



PROSPECTUS

For an offer of Placement Shares to RM Capital Clients, Interest Shares to Noteholders, and Convertible Notes to Noteholders

CORPORATE DIRECTORY

Directors

Michael Robert Stewart (Chairman)
Stephen John Carter (Managing Director)
Joseph Daniel Ohayon (Executive Director)

Company Secretary

Joseph Daniel Ohayon

Registered Office

Level 1, Unit 12
55 Howe Street
Osborne Park WA 6017

Legal Adviser to the Offer

Bennett + Co
Ground Floor, BGC Centre
28 The Esplanade
Perth WA 6000

Lead Manager & Underwriter

RM Corporate Finance Pty Ltd
PO Box 154
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Important Notice

This Prospectus is dated 24 April 2017 and a copy of this Prospectus was lodged with ASIC on 24 April 2017. The expiry date of the Prospectus is 24 April 2018 and no securities will be allotted, issued or sold on the basis of this Prospectus after this expiry date.

This Prospectus is for offers of continuously quoted securities or securities that are convertible into continuously quoted securities and accordingly is not required by the Corporations Act to contain all the information which is normally required to be set out in a document of this type.

The Prospectus incorporates by reference information contained in documents that have been lodged with ASIC. A document incorporated into the Prospectus in this manner may be obtained free of charge from the Company during the application period.

ASIC does not take any responsibility for the contents of this Prospectus. Neither ASIC, ASX, the Company and its directors guarantee any particular rate of return or the performance of the Company.

No person is authorised to give any information or to make any representation in connection with this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

It is important that you read this Prospectus carefully before deciding whether or not to accept the Offers described in the Prospectus and in particular, you should consider the risk factors that could affect the financial performance of the Company.

A number of words used in this Prospectus have defined meanings. Those terms are capitalised and are explained in the Glossary at the back of the Prospectus.

1 DETAILS OF THE OFFERS

1.1 Overview of Placement Shares Offer

The Company has agreed to offer to RM Capital Clients Shares to the value of approximately \$1,500,000 at a placement price of 2 cents per Share. The rights and liabilities applicable to the Placement Shares are set out in Section 3 of this Prospectus.

1.2 Overview of Interest Shares Offer

The Company has agreed to offer to Noteholders the option to take the interest payable on their Convertible Notes in Interest Shares. The rights and liabilities applicable to the Interest Shares are set out in Section 3 of this Prospectus.

1.3 Overview of Convertible Notes Offer

The Company has agreed to offer 742,500 Convertible Notes to Noteholders with a face value of \$1 per Convertible Note.

The key terms of the Convertible Notes are set out in Section 3 of this Prospectus.

1.4 Purpose of Placement Shares Offer and Convertible Notes Offers

The purpose of the Placement Shares Offer and the Convertible Notes Offer is to raise funds for working capital, the conduct of a proof of concept clinical trial of the Company's SUD-003 sildenafil oral spray, and the commercialisation and ongoing development of the Company's OroMist drug delivery technology and its pipeline of novel oral sprays.

1.5 Purpose of Interest Shares Offer

The purpose of the Interest Shares Offer is to preserve the Company's cash resources in circumstances where interest would otherwise be payable on the Convertible Notes in cash.

1.6 Use of Funds

The proposed application of funds raised from the Placement Shares Offer and the Convertible Notes Offer is summarised below:

Proof of concept clinical trial	\$350,000
Commercialisation of OroMist technology and pipeline	\$705,000
Working capital	\$1,097,500
Capital raising costs	\$90,000
Total funds raised	<u><u>\$2,242,500</u></u>

No funds will be raised from the Interest Shares Offer.

1.7 Proposed Capital Structure

The following table sets out details of the capital structure of the Company upon completion of the Placement Shares Offer and the Convertible Notes Offer, assuming no Options are exercised, no Convertible Notes are converted and no Performance Rights vest prior to the completion of the Offers and that these Offers are fully subscribed for:

SHARES	AMOUNT
Currently on issue	1,144,858,520
Shares to be issued pursuant to Placement Shares Offer	75,000,000
Shares to be issued pursuant to Interest Shares Offer	Unknown
Total Shares on issue after Offers	1,219,858,520 ¹

¹ This figure does not take into account the Interest Shares to be issued if Noteholders elect to accept the Interest Shares Offer as this figure cannot currently be calculated.

