

ASX Release

Appendix 3B

PERTH, AUSTRALIA – 6 January 2020: SUDA Pharmaceuticals Ltd (ASX: SUD), a leader in oro-mucosal drug delivery, has released an Appendix 3B for the issue of unlisted options.

1,600,000 unlisted options were issued to Paul Hopper, Executive Chairman, under the Company's ESOP pursuant to resolution of shareholders at the Annual General Meeting held 12 November 2019.

2,800,000 unlisted options were issued to Michael Baker, CEO, under the Company's ESOP as outlined in the announcement of 27 November 2019.

The Appendix 3B follows.

For and on behalf of the Board and for further information please contact:

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NOTES TO EDITORS:

About SUDA Pharmaceuticals Ltd

SUDA Pharmaceuticals Ltd (ASX: SUD) is a drug delivery company focused on oro-mucosal administration, headquartered in Perth, Western Australia. The Company is developing low-risk oral sprays using its OroMist® technology to reformulate existing pharmaceuticals. The many potential benefits of administering drugs through the oral mucosa (i.e.: cheeks, tongue, gums and palate) include ease of use, lower dosage, reduced side effects and faster response time. SUDA's product pipeline includes ZolpiMist™, a first-in-class oral spray of zolpidem for insomnia. ZolpiMist is marketed in the USA and SUDA has rights to the product outside of the US and Canada. Other products in development include oral sprays for the treatment of: migraine headache; chemotherapy-induced nausea and vomiting; erectile dysfunction; pulmonary hypertension; epileptic seizures and pre-procedural anxiety and cancer.

For more information, visit www.sudapharma.com

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

Name of entity

Suda Pharmaceuticals Ltd

ABN

35 090 987 250

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

Unlisted Options

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

- 1,600,000 Unlisted Options
- 2,800,000 Unlisted Options

<p>3 Principal terms of the securities (eg, 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)</p>	<p>1. 1,600,000 Unlisted Options issued to Executive Chairman The Unlisted Options have the following exercise prices: 520,000 at 14.75 cents 520,000 at 15.75 cents 560,000 at 16.75 cents The expiry date of the Unlisted Options is 14 May 2022. The exercise prices were determined based on a 7-day VWAP of \$0.1025 for the 5 trading days up to and including the grant date, plus premiums of 145%, 155% and 165% (respectively). The Unlisted Options are issued under the Company's employee share option plan (ESOP) and are subject to vesting conditions as outlined in the Notice of Meeting for the Annual General Meeting held 12 November 2019.</p> <p>2. 2,800,000 Unlisted Options issued to CEO The Unlisted Options have the following exercise prices: 1,200,000 at 8.58 cents 800,000 at 9.17 cents 800,000 at 9.76 cents The expiry date of the Unlisted Options is 1 January 2024. The exercise prices were determined based on a 7-day VWAP of \$0.059 for the 4 trading days up to and including the grant date, plus premiums of 145%, 155% and 165% (respectively). The Unlisted Options are issued under the Company's employee share option plan (ESOP) and are subject to vesting conditions as outlined in the ASX announcement dated 27 November 2019.</p>
<p>4 Do the securities rank equally in all respects from the date of allotment 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>No. Shares issued upon exercise of the options will rank equally in all respects with existing quoted shares.</p>
<p>5 Issue price or consideration</p>	<p>Nil</p>

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<ol style="list-style-type: none"> 1. Issue of Unlisted Options under the Company's ESOP pursuant to resolutions of shareholders at Annual General Meeting held 12 November 2019. 2. Issue of Unlisted Options under the Company's ESOP as announced on 27 November 2019.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	12 November 2019
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	1,600,000 Unlisted Options approved under Listing Rule 10.14 on 12 November 2019
6f	Number of securities issued under an exception in rule 7.2	2,800,000 Unlisted Options issued under Listing Rule 7.2 (Exception 9)
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.	Not applicable

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

Not applicable

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

Capacity under rule 7.1: 20,138,159 Capacity under rule 7.1A: 14,225,439

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

2 January 2020

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	142,254,397	Ordinary Shares
	27,956,286	Listed Options (SUDOC), each exercisable at \$0.3675 on or before 31 July 2020
	20,688,051	Listed Options (SUDOD), each exercisable at \$0.375 on or before 30 June 2021

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	400,000	Unlisted Options (26/04/2020; \$1.00)
		460,000	Unlisted Options (10/12/2020; 57.0 cents)
		240,000	Unlisted Options (30/01/2022; 18.25 cents)
		520,000	Unlisted Options (14/05/2022; 14.75 cents)
		520,000	Unlisted Options (14/05/2022; 15.75 cents)
		560,000	Unlisted Options (14/05/2022; 16.75 cents)
		1,200,000	Unlisted Options (01/01/2024; 8.58 cents)
		800,000	Unlisted Options (01/01/2024; 9.17 cents)
	800,000	Unlisted Options (01/01/2024; 9.76 cents)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the +securities will be offered	Not applicable
14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
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	Not applicable

- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do ⁺security holders sell their entitlements *in full* through a broker?
- 31 How do ⁺security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

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

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

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

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 (including the securities in clause 38)	<input type="text"/>	<input type="text"/>

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 not available now, 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: 6 January 2020.
(Company Secretary)

Print name:Joseph Ohayon.....

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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

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 date of issue or agreement to issue	103,277,898
<p>Add the following:</p> <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"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</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>34,426,121 ordinary shares issued on 28/6/2019 (rights issue)</p> <p>4,550,378 ordinary shares issued on 28/6/2019 (placement)</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	142,254,397

Step 2: Calculate 15% of “A”	
“B”	<i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	21,338,159
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><i>Note:</i></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> 	Placement to CPS: 1,200,000 Listed Options
“C”	1,200,000
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>	21,338,159
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	1,200,000
Total [“A” x 0.15] – “C”	20,138,159 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

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>	142,254,397
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	14,225,439
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"> • <i>This applies to equity securities – 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>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</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	Nil

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>	14,225,439
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	14,225,439 <i>Note: this is the remaining placement capacity under rule 7.1A</i>