20 August 2019

ASX Announcement / Media Release

Appendix 3B

20 August 2019 – Race Oncology Limited (ASX: RAC) announced earlier today the successful completion of a $1.45 million placement, led by prominent biotechnology investor Dr Daniel Tillett.

The attached Appendix 3B relates to the issue of the 8.5 million shares and 4.25 million options to Dr Tillett, with the shares being issued under the Company's 10% placement capacity and the options under the Company's 15% placement capacity.

The balance of the initial placement of 5 million shares and 2.25 million options able to be issued under the Company's remaining 15% capacity will be issued as soon as the funds have been received.

The remainder of the placement shares and options are subject to shareholder approval.

- **ENDS** -

About Race Oncology (RAC: ASX)

Race Oncology is a specialty pharmaceutical company whose business model is to pursue later-stage drug assets in the cancer field that have been overlooked by big pharma. The company's first asset is Bisantrene, a chemotherapy drug, which was the subject of more than 40 clinical studies during the 1980s and 1990s before the drug was abandoned. Bisantrene has compelling Phase II data in acute myeloid leukaemia (AML) and Race is seeking to gain US FDA approval for Bisantrene for AML under the accelerated 505(b)(2) regulatory pathway. Bisantrene is the subject of two recently granted US patents and a third allowed US patent. It has also been awarded US Orphan Drug designation and a 'Rare Paediatric Disease' (RPD) designation.

Media contact:

Heidi Cuthbert
+61 411 272 366
E: heidi.cuthbert@multiplier.com.au

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, 04/03/13

Name of entity

RACE ONCOLOGY LIMITED

ABN

61 149 318 749

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	1. Fully paid ordinary shares 2. Unlisted options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1. 8,500,000 2. 4,250,000
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)	1. Fully paid ordinary shares 2. Unlisted options issued on a one for two basis in relation to the placement shares and exercisable at $0.099 on or before 31 August 2021

+ See chapter 19 for defined terms.

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	1. Yes 2. Shares issued upon exercise of the unlisted options will rank equally in all respects from the date of issue with existing fully paid ordinary shares.
5	Issue price or consideration	1. $0.066 2. Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issued pursuant to placement announced to the market on 20 August 2019. Funds raised are to be used for research and development of Bisantrene and for general working capital.
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	27 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	4,250,000 unlisted options
6d	Number of +securities issued with security holder approval under rule 7.1A	8,500,000 fully paid ordinary shares
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.	Issue date of securities, 20 August 2019. Date price agreed, 16 August 2019. 15 day VWAP prior to date price agreed is $0.05992. 75% of 15 day VWAP is $0.04494. Issue price of $0.066 represents a 10.15% premium to the 15 day VWAP. Source: Morningstar
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	7.1 7,575,371 7.1A 223,581
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.	20 August 2019

	Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	95,735,813	Fully paid ordinary shares

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	9,000,000	Options @ $0.25 expiring on 01/07/2021
		135,000	Options @ $0.256 expiring on 01/08/2021.
		1,500,000	Options @ $0.25 expiring on 01/04/2022.
		100,000	Options @ $0.25 expiring on 08/05/2022.
		2,000,000	Options @ $0.49 expiring on 22/11/2019
		2,000,000	Options @ $0.65 expiring on 22/11/2019
		5,000,000	Options @ $0.45 expiring on 19/03/2020
		6,000,000	Options @ $0.30 expiring on 13/01/2020

+ See chapter 19 for defined terms.

1,500,000	Options @ $0.32 expiring on 16/05/2023 with 750,000 subject to vesting conditions.
420,000	Options @ $0.12 expiring on 1/10/2023 with 70,000 subject to vesting conditions.
2,000,000	Options @ $0.23 expiring on 27 November 2021 with 1,500,000 subject to vesting conditions.
420,000	Options @ $0.12 expiring on 21/01/2024 with 210,000 subject to vesting conditions.
500,000	Options @ $0.10 expiring on 12/03/2024 subject to vesting conditions.
100,000	Options @ $0.135 expiring on 31/05/2024 subject to vesting conditions.
840,000	Options @ $0.085 expiring on 31/05/2024 with 700,000 subject to vesting conditions.
4,250,000	Options @ $0.099 expiring on 31 August 2021.

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

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

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.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
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	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements *in full* through a broker?	
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	

32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	+Issue date	

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) [X] +Securities described in Part 1

(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 +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	
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)	

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

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.

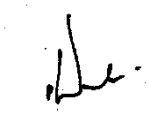
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) 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.

+ See chapter 19 for defined terms.

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 20 August 2019
(Company Secretary)

Print name: Peter Webse

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

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	77,235,813
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*	10,000,000 – Conversion of performance shares Exception 4
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
"A"	87,235,813

+ 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	13,085,371
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*	420,000 unlisted options 22 January 2019 840,000 unlisted options 31 May 2019 4,250,000 unlisted options 20 August 2019
"C"	5,510,000
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*	13,085,371
Subtract "C" *Note: number must be same as shown in Step 3*	5,510,000
Total ["A" x 0.15] – "C"	7,575,371 *[Note: this is the remaining placement capacity under rule 7.1]*

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*	87,235,813
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	8,723,581
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*	8,500,000 fully paid ordinary shares 20 August 2019
"E"	8,500,000
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*	8,723,581
Subtract "E" *Note: number must be same as shown in Step 3*	8,500,000
Total ["A" x 0.10] – "E"	223,581

+ See chapter 19 for defined terms.