OPTIONS	AMOUNT
Currently on issue	5,000,000
Options to be issued to RM Corporate Finance	10,000,000
Total Options on issue after Offers	15,000,000

CONVERTIBLE NOTES	AMOUNT
Currently on issue	1,260,000
Convertible Notes to be issued pursuant to Convertible Notes Offer	742,500 ¹
Total Convertible Notes on issue after Offers	2,002,500

¹ 450,000 Convertible Notes are proposed to be issued to Related Party Noteholders and therefore will only be issued after Shareholder approval is obtained as required by the ASX Listing Rules. Pending Shareholder approval the subscription monies will represent a loan to the Company.

PERFORMANCE RIGHTS	AMOUNT
Currently on issue	11,532,051

1.8 ASX Listing

Application for quotation by ASX of the Shares offered by this Prospectus will be made as soon as possible after the date of this Prospectus but in any event within 7 days after the date of this Prospectus.

If any Shares offered by this Prospectus are not admitted for quotation by ASX before the expiration of three months after the date of the Prospectus (or such longer period as is approved by ASIC), the Company will repay, as soon as practicable, without interest, all application monies received pursuant to the Offers.

The fact that ASX may grant quotation for the Shares the subject of this Prospectus is not to be taken in any way as an indication of the merits of the Company, or the Shares.

1.9 No Offer of Securities after 13 months

No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus

2 BUSINESS AND INVESTMENT RISKS

2.1 Overview

The Securities offered under this Prospectus are considered speculative. Activities of Suda are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls, however, many are outside the control of Suda and cannot be mitigated. There are also general risks associated with any investment in securities. Hence, investors should be aware that the performance of Suda may be affected and the value of its Securities may rise or fall over any given period. The Directors recommend that investors speak to their financial, legal or other advisor about these risks before making a decision to invest in the Securities.

The following summary, whilst not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

2.2 General Risks

An investment in the Company involves general risks associated with any investment in securities of companies that are listed on a stock exchange. Many factors affect the financial performance of Suda and/or the price of its Securities. General risk factors include:

Movement in Australian and overseas share markets and financial markets generally

A number of factors affect the performance of stock market investments that could also affect the price at which shares trade on the ASX. Movements on international stock-markets, local interest rates and exchange rates, domestic and international economic conditions, as well as government taxation and other policy changes may affect the stock-market.

Changes in legislation and government regulation

Government legislation, including changes to the taxation system, may affect future earnings and the relative attractiveness of investing in the Company. Changes in government policy (such as in relation to taxation or media and entertainment) or statutory changes may affect the Company and the attractiveness of an investment in it.

Economic conditions

Economic conditions, both domestic and global, may affect the performance of the Company. The Company's future possible revenue and share price can be affected by these conditions all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

Acts of terrorism and outbreak of international hostilities

An act of terrorism or an outbreak of international hostilities may occur, adversely affecting consumer confidence, customer spending and share market performance. This may have an adverse impact on Suda's operating, financial and share price performance.

2.3 Specific Risks

Regulatory and licensing risk

If the Company does not obtain the necessary regulatory approvals it may be unable to commercialize its pharmaceutical products. Even if it receives regulatory approval for any product candidates, profitability will depend on its ability to generate revenues from the sale of its products or the licensing of its technology.

The clinical development, manufacturing, sales and marketing of the Company's products are subject to extensive regulation by regulatory authorities in the United States, the United Kingdom, the European Union, Australia and elsewhere. These regulations vary in important, meaningful ways from country to country.

Despite the substantial time and expense invested in preparation and submission of a marketing license application or equivalents in other jurisdictions, regulatory approval is never guaranteed.

Success of future trials

Ongoing and future clinical trials of the Company's product candidates may not show sufficient safety or efficacy to obtain requisite regulatory approvals for commercial sale.

Phase I and phase II clinical trials are not primarily designed to test the efficacy of a product candidate but rather to test safety and to understand the product candidate's side effects at various doses and schedules. Furthermore, success in preclinical and early clinical trials does not ensure that later large scale trials will be successful nor does it predict final results. Acceptable results in early trials may not be repeated in later trials. Further, phase III clinical trials may not show sufficient safety or efficacy to obtain regulatory approval for marketing.

The Company may conduct lengthy and expensive clinical trials of its product candidates, only to learn that the product candidate is not an effective treatment or not sufficiently safe. A number of companies in the biotechnology industry have suffered significant setbacks in clinical trials, even after promising results in earlier trials. In addition, clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. Negative or inconclusive results or adverse medical events during a clinical trial could require that the clinical trial be redone or terminated. In addition, failure to construct appropriate clinical trial protocols could result in the test or control group experiencing a disproportionate number of adverse events and could require that a clinical trial be redone or terminated.

