

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

NEWZULU LIMITED

ABN

27 078 661 444

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) Fully paid ordinary shares (Tranche 1 Placement Shares)
(b) Fully paid ordinary shares (Employee Shares)
(c) Fully paid ordinary shares (Director Shares).
(d) Fully paid ordinary shares (Executive Shares). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 210,000,000 Tranche 1 Placement Shares
(b) 14,119,971 Employee Shares.
(c) 7,859,033 Director Shares.
(d) 800,000 Executive Shares. |
| 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) Fully paid ordinary shares.
(b) Fully paid ordinary shares. The Employee Shares are also subject to a two-year vesting period from the date of issue.
(c) Fully paid ordinary shares.
(d) Fully paid ordinary shares. |

+ See chapter 19 for defined terms.

For personal use only

Appendix 3B
New issue announcement

- 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) Yes.
(b) Yes.
(c) Yes.
(d) Yes.
- 5 Issue price or consideration
- (a) \$0.001 per Share
(b) Nil.
(c) Director Shares have been issued in lieu of director's fees owed to Mr Ed Wilson for the period from appointment on 31 August 2016 to 31 March 2017 (A\$23,443).
(d) Nil.
- 6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)
- (a) Funds raised from the Placement will principally be used to fund the expansion of the Newzulu sales team, to repay Newzulu's loan and for working capital and general corporate purposes.
(b) Employee Shares have been issued to eligible employees as a cost effective and efficient incentive for services to be provided to the Company. Approval for the issue of Employee Shares to the Employee Share Trust was received from shareholders at the AGM held on 27 November 2014
(c) Shares issued in lieu of director's fee under the Director Fee Plan. Approval for the issue of Director Shares under the Director Fee Plan was received from shareholders at the AGM held on 4 November 2016.
(d) Executive Shares have been issued upon vesting of performance rights.

+ See chapter 19 for defined terms.

For personal use only

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	No.
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable.
6c	Number of +securities issued without security holder approval under rule 7.1	(a) 210,000,000 Tranche 1 Placement Shares
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	(b) 14,119,971 Employee Shares. (c) 7,859,033 Director Shares. (d) 800,000 Executive Shares.
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.

+ See chapter 19 for defined terms.

For personal use only

Appendix 3B
New issue announcement

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	<p>Rule 7.1: 11,075,796</p> <p>Rule 7.1A: Not applicable.</p>
----	--	---

7	<p>+Issue dates</p> <p>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.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>(a) 9 May 2017.</p> <p>(b) 9 May 2017.</p> <p>(c) 9 May 2017.</p> <p>(d) 9 May 2017.</p>
---	--	---

8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		1,683,838,643	Fully paid ordinary shares

9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		500,000	Financial advisor options exercisable at \$0.30 each on or before 30 June 2017
		24,000,000	Director options exercisable at \$0.10 each on or before 30 June 2017
		43,859,665	Options exercisable at \$0.075 each on or before 31 August 2017
		2,000,000	Director options exercisable at \$0.20 each on or before 31 October 2017.
		5,500,000	Lender options exercisable at \$0.20 each on or before 9 February 2018
		5,000,000	Executive options exercisable at \$0.20 each on or before 9 February 2018
12,000,000	Lead Manager options exercisable at \$0.02 each on		

+ See chapter 19 for defined terms.

For personal use only

	72,000,000	or before 14 June 2019 Type A options exercisable at \$0.02 on or before 14 June 2019
	18,000,000	Type B options exercisable at \$0.03 each on or before 14 June 2019
	5,000,000	Director options exercisable at \$0.02 each on or before 15 June 2019
	12,000,000	Executive options exercisable at \$0.02 each on or before 15 June 2019
	2,000,000	Director options exercisable at \$0.02 each on or before 8 November 2019
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	Not applicable	

Part 2 - Pro rata issue

Questions 11 to 33 – 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

(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

Questions 35 to 37 – Not applicable.

Entities that have ticked box 34(b)

Questions 38 to 42 – Not applicable.

+ See chapter 19 for defined terms.

For personal use only

Appendix 3B
New issue announcement

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 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: 9 May 2017
(Company Secretary)

Print name: Karen Logan

== == == == ==

+ See chapter 19 for defined terms.

For personal use only

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	834,163,832
<p>Add the following:</p> <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 	<p>248,478,789</p> <ul style="list-style-type: none"> • 16,883,096 shares issued on 22 June 2016, exception 9(b). • 208,816,689 shares issued on 1 July 2016, exception 1. • 14,119,971 shares to be issued on 9 May 2017, exception 9(b). • 7,859,033 shares issued on 9 May 2017, exception 14. • 800,000 shares issued on 9 May 2017, exception 4.
<ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval 	<p>391,196,022</p> <ul style="list-style-type: none"> • 391,196,022 issued on 14 June 2016, shareholder approval under 7.1 given at EGM held on 8 June 2016.
<ul style="list-style-type: none"> • Number of partly paid +ordinary securities that became fully paid in that 12 month period 	Nil.
<p>Note:</p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot</i> 	

+ See chapter 19 for defined terms.

For personal use only

Appendix 3B
New issue announcement

<p><i>be added</i></p> <ul style="list-style-type: none"> • <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> 	
<p>Subtract the number of fully paid +ordinary securities cancelled during that 12 month period</p>	Nil.
“A”	1,473,838,643

Step 2: Calculate 15% of “A”

“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	221,075,796

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><i>Note:</i></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> 	<p>210,000,000</p> <ul style="list-style-type: none"> • 210,000,000 shares issued on 9 May 2017.
“C”	210,000,000

+ See chapter 19 for defined terms.

For personal use only

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>	221,075,796
Subtract "C" <i>Note: number must be same as shown in Step 3</i>	210,000,000
Total ["A" x 0.15] – "C"	11,075,796 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

For personal use only

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>	Not applicable
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	Not applicable
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: <ul style="list-style-type: none"> • <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> 	Not applicable
“E”	Not applicable

+ See chapter 19 for defined terms.

For personal use only

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>	Not applicable
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Not applicable
Total [“A” x 0.10] – “E”	Not applicable <i>Note: this is the remaining placement capacity under rule 7.1A</i>

For personal use only

+ See chapter 19 for defined terms.