

3 June 2019

[name of shareholder]
[address of shareholder]

Dear Shareholder

RENOUNCEABLE RIGHTS ISSUE

On 3 June 2019 Suda Pharmaceuticals Limited (**Company**) announced a renounceable pro rata offer to shareholders with a registered address in Australia or New Zealand of approximately 861 million fully paid ordinary shares on the basis of 1 New Share for every 3 Shares held as at 7:00pm (AEST) on 6 June 2019 (Record Date), at an issue price of \$0.004 per new share, with 1 option (each to be issued one share at an exercise price of \$0.015 exercisable before 30 June 2021) (Options) for every 2 New Shares issued (**Rights Issue**) to raise up to approximately \$3.44 million (before costs).

The Company has appointed CPS Capital Group Pty Limited as lead manager and underwriter to the Rights Issue (for \$1 million).

One Director, who currently holds shares, has indicated that he intends to participate in the Offer.

The Directors intend to apply the proceeds from the Offer as follows:

Use of funds (\$) (approx.)	Underwritten Amount (\$)	Full Subscription (\$)
Project development	563,000	1,439,055
General working capital	314,000	1,880,557
Costs of the Offer	123,000	123,000
Total use of funds	1,000,000	3,442,612

The Company expects the Rights Issue to be conducted in accordance with the following timetable:

Ex date – Shares trade ex Entitlement (Ex Date)	5 June 2019
Rights trading starts on a deferred settlement basis	
Record date to determine Entitlement (Record Date)	6 June 2019
Prospectus with Entitlement and Acceptance Form dispatched	7 June 2019
Offer opens for receipt of Applications	
Rights trading ends	14 June 2019
Closing date for acceptances	21 June 2019

Notify ASX of under-subscriptions	26 June 2019
Issue of New Shares Dispatch of shareholding statements	28 June 2019
Normal trading of New Shares expected to commence	1 July 2019

The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

The new shares issued pursuant to the Rights Issue will rank equally with existing fully paid ordinary shares in the Company. Application has been made for the quotation of the new shares.

The attaching Options issued pursuant to the Rights Issue have an exercise price of \$0.015 and expire on 30 June 2021. Application has been made for the quotation of the new Options.

The Rights Issue will be offered under a prospectus lodged with ASIC on 3 June 2019, a copy of which will be sent to Eligible Shareholders. Eligible Shareholders should consider the prospectus carefully in deciding whether to acquire securities offered under the Rights Issue, and will need to complete the personalised entitlement and acceptance form accompanying the prospectus to take up their entitlements. Eligible Shareholders may also apply for additional shares in excess of their entitlement.

The capital structure of the Company before and after completion of the Rights Issue is set out below:

	Underwritten Amount	Full Subscription
Shares currently on issue	2,581,959,133	2,581,959,133
Total Options currently on issue	726,408,634	726,408,634
New Shares offered under the Rights Issue	250,000,000	860,653,044
Listed Options offered under the Rights Issue	125,000,000	430,326,522
Amount raised under the Rights Issue (before costs)	\$1,000,000	\$3,442,612

This assumes no further Shares are issued prior to the Record Date.

CPS Capital Group Pty Limited will be paid a lead manager fee of \$60,000, a management fee of 1% of the total capital raised, an underwriting fee of 5% on the underwritten amount (\$1,000,000), a placement fee of 5% on any shortfall shares placed beyond the underwritten amount by CPS, and 30 million options.

A prospectus for the offer and a personalised entitlement and acceptance form will be sent to eligible shareholders in accordance with the above timetable. Shareholders should consider the disclosure document in deciding whether to acquire the securities. Anybody wanting to acquire securities will need to complete the application form that will be in or will accompany the disclosure document

Should you have any questions regarding the Rights Issue you may contact the Company on +61 6142 5555 or consult your stockbroker or professional adviser.

We look forward to your participation in the Rights Issue.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S. Carter', with a small dot at the end.

Stephen Carter
Managing Director
Suda Pharmaceuticals Limited