Key personnel and contractor reliance risk

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

To the extent the Company relies significantly on contractors, it will be exposed to risks related to the business conditions of its contractors.

Future funding requirements

The Company may require substantial additional financing in the future to sufficiently fund its operations, research and development. It has been incurring losses and will continue to do so as it expands its drug development programs. The Company's actual cash requirements may vary from those now planned and will depend upon many factors, including:

- the continued progress of its research and development programs;
- the timing, costs and results of clinical trials;
- the cost, timing and outcome of submissions for regulatory approval;
- the commercial potential of its product candidates; and
- the status and timing of competitive developments.

German litigation risk

The Company currently is a party to litigation in Germany.

A German court entered judgment against the Company in January 2017 in relation to a claim for €4,000,000 plus 5% interest and costs relating to manufacturing rights for the Company's anti-malarial spray ArTiMist®.

The Company has lodged an appeal against the judgment. The judgment is automatically stayed and cannot be enforced unless the other party places a security equal to the judgment plus 10% (€4,400,000) with the German court. Any registration and subsequent enforcement of the judgment against the Company in Australia is not possible whilst the judgment is stayed in Germany. The Company is of the view that the appeal is unlikely to be determined until 2018 at the earliest.

There is a risk that the appeal will be determined against the Company which may affect the Company's ability to sufficiently fund its existing operations and research and development activities and to expand its drug development programs.

3 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

3.1 Shares

The rights attaching to ownership of the Shares to be issued pursuant to this Prospectus are detailed in the Constitution of the Company, which may be inspected during normal business hours at the Company's registered office. Set out below is a summary of the rights, liabilities, privileges and restrictions that will attach to the Shares:

(a) Voting

At a general meeting, every holder of Shares present in person or by proxy, attorney or representative will have one vote on a show of hands and on a poll, one vote for each Share held.

(b) General Meeting

Each holder of Shares is entitled to receive notice of, and to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act.

(c) Dividends

The profits of the Company which the Directors from time to time may determine by way of dividend are divisible amongst the members in proportion to the amounts paid up on the Shares held by them.

(d) Issue of further Shares

The Directors may (subject to the restrictions on the allotment of shares imposed by the Constitution, ASX Listing Rules and the Corporations Act) allot further Suda Shares on such terms and conditions as they see fit and issue preference shares on the terms set out in the Constitution.

(e) Transfers of Shares

Holders of Shares may transfer them by a proper transfer effected in accordance with the ASX Settlement Operating Rules and the ASX and as otherwise permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares where the transfer is not in registrable form or where the refusal to register the transfer is permitted under the ASX Listing Rules. If the Directors decline to register a transfer the Company must give the party lodging the transfer written notice of the refusal and the reason for refusal.

(f) Winding Up

Holders of Shares will be entitled, in a winding up of the Company to share in any surplus assets of the Company in a proportion to be determined by the liquidator.

3.2 Convertible Notes

The terms and conditions of the Convertible Notes to be issued pursuant to this Prospectus are set out below:

(a) Issue Price

\$1.00 per Convertible Note.

(b) Subscription

Convertible into Shares.

(c) Conversion

Convertible at \$0.024 per Share (subject to adjustment pursuant to paragraph (h)) at the Noteholder's election.

(d) Coupon

8% paid semi-annually in arrears, payable at the Noteholder's election in cash or by the issue of Interest Shares. If the Noteholder does not make an election, the interest payment will be made in cash. The Interest Shares will be issued at 90% of the VWAP of Shares over the five days on which trading occurred prior to the interest payment date.

(e) Maturity

31 March 2019

(f) Redemption

If not previously converted at expiry the Convertible Notes will be redeemed at 105% of the face value of the Convertible Notes.

(g) Security

General security agreement over the Company and its subsidiary Westcoast Surgical and Medical Supplies Pty Ltd.

(h) Adjustment to Conversion Price

If the Company issues any new Shares after 1 April 2016 where the issue price is less than \$0.024 (except where the Shares are Interest Shares) the conversion price shall be adjusted in accordance with the following formula:

$$CP_1 = CP_0 - \{NI / TI \times (CP_0 - IP)\}$$

Where

CP_1 = the new Conversion Price

CP_0 = the original Conversion Price

NI = the number of new Shares issued

TI = the total number of Shares issued after the new issue

IP = the issue price of the new Share issue

4 ADDITIONAL INFORMATION

4.1 Interests of Directors

Other than set out below or elsewhere in this Prospectus:

- (a) No Director of the Company has, or has had in the 2 years before lodgement of this Prospectus, any interest in:
- (i) the formation or promotion of the Company; or
 - (ii) in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
 - (iii) the Offers.
- (b) No amount, has been paid or agreed to be paid to any Director of the Company either to induce him to become, or to qualify as a Director, or otherwise for services rendered by him in connection with:
- (i) the promotion or formation of the Company; or
 - (ii) the Offers.

