	Veyonda Chemotherapy Enhancement Program to be Expanded
16/04/2019	Idronoxil Confirmed as New Immuno-Oncology Drug
23/04/2019	Change in Noxopharm Limited Board Structure
26/04/2019	Appendix 4C – Quarterly
29/04/2019	Veyonda and Immuno-Oncology Effect Explained
02/05/2019	DARRT Treatment Has Lasting Disease Control at Six Months
08/05/2019	Appendix 3B
08/05/2019	Change of Director's Interest Notice – GK
20/05/2019	LuPIN Trial Demonstrates High Rates of Response
23/05/2019	Promising Data Leads to Expansion of LuPIN Trial
30/05/2019	DARRT-1 Study Fully Enrolled
06/06/2019	Noxopharm Corporate Presentation June 2019
07/06/2019	NOX Subsidiary, Nyrada Inc, Receives R&D Rebate
26/06/2019	Conference Hears of Positive Interim Data from LuPIN Trial
02/07/2019	SNMMI 2019 Conference LuPIN Presentation Released
16/07/2019	Board Changes Ahead of Corporate Growth
17/07/2019	NOX Releases Latest Newsletter
19/07/2019	NOX Announces AU\$26 Million Funding Facility
19/07/2019	Final Director's Interest Notice
19/07/2019	Initial Director's Interest Notice
23/07/2019	Section 708 Certificate
23/07/2019	Appendix 3B

6. INFORMATION EXCLUDED FROM THE CONTINUOUS DISCLOSURE NOTICE

As at the date of this Cleansing Notice, the Company advises that it has fully complied with its disclosure obligations under the ASX Listing Rules and the Corporations Act, and in particular, there is no information which the Company has excluded from any of its continuous disclosure notices given in accordance with the ASX Listing Rules and the Corporations Act as at the date of this Cleansing Notice which it would be reasonable for investors and their professional advisors to require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
- (b) the rights and liabilities attaching to the Convertible Securities and Shares.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'D. Franks', with a stylized flourish underneath.

David Franks
Company Secretary