

BOTANIX PHARMACEUTICALS LIMITED
ACN 009 109 755

NOTICE OF GENERAL MEETING

**A General Meeting of the Company will be held at CWA House,
1176 Hay Street, West Perth, Western Australia on 15 May
2017 at 10.00 (WST).**

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on 0400 207 614.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

BOTANIX PHARMACEUTICALS LIMITED

ACN 009 109 755

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Botanix Pharmaceuticals Limited (**Company**) will be held at CWA House, 1176 Hay Street, West Perth, Western Australia, on 15 May 2017 at 10.00 (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 13 May 2017 at 5pm.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 - Ratification of issue of Shares to various sophisticated and professional investors under ASX Listing Rule 7.1

To consider and, if thought fit to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 57,393,077 Shares at an issue price of \$0.055 each on 12 April 2017 under the Company's 15% placement capacity under ASX Listing Rule 7.1 to various sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement:

The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue the subject of Resolution 1 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 - Ratification of issue of Shares to various sophisticated and professional investors under ASX Listing Rule 7.1A

To consider and, if thought fit to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 40,539,813 Shares at an issue price of \$0.055 each on 12 April 2017 under the Company's additional 10% placement capacity under ASX Listing Rule 7.1A to various

sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast on Resolution 2 by any person who participated in the issue the subject of Resolution 2 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 - Approval to issue up to 36,363,636 Shares under capital raising

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 36,363,636 Shares at an issue price of \$0.055 per Share to various sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast on Resolution 3 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed, and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



Simon Robertson
Company Secretary

Dated: 11 April 2017

BOTANIX PHARMACEUTICALS LIMITED

ACN 009 109 755

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at CWA House, 1176 Hay Street, West Perth, Western Australia, on 15 May 2017 at 10.00 AM.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Background to Resolutions 1 to 3
Section 4:	Resolution 1 - Ratification of issue of Shares to various sophisticated and professional investors under ASX Listing Rule 7.1
Section 5:	Resolution 2 - Ratification of issue of Shares to various sophisticated and professional investors under ASX Listing Rule 7.1A
Section 6:	Resolution 3 - Issue of up to 36,363,636 Shares
Schedule 1:	Definitions

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and

- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

The Chairman intends to exercise all available proxies in favour of all Resolutions.

3. Background to Resolutions 1 to 3

On 5 April 2017, the Company announced that it had received commitments from various sophisticated and professional investors to subscribe for a total of 134,296,526 Shares in the Company at an issue price of \$0.055 to raise up to \$7,386,309 (before costs) (**Placement**).

The Placement is in two tranches as follows:

- (a) 97,932,890 Shares were issued on 12 April 2017 raising approximately \$5.4 million. Of these Shares:
- (i) 57,393,077 Shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1. Resolution 1 seeks the ratification of the issue of these Shares pursuant to ASX Listing Rule 7.4;
 - (ii) 40,539,813 Shares were issued under the Company's additional 10% placement capacity under ASX Listing Rule 7.1A. Resolution 2 seeks the ratification of the issue of these Shares pursuant to ASX Listing Rule 7.4; and
- (b) subject to Shareholder approval the subject of Resolution 3, 36,363,636 Shares will be issued on or around 19 May 2017.

The funds raised under the Placement will be used to enable the Company to execute on its product development programmes and broader commercialisation strategy. Specifically, the advancement of the clinical development of its dermatology products and to pursue the strategy of commercialising the Permetrex™ technology.

The table below shows the effect of the Placement on the capital structure of the Company:

Existing Shares on issue (including Shares issued under tranche 1 of the Placement the subject of Resolutions 1 and 2)	506,747,660*
Shares to be issued if Resolution 3 is approved	36,363,636
Total	543,111,296

*Includes escrowed Shares

There will be no changes to the number of Options on issue.

Argonaut Capital Limited acted as lead manager to the Placement. Shares issued under the Placement were (and will) be issued to various sophisticated or professional investors, none of whom are related parties of the Company. The Company does not expect the Placement will result in any new substantial shareholders of the Company.

4. Resolution 1 - Ratification of issue of Shares to various sophisticated and professional investors under ASX Listing Rule 7.1

Listing Rule 7.1 broadly provides that a company may issue without shareholder approval equity securities up to 15% of its issued capital in any 12 month period.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 15% of the issued capital of the Company without requiring Shareholder approval.

Resolution 1 seeks ratification under Listing Rule 7.4 of the issue of 57,393,077 Shares that were made on 12 April 2017 in order to restore the ability of the Company to issue further Shares within the 15% limit during the next 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 57,393,077 Shares were issued;
- (b) the Shares were issued at an issue price of \$0.055 each;
- (c) the Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Shares were issued to various sophisticated and professional investors, all of whom were unrelated parties of the Company; and
- (e) the intended use of funds raised from the issue is set out in Section 3.

5. Resolution 2 - Ratification of issue of Shares to various sophisticated and professional investors under ASX Listing Rule 7.1A

Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue during the period the approval is valid up to a number of equity securities which represent 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1A.