4.2 Interests of Directors in Securities

Directors are not required under the Constitution to hold any shares in the Company.

At the date of this Prospectus, Directors of the Company have relevant interests in the following securities in the Company:

DIRECTOR	SHARES	OPTIONS	CONVERTIBLE NOTES	PERFORMANCE RIGHTS
Michael Robert Stewart	24,411,890 ¹	5,000,000 ³	50,000 ¹	2,712,820 ³
Stephen John Carter	-	-	50,000 ²	4,069,231 ^{3, 5}
Joseph Daniel Ohayon	-	-	20,000	2,750,000 ⁴

Notes:

1. Held indirectly by Kamala Holdings Pty Ltd as trustee for the Kamala (1994) Super Fund and the Asten Discretionary Trust of which Mr Stewart is a director and beneficiary.
2. Held indirectly by Pearlcove Investments Pty Ltd of which Mr Carter is a director and beneficiary.
3. Options and Performance Rights allocated to Messrs Carter and Stewart expire on 11 May 2017.
4. Performance Rights allocated to Joseph Ohayon expire on 27 November 2017.
5. Mr Stewart intends to subscribe for an additional 100,000 Convertible Notes pursuant to the Convertible Notes Offer subject to Shareholder approval.

Directors' Fees

The Constitution of the Company provides that the directors are entitled to such remuneration as the directors determine, but the remuneration of non-executive directors must not exceed in aggregate a maximum amount fixed by the Company in general meeting for that purpose. The current maximum is \$200,000.

Executive Director Remuneration

The executive directors of the Company are remunerated on commercial terms appropriate to their experience and role in the Company. Their remuneration is detailed in the Company's 2016 Annual Report.

4.3 Interests of Named Parties

Other than as set out below or elsewhere in this Prospectus:

- (a) No person named in the Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus or as underwriter has, or has had in the 2 years before lodgement of this Prospectus, any interest in the:
 - (i) formation or promotion of the Company; or
 - (ii) in any property proposed to be acquired by the Company in connection with its formation or promotion; or
 - (iii) the Offers.
- (b) no amount has been paid or agreed to be paid to any such person for services rendered by them in connection with:
 - (i) the promotion or formation of the Company; or
 - (ii) the Offers.

4.4 Bennett + Co

Bennett + Co has acted as legal advisor to the Offers and in that capacity has been involved in providing legal advice to the Company in relation to the Offers. The Company will pay Bennett + Co approximately \$25,000 for these services.

4.5 RM Corporate Finance

RM Corporate Finance has acted as lead manager and underwriter to the Offer. The Company will pay RM Corporate Finance approximately \$90,000 and issue 10,000,000 Options to RM Corporate Finance for these services.

4.6 Consents

Each of the Directors has given and has not withdrawn their consent to the issue of the Prospectus.

Bennett + Co has given and has not withdrawn its consent to be named as legal advisers to the Offers. Bennett + Co has not authorised or caused the issue of this Prospectus and therefore they take no responsibility for any part of the Prospectus other than references to their name.

RM Corporate Finance has given and has not withdrawn its consent to be named as lead manager and underwriter to the Offers. RM Corporate Finance has not authorised or caused the issue of this Prospectus and therefore they take no responsibility for any part of the Prospectus other than references to their name.

4.7 Share Trading History

The highest and lowest market price of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last sale on the Business Day immediately preceding the date of lodgement of this Prospectus with ASIC, were:

	PRICE	DATE
Highest	\$0.028	29 March 2017
Lowest	\$0.015	27 February 2017
Latest	\$0.021	21 April 2017

4.8 Continuous Disclosure and Documents Available for Inspection

The Company is a "disclosing entity" for the purposes of section 111AC and section 713 of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

The Shares to be issued pursuant to this Prospectus are continuously quoted securities.

In general terms, prospectuses in relation to continuously quoted securities are only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request:
 - (i) the Annual Financial Report for the Company for the financial year ended 30 June 2016, (being the last annual financial report to be lodged with ASIC in relation to the Company before the issue of this Prospectus);
 - (ii) the Half Year Financial Report for the period ending 31 December 2016 (being a half year financial report lodged with ASIC after the lodgement of the Annual Financial Report and before the issue of this Prospectus); and
 - (iii) all documents used to notify the ASX of information relating to the Company under the provisions of the ASX listing rules in the period since lodgement of the Annual Financial Report for the financial year ended 30 June 2016 and ending before the issue of this Prospectus.

