ASX RELEASE

Paradigm Biopharmaceuticals Limited
ACN 169 346 963

Oversubscribed Share Placement raises $6.21 million Together with Share Purchase Plan

Highlights

- **Oversubscribed Share Placement raises $6.21 million from sophisticated and professional investors**
- **Paradigm now has balance sheet strength and financial flexibility to accelerate clinical programs and take advantage of growth opportunities**
- **Share Purchase Plan to raise $1 million to follow, to allow current shareholders to participate at the same price as the Placement**
- **Total to be raised exceeds $7 million**

18th October 2016, Melbourne, Australia: Paradigm Biopharmaceuticals Limited (ASX: **PAR** - **Paradigm** or **the Company**) is pleased to announce it has received firm commitments to place ~13m new shares raising A$6.21m million ("Placement"). The heavily oversubscribed Placement was well supported by existing investors and new sophisticated and institutional investors. The Company also announced a Share Purchase Plan of $1.0 million ("SPP") for existing shareholders to participate on the same terms as those of the Placement. Baker Young Stockbrokers Limited and DJ Carmichael Pty Limited acted as Joint Lead Managers to the Placement.

The Placement was priced at $0.48 per share representing a 6.5% discount to the last close price on Thursday 13th October and 14% discount to the 30-day volume weighted average price.

The Company's managing director Mr Paul Rennie has indicated his intention to subscribe for $200,000 in new Shares at the same issue price of $0.48. Shareholder approval for Mr Rennie's participation will be sought at the upcoming 2016 AGM.

The funds raised under the Placement are for the purposes of:

- Accelerating the Alphavirus program, in particular to enter Phase II clinical trials for Ross River virus (RRV) and chikungunya (CHIKV);

- Strengthening balance sheet ahead of anticipated licensing / partnering discussions with large Pharma;
- Further Clinical Development Programs, including Asthma pre-clinical & new IP projects;
- Intellectual Property; and
- Working capital requirements.

Paradigm CEO and Managing Director Paul Rennie, commented "This capital raising provides Paradigm the financial strength and flexibility to accelerate its various clinical programs and in particular bring forward entering Phase II human clinical trials for Ross River virus and Chikungunya virus. By the start of calendar year 2017 Paradigm will be in four Phase II clinical trials with results from the Hayfever and Bone Marrow Edema Phase II trials expected around June 2017. We are especially encouraged by the strong support and interest shown in Paradigm by sophisticated and institutional investors".

The Company has also decided to offer all existing shareholders the opportunity to participate in a further capital raising through a non-underwritten share purchase plan, pursuant to which the Company will offer each shareholder (as at the Record Date specified below) the right to subscribe up to $15,000 (subject to scale back) for fully paid ordinary shares in the capital of the Company at the same issue price as under the Placement (being $0.48 per share) (**SPP**). The Company intends to raise up to $1 million by the issue of approximately 2,083,333 shares under the SPP.

The Company reserves the right (in the board's absolute discretion) in respect of the SPP to:

- scale back applications on a pro rata basis, should aggregate demand exceed $1,000,000 in subscriptions under the SPP; and
- accept oversubscriptions above $1,000,000 should the Company determine there is sufficient shareholder interest.

The relevant dates* for the SPP are as follows:

Record Date	17 October 2016
SPP Offer Documents despatched	21 October 2016
SPP Opens	28 October 2016
SPP Closes	17 November 2016
Issue and allotment of SPP shares	24 November 2016

*These dates are indicative only and may be changed by the Company

Shareholder approval is not required for either the Placement or the SPP – other than the proposed allotment to Mr Paul Rennie (as outlined above).

For further information regarding the Placement or the proposed SPP – please contact Baker Young Stockbrokers or DJ Carmichael – Corporate Finance:-

Baker Young Stockbrokers

Level 6, 121 King William Street

Adelaide SA 5000

Australia

Tel: +618 8236 8888

DJ Carmichael – Corporate Finance

Level 14, 191 St Georges Terrace

Perth WA 6000

Australia

Tel: +618 9263 5268

About Paradigm Biopharmaceuticals Ltd: (ABN: 94 169 346 963) Paradigm Biopharmaceuticals Ltd (ASX: PAR) is an Australian biopharmaceutical company focused on repurposing the historic drug PPS (Pentosan Polysulfate Sodium) as a potential new treatment for Bone Marrow Edema (BME) lesions following traumatic injury. Paradigm Biopharmaceuticals is also repurposing PPS for respiratory diseases including Allergic Rhinitis (AR) also known as hay fever. In addition to the BME and AR clinical programs PAR recently added an additional clinical program – the use of PPS to treat viral arthritis arising from Alphavirus infection. Repurposing an existing drug diminishes early developmental risks associated with traditional new drug development and usually means shorter development times, lower development costs and less safety risk.

http://paradigmbiopharma.com or email enquiries to: info@paradigmbiopharma.com