

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, 04/03/13

Name of entity

COVATA LIMITED

ABN

61 120 658 497

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) Convertible Notes.
(b) Warrants (free-attaching). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 77,777,781.
(b) 58,620,689. |
| 3 | Principal terms of the +securities (e.g. 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) Convertible to ordinary shares, subject to conditions including shareholder approval (if required). Refer ASX Announcement of 30 January 2019 for further details regarding terms.
(b) Warrant to subscribe for one ordinary share at an issue price of \$0.028 per share having an expiry date which is 18 months from the issue date. |

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4	Do the +securities rank equally in all respects from the +issue date 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) and (b) any ordinary shares issued on conversion or exercise of the notes or warrants will rank equally with the Company's existing ordinary shares. Refer above for terms or convertible notes and warrants.
5	Issue price or consideration	(a) \$0.018 per convertible note – total raised \$1,400,000. (b) Nil – free-attaching warrants.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(a) Working capital for the purposes described in the Company's ASX Announcement of 30 January 2019. (b) Free-attaching to convertible notes referred to in (a) above.
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	16 October 2018.
6c	Number of +securities issued without security holder approval under rule 7.1	58,620,689 warrants

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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)	Nil.
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.	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	Current capacity: LR 7.1 – 58,819,651 LR7.1A – 78,293,560
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	22 February 2019.

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	Number	+Class
8	668,710,412	Ordinary shares (excludes employee share loan plan shares – see item 9).
	12,977,400	Ordinary shares subject to voluntary escrow until 19 July 2019.
	23,361,798	Options exercisable at \$0.055 (5.5 cents) and expiring on 6 June 2020. Includes options referred to in item 1, and 17,857,127 options already on issue.

	Number	+Class
9	101,247,789	Employee share loan plan shares (ordinary, employee incentive scheme shares) (CVTAG).
	6,828,816	Options exercisable at USD\$0.1467 expiring 31 October 2019 (CVTAH/AF).
	5,000,000	Options exercisable at AUD\$0.20 expiring 31 October 2019 (CVTAF).

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1,237,500	Options exercisable at AUD\$0.20 expiring 22 December 2019 (CVTAH).
231,400	Options exercisable at \$0.33, expiring 12 March 2020 (CVTAH).
38,240,979	Warrants exercisable at \$0.274 (27.4 cents) expiring 25 March 2020. The warrants are subject to the vesting conditions outlined in the Company's announcement to ASX on 20 March 2015. (CVTAK)
300,000	Options exercisable at \$0.24, expiring 2 November 2020.
490,669	Options exercisable at \$0.33 and expiring on 17 December 2020.
400,000	Options exercisable at \$0.195 and expiring on 20 July 2021.
3,000,000	Options exercisable at \$0.20 and expiring on 4 May 2022.
840,000	Options exercisable at \$0.05 (5 cents) and expiring on 21 June 2022.
1,000,000	Options exercisable at \$0.05 (5 cents) and expiring on 17 August 2022.
11,064,000	Options exercisable at \$0.05 (5 cents) and expiring on 22 November 2022.
5,569,583	Options exercisable at \$0.045 (4.5 cents) and expiring on 22 November 2022.

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19,523,000	Options exercisable at \$0.028 (2.8 cents) and expiring on 6 September 2023.
77,777,781	Convertible notes, convertible to ordinary shares subject to certain conditions including shareholder approval (if required). Refer ASX Announcement of 31 January 2019 for further details.
58,620,689	Warrants to subscribe for one ordinary share at an issue price of \$0.028 per share having an expiry date which is 18 months from the issue date.

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

Not applicable.

Part 2 - 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.

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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 offer 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 offer documents 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.

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28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	⁺ Issue date	Not applicable.

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

Securities described at (a) and (b) are not quoted.

(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

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

To be provided at time of issue, if applicable.

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 +issue date 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
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- 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)

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- 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.

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- 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 is not available now, we 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: 25 February 2019

Print name: Patrick Gowans
(~~Director~~/Joint Company Secretary)

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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 Amended 04/03/13

Calculations reflect current capacity, to be updated at the time of issue.

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 the +issue date or date of agreement to issue	647,050,034
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	4,085,000 shares issued under shareholder approved Loan Share Plan on 6 March 2018. 16,513,792 shares issued under Rights Issue completed on 12 July 2018. 12,977,400 share issued with shareholder approval to CipherPoint vendors on 20 July 2018. 32,392,800 shares issued under Loan Share Plan on 7 September 2017. 53,571,428 shares issued on 6 June 2018, issued ratified by shareholder on 16 October 2018. 7,678,500 shares issued under Loan Share Plan on 19 October 2018 with shareholder approval obtained 16 October 2018. 8,666,647 shares issued under Share Purchase Plan on 15 February 2019.
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil

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“A”	782,935,601
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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	117,440,340
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 <i>not counting</i> 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: • <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>	58,620,689 warrants (being the warrants the subject of item (b) of this Appendix 3B)
“C”	58,620,689
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>	117,440,340
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	58,620,689
Total [“A” x 0.15] – “C”	58,819,651 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ 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” <i>Note: number must be same as shown in Step 1 of Part 1</i>	782,935,601
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	78,293,560
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: • <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

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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>	78,293,560
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	78,293,560 <i>Note: this is the remaining placement capacity under rule 7.1A</i>