4.9 Documents Incorporated in Prospectus

Pursuant to Section 712 of the Corporations Act the following documents have been released to ASX and lodged with ASIC since the 2016 Annual Financial Report was lodged, and are incorporated in this Prospectus. A copy of these documents can be obtained free of charge from the ASX website or from the Company by telephoning Suda on (08) 6142 5555 or emailing Suda at info@sudaltd.com.au during the application period for the Prospectus:

Lodgement Date	Description of Document
19/04/2017	Appendix 4C - quarterly
07/04/2017	SUDA Completes \$1.5m Capital Raising
06/04/2017	Appendix 3B and Notice Under Section 708A
05/04/2017	Trading Halt
03/04/2017	SUDA Submits Application For ArTiMist
03/04/2017	SUDA Extends Maturity of Convertible Notes
29/03/2017	SUDA Enters Feasibility Agreement With Pfizer

Lodgement Date	Description of Document
03/03/2017	SUDA expands patent coverage for SUD-003 and SUD-004
27/02/2017	SUDA Announces Strong Revenue For Westcoast
27/02/2017	Half Yearly Report and Accounts
27/02/2017	Reinstatement to official quotation
27/02/2017	SUDA Update On Discussions with Berlin Pharma
20/02/2017	Company Update Regarding Suspension
16/02/2017	SUDA receives \$0.9m R&D tax incentive refund
10/02/2017	Company Update Regarding Suspension
01/02/2017	Appendix 4C - quarterly
27/01/2017	Suspension from official quotation
24/01/2017	Trading Halt
01/12/2016	BRR Audio Webcast
25/11/2016	Results of Meeting
25/11/2016	AGM presentation
17/11/2016	SUDA presents data on novel technology
09/11/2016	SUDA Enters Licensing Agreement For ZolpiMist in China
02/11/2016	Technology patent application
01/11/2016	Ceasing to be a substantial holder
31/10/2016	Appendix 4C - quarterly
21/10/2016	Notice of Annual General Meeting/Proxy Form
05/10/2016	Appendix 3B
22/09/2016	Appendix 4G and Corporate Governance Statement

Abbreviation	Description
ASIC	means Australian Securities and Investments Commission
ASX	means ASX Limited ABN 98 008 624 691
ASX Settlement	means ASX Settlement Pty Ltd ABN 49 008 504 532
ASX Settlement Operating Rules	means the operating rules of the Settlement Facility
Business Day	means Monday to Friday inclusive except for public holidays and any other day that the ASX declares is not a business day
Company or Suda	means Suda Limited ACN 090 987 250
Convertible Note	means a convertible note convertible into Shares on or before 31 March 2019
Convertible Notes Offer	means the offer of 742,500 Convertible Notes to Noteholders
Corporations Act	means <i>Corporations Act 2001</i> as amended from time to time
Director	means each of the directors of the Company from time to time
Interest Shares	means Shares issued to a Noteholder at the Noteholder's election for interest accrued on the subscription sum outstanding on the relevant Convertible Notes
Interest Shares Offer	means the offer to Noteholders of Interest Shares
Listing Rules	means the ASX Listing Rules
Noteholder	means a holder of or subscriber for Convertible Notes
Offers	means the Placement Shares Offer, the Interest Shares Offer, and the Convertible Notes Offer
Option	means an option to subscribe for a Share
OroMist Technologies	means the Company's OroMist® oro-mucosal drug delivery technologies incorporating ZolpiMist™ and the advanced development-stage product ArTiMist®
Performance Rights	means the right to acquire a Share subject to satisfying performance criteria
Placement Shares Offer	means the offer of Shares to RM Capital Clients
Prospectus	means this Prospectus

Abbreviation	Description
Related Party Noteholder	means a holder of or subscriber for Convertible Notes who is a related party of the Company as defined by the ASX Listing Rules
Securities	means Shares, Options and Convertible Notes
Settlement Facility	means the facility provided by ASX Settlement
Share	means a fully paid ordinary share in the capital of the Company
Shareholder	means a holder of Shares
Suda	means Suda Limited ACN 090 987 250
RM Corporate Finance	means RM Corporate Finance Pty Ltd ACN 108 084 386 AFSL 315235
RM Capital Clients	means clients of RM Capital ACN 065 412 820 AFSL 221938
WST	means Western Australian Standard Time
VWAP	means volume weighted average market price