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

Name of entity

Botanix Pharmaceuticals Ltd

ACN

062 959 540

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	(a) Fully Paid Ordinary Shares (**Public Shares**) (b) Fully Paid Ordinary Shares (**Vendor Shares**) (c) Fully Paid Ordinary Shares (**Vendor Loan Shares**) (d) Unlisted Options (**Advisor Options**)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	(a) 175,000,000 (b) 153,060,000 (c) 3,416,642 (d) 13,000,000
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)	(a) Fully Paid Ordinary Shares (b) Fully Paid Ordinary Shares (c) Fully Paid Ordinary Shares (d) Options with an exercise price of $0.03 and expiring on 30 June 2019

4	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	(a) Yes, shares (b) Yes, shares (c) Yes, shares (d) No, shares issued on the exercise of options will rank equally with existing quoted securities
5	Issue price or consideration	(a) Issued at $0.02 per share for total consideration of $3,500,000 (b) Nil cash – issued to Botanix vendors as approved by shareholders on 14 June 2016 (c) Nil cash – issued at a deemed price of $0.02 per share as partial repayment of Botanix vendor loans for a total deemed consideration of $68,332.85 pursuant to the Supplementary Prospectus dated 24 June 2016 (d) Issue price of $0.00001 per option for a total consideration of $130. Advisor Options were issued pursuant to the Advisor Option Offer in the Prospectus dated 13 May 2016 and the Supplementary Prospectus dated 24 June 2016 and as approved by shareholders on 14 June 2016 as consideration for services provided by the Lead Manager in relation to the Public Offer
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(a) Pursuant to the Prospectus dated 13 May 2016 and the Supplementary Prospectus dated 24 June 2016, the purpose of the Public Offer is to:- - Complete the acquisition of Botanix Pharmaceuticals, Inc; - Meet the requirements of the ASX and satisfy Chapters 1 & 2 of the ASX Listing Rules; and - Provide funds to develop the business of the merged Botanix group (b) – (c) To complete the acquisition of Botanix Pharmaceuticals, Inc. as approved by shareholders on 14 June 2016 (d) Issued as consideration for professional services in relation to the Public Offer

+ See chapter 19 for defined terms.

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	23 November 2015
6c	Number of +securities issued without security holder approval under rule 7.1	(c) 3,416,642 Fully Paid Ordinary Shares
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)	(a), (b) & (d) Securities were issued with shareholder approval at the general meeting held on 14 June 2016
6f	Number of securities issued under an exception in rule 7.2	Nil
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	Rule 7.1 – 57,393,077 Rule 7.1A – 40,539,813

7	Dates of entering +securities into uncertificated holdings or despatch of certificates	30 June 2016

		Number	Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in section 2 if applicable)	252,338,128	Ordinary shares

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in section 2 if applicable)	156,476,642	Ordinary shares subject to escrow for 24 months from the date of quotation of the main class of Ordinary shares on the ASX
		7,740,888	Unlisted options, exercise price of $0.133 and expiring 31 December 2016
		1,799,968	Unlisted options, exercise price of $0.10 and expiring 31 December 2016
		13,000,000	Unlisted options, exercise price of $0.03 and expiring 30 June 2019, subject to escrow for 24 months from the date of quotation of the main class of ordinary shares on the ASX

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue – NOT APPLICABLE, DELETED

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

+ See chapter 19 for defined terms.

(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)

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

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: 4 July 2016
(Company Secretary)

Print name: Brett Tucker

+ 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

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	77,338,128 (post consolidated basis)
Add the following: • 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 *Note:* • *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*	Nil 175,000,000 (Public Offer Shares) 153,060,000 (Vendor Shares) Nil
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
"A"	405,398,128

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	60,809,719
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *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*	3,416,642
"C"	3,416,642
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	60,809,719
Subtract "C" *Note: number must be same as shown in Step 3*	3,416,642
Total ["A" x 0.15] – "C"	57,393,077 *[Note: this is the remaining placement capacity under rule 7.1]*

+ 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" *Note: number must be same as shown in Step 1 of Part 1*	405,398,128
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	40,539,813
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 *Notes:* • *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*	Nil
"E"	Nil

+ 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 *Note: number must be same as shown in Step 2*	40,539,813
Subtract "E" *Note: number must be same as shown in Step 3*	Nil
Total ["A" x 0.10] – "E"	40,539,813 *Note: this is the remaining placement capacity under rule 7.1A*