Shareholders approved the 10% additional placement capacity under Listing Rule 7.1A at the Company's 2016 Annual General Meeting held on 30 November 2016.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval under the Company's 10% additional placement capacity provided the issue did not breach the 10% threshold set by Listing Rule 7.1A. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares under the additional 10% placement capacity until 30 November 2017, being the date 12 months from the date of the Company's 2016 Annual General Meeting at which Shareholders approved the additional 10% placement capacity.

Resolution 2 seeks ratification under Listing Rule 7.4 of the issue of 40,539,813 Shares that were made on 12 April 2017 in order to restore the ability of the Company to issue further Shares within the 10% limit during the relevant period.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 40,539,813 Shares were issued;
- (b) the Shares were issued at an issue price of \$0.055 each;
- (c) the Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Shares were issued to various sophisticated and professional investors, all of whom were unrelated parties of the Company; and
- (e) the intended use of funds raised from the issue is set out in Section 3.

6. Resolution 3 - Issue of up to 36,363,636 Shares

Resolution 3 seeks Shareholder approval for the purpose of Listing Rule 7.1 and for all other purposes for the issue of a maximum of 36,363,636 Shares at an issue price of \$0.055 each to raise up to \$2,000,000 under tranche 2 of the Placement. A summary of Listing Rule 7.1 is provided above.

The effect of the Placement (on an undiluted basis) on the capital structure of the Company can be summarised as follows:

Shares	Number	Percentage interest
Shares currently on issue	506,747,660*	93.3%
Shares to be issued under the Placement	36,363,636	6.7%
Total Shares upon completion of the Placement	543,111,296	100.00%

*Includes escrowed Shares

There will be no changes to the number of Options on issue.

The funds raised under the Placement will be used to enable the Company to execute on its product development programmes and broader commercialisation strategy. Specifically, the advancement of the clinical development of its dermatology products and to pursue the strategy of commercialising the Permetrex™ technology.

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Shares the Company can issue is 36,363,636;
- (b) the Company will issue the Shares no later than three months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the Shares will be issued at an issue price of \$0.055 each;
- (d) the Shares will be issued to various sophisticated or professional investors to be determined by the directors, none of whom are related parties of the Company;

- (e) the Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (f) the intended use of funds raised from the issue is set out in Section 3; and
- (g) it is intended the Shares will be issued on the one date.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established..

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors of the Company.

Chairman means the person appointed to chair the Meeting of the Company convened by the Notice.

Child Entity has the meaning give to that term in the Listing Rules.

Company means Botanix Pharmaceuticals Limited ACN 009 109 755.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Listing Rules means the listing rules of ASX.

Meeting means the General Meeting convened by the Notice.

Notice means this notice of General Meeting.

Options means options over Shares.

Proxy Form means the proxy form attached to the Notice.

Resolutions means the resolutions referred to in the Notice or any one of them, as the context requires.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities means all Equity Securities of the Company, including a Share and an Option.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time, being the time in Perth, Western Australia.

BOT:

Holder Number:

Vote by Proxy

Option A – Please choose to vote online, because:

- ✓ **Save Your Money:** This company you own a part of has to spend thousands of dollars each year in print and postage costs. Online voting will reduce this unnecessary expense.
- ✓ **It's Quick and Secure:** Voting online provides you with greater privacy over your instructions, eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **Receive Vote Confirmation:** Voting online is the only method which provides you with confirmation that your vote has been processed. It also allows you to amend your vote if required.



To Access online voting you can scan the barcode to the right with your tablet or mobile device or you can enter the following link into your browser. Voting online is quick and easy to do.

<https://investor.automic.com.au/#/loginsah>

STEP 1: Please appoint a Proxy

Option B – Appoint a proxy, by paper:

I/We being a Shareholder entitled to attend and vote at the General Meeting of the Company, to be held at **10.00am (WST) on Monday, 15 May 2017 at CWA House, 1176 Hay Street, West Perth, Western Australia** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

STEP 2: Voting Direction

Resolutions	For	Against	Abstain
1 Ratification of issue of Shares to various sophisticated and professional investors under ASX Listing Rule 7.1	☐	☐	☐
2 Ratification of issue of Shares to various sophisticated and professional investors under ASX Listing Rule 7.1A	☐	☐	☐
3 Approval to issue up to 36,363,636 Shares under capital raising	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017

Email Address

HOW TO COMPLETE THIS PROXY VOTING FORM

LODGING YOUR PROXY VOTE

This Proxy Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10.00am (WST) on Saturday, 13 May 2017**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting Forms received after that time will not be valid for the scheduled Meeting.

Proxy Voting Forms can be lodged:



ONLINE

<https://investor.automic.com.au/#/loginsah>



Login to the Automic website using the holding details as shown on the Proxy Voting Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, shareholders will need their Holder Number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on front of the Proxy Voting form.



BY MAIL

Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012



BY HAND

Automic Registry Services
Level 3, 50 Holt Street, Surry Hills NSW 2010



ALL ENQUIRIES TO

Telephone: 1300 288 664 Overseas: + 61 2 9698 5414

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services on 1300 288 664 or you may copy this form.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting and Proxy Voting Form via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

OTHER RESOLUTIONS

Should any resolution, other than those specified in this Proxy Voting Form, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.