

ASX ANNOUNCEMENT

9 November 2018

Rhinomed completes capital raising of A\$5 Million

Rhinomed Limited ("the Company") (ASX:RNO) is pleased to announce that it has today completed a capital raising of A\$5 million (before costs). The Company has allotted 23,563,376 fully paid ordinary shares ("**Placement Shares**") at an issue price of \$0.21 per share to sophisticated and professional investors who are not related parties without requiring a prospectus as previously announced by the Company on 2 November 2018. The remaining 246,148 Placement Shares from the participation of Directors will be issued following the Annual General Meeting subject to shareholder approval.

The Placement Shares were issued within the Company's capacity under LR7.1 and LR7.1A.

Information required under LR3.10.5A

Under the 10% capacity (Listing Rule 7.1A ("**Capacity Shares**")), The company issued 11,767,139 fully paid ordinary shares.

As required under Listing Rule 3.10.5A, the Company provided the following information:

- a) the dilutive effect on existing shareholders of the Capacity Shares is as follows:

No. of shares on issue prior to private placement	117,671,387
Shares issued under LR7.1A (Capacity Shares)	11,767,139
Dilution as a result of issue under LR7.1A	10%
Shares issued under LR7.1	11,796,237
Shares to be issued subject to shareholder approval	246,148
Total number of shares on issue subsequent to the capital raise	141,480,911

- b) the issue price of the shares issued under the placement was \$0.21, representing a 21% discount to the volume weighted average price for the 15 days on which trades of the Company's shares were recorded on ASX ending on 1 November 2018 (data obtained from IRESS), being the date immediately before the date on which the placement was announced on ASX .
- c) the placement was undertaken following identification of demand of shares by sophisticated and professional investors. The placement was considered the most efficient and effective method of meeting this identified demand.

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MAKE EVERY BREATH COUNT

d) there was no underwriting agreement in relation to the issue of the Capacity Shares.

e) A fee of up to 6% was paid to brokers assisting it in the issue of the Capacity Shares.

Further details regarding the issue of the Capacity Shares are contained within the accompanying Appendix 3B.

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:

Rhinomed Limited (ASX: RNO)

ACN:

107 903 159

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

Ordinary Shares (RNO)

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

23,563,376

- 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)

Fully Paid Ordinary Shares (RNO)

4	<p>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>Ordinary shares rank equally with existing quoted ordinary shares.</p>
5	Issue price or consideration	<p>\$0.21 per share</p>
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>As announced on 2 November 2018, to fund business growth and working capital.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	<p>14th November 2017</p>
6c	Number of +securities issued without security holder approval under rule 7.1	<p>11,796,237</p>
6d	Number of +securities issued with security holder approval under rule 7.1A	<p>11,767,139</p>
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>Nil</p>

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.	15 Day VWAP: \$0.2647 Source: IRESS 75% of 15 Day VWAP: \$0.1985 Issue Price: \$0.21 Date of issue: 9/11/18																																		
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	Refer to the attached Annexure 1																																		
7	Dates of entering *securities into uncertificated holdings or despatch of certificates	9 November 2018																																		
8	Number and *class of all *securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table><tr><th>Number</th><th>*Class</th></tr><tr><td>141,234,763</td><td>Fully Paid Ordinary Shares (RNO)</td></tr></table>	Number	*Class	141,234,763	Fully Paid Ordinary Shares (RNO)																														
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141,234,763	Fully Paid Ordinary Shares (RNO)																																			
9	Number and *class of all *securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table><tr><th>Number</th><th colspan="3">+Class (Options over Ordinary Shares)</th></tr><tr><th>Amount</th><th>Exercise Price</th><th>Expiration Date</th><th>ASX Code</th></tr><tr><td>6,000,000</td><td>\$0.27</td><td>30 April 2020</td><td></td></tr><tr><td>150,000</td><td>\$0.40</td><td>30 December 2020</td><td></td></tr><tr><td>1,800,000</td><td>\$0.65</td><td>11 April 2019</td><td></td></tr><tr><td>76,923</td><td>\$0.65</td><td>30 April 2019</td><td></td></tr><tr><td>1,000,000</td><td>\$0.674</td><td>30 April 2019</td><td></td></tr><tr><td>9,026,923</td><td>Total</td><td colspan="2"></td></tr></table>			Number	+Class (Options over Ordinary Shares)			Amount	Exercise Price	Expiration Date	ASX Code	6,000,000	\$0.27	30 April 2020		150,000	\$0.40	30 December 2020		1,800,000	\$0.65	11 April 2019		76,923	\$0.65	30 April 2019		1,000,000	\$0.674	30 April 2019		9,026,923	Total		
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9,026,923	Total																																			
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged																																		

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable.
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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)	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	⁺ Despatch 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 (Shares only)

(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
(if issued upon conversion of another security, clearly identify that other security)
- Example: In the case of restricted securities, end of restriction period
-
- 42 Number and *class of all *securities quoted on ASX (*including* the securities in clause 38)
- | Number | *Class |
|----------------------|----------------------|
| <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:



Company Secretary
Phillip Hains

Print Name:

Date: 9 November 2018

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	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	93,637,159
Add the following: <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 Note: <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> 	24,034,228
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	117,671,387

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	17,650,708

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>Note:</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> 	11,796,237
“C”	11,796,237

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>	17,650,708
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	11,796,237
Total [“A” x 0.15] – “C”	5,854,471

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>	117,671,387

Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: This value cannot be changed</i>
Multiply “A” by 0.10	11,767,139

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"> 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 	11,767,139
“E”	11,767,139

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>	11,767,139
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	11,767,139
Total [“A” x 0.10] – “E”	- <i>Note: This is the remaining placement capacity under rule 7.1A</i>

ASX ANNOUNCEMENT

**Notice Under Section 708A(5) of the Corporations Act
[ASX Code: RNO]**

9 November 2018

This notice is given under paragraph (5)(e) of section 708A of the Corporations Act.

Type:	Shares
Class/Description:	Fully paid ordinary shares
ASX Code:	RNO
Date of Issue:	9 November 2018
Number Issued:	23,563,376
Issue Price:	\$0.21 per share

The Company intends to apply to Australian Stock Exchange Limited for quotation of the above shares.

Accordingly the Company gives notice under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (the "Corporations Act") that:

1. the abovementioned ordinary shares were issued without disclosure to investors under Part 6D.2 of the *Corporations Act*;
2. as at the date of this notice the Company has complied with:
 - (i) the provisions of Chapter 2M *Corporations Act* as they apply to the Company; and
 - (ii) section 674 *Corporations Act*; and
3. as at the date of this notice there is no "excluded information" (as defined in subsection 708A(7) of the *Corporations Act*) which is required to be disclosed by the Company.

For and on behalf of the Company,



Phillip Hains
Company Secretary