

Incannex completes IHLOB option exercise program

Incannex Healthcare Limited (ASX: IHL, 'Incannex' or the 'Company'), is pleased to advise that it has received over \$10M in new capital, making the option exercise program just completed the largest capital raising ever undertaken by the Company.

The final position is that 260.56m options out of the 262.96m IHLOB issued have been exercised (99.1% take-up).

The exercises included over 31.8m options (\$1.2m) from directors and management of the Company confirming their on-going financial commitment to the Company and its maturing clinical assets.

The small remaining shortfall of 2.4m shares has been placed to shareholders who have a proven track record of being long term investors in the Company.

No directors participated in this residual shortfall placement.

With over \$12m cash, Incannex in a very strong position to further, and expand upon, its clinical research and product development programs.

The Board of Directors of Incannex thanks its loyal option and shareholders for their support and recognition of the value of the Company's clinical assets and its pursuits towards becoming a market leader in novel drug development.

The Appendix 2A's that follow set out the ASX disclosure requirements for the issue of the shares for the shortfall and the final exercise of options.

ENDS

The release of this announcement has been approved for issue by IHL's Board of Directors. For further details on the announcement, interested parties should contact:

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Appendix 2A (options shortfall)

Application for quotation of +securities

Part 1 – Entity and announcement details

Question no.	Question	Answer
1.1	Name of entity We (the entity here named) apply for +quotation of the following +securities and agree to the matters set out in Appendix 2A of the ASX Listing Rules. ¹	Incannex Healthcare Limited
1.2	Registration type and number	ABN 93 096 635 246
1.3	ASX issuer code	IHL
1.4	This announcement is	A new announcement
1.5	Date of this announcement	2 October 2020

Part 2 – Type of issue

Question no.	Question	Answer
2.1	The +securities to be quoted are:	Being issued as part of a transaction or transactions previously announced to the market in an Appendix 3B
2.2a.1	Date of Appendix 3B notifying the market of the proposed issue of +securities for which quotation is now being sought	2 October 2020
2.2a.2	Are there any further issues of +securities yet to take place to complete the transaction(s) referred to in the Appendix 3B?	No
2.3	The +securities to be quoted are:	Additional +securities in a class that is already quoted on ASX ("existing class")

Part 3A – number and type of +securities to be quoted (existing class or new class) where issue has previously been notified to ASX in an Appendix 3B

Question no.	Question	Answer
3A.1	ASX security code & description	IHL ordinary shares
3A.2	Number of +securities to be quoted	2,400,688
B.3a	Will the securities to be quoted rank equally in all respects from their issue date with the existing issued securities in that class?	Yes

Part 4 – Issue details

Question no.	Question	Answer
4.1	Have the +securities to be quoted been issued yet?	Yes
4.1a	What was their date of issue?	2 October 2020
4.2	Are the +securities to be quoted being issued for a cash consideration?	Yes
4.2a	In what currency is the cash consideration being paid	AUD
4.2b	What is the issue price per +security.	\$0.04

Part 5 – Issued capital following quotation

5.1	Quoted securities (total number of each class of securities quoted on ASX following the quotation of the securities the subject of this application)	
ASX security code and description		Total number on issue
“IHL” – Ordinary shares		930,027,521

5.2	Unquoted securities (total number of each class of securities issued but not quoted on ASX):	
Security description		Total number on issue
A. Options – Strike \$0.06 – Expiry 1-Dec-2020		A. 14,000,000
B. Options – Strike \$0.08 – Expiry 1-Dec-2020		B. 16,000,000
C. Options – Strike \$0.10 – Expiry 1-Dec-2020		C. 18,000,000
D. Options – Strike \$0.12 – Expiry 1-Dec-2020		D. 20,000,000
E. Options – Strike \$0.14 – Expiry 1-Dec-2020		E. 20,000,000
F. Options – Strike \$0.08 – Expiry 30-Sep-2021		F. 89,919,705
G. Options – Strike \$0.20 - Expiry 30-Sep-2021		G. 200,000,000
H. Options – Strike - Expiry 30-Jun-2025		H. 1,500,000
I. Options – Strike - Expiry 30-Jun-2026		I. 1,500,000
J. Options – Strike - Expiry 30-Jun-2027		J. 1,500,000
K. Restricted Performance Rights		K. 41,553,593

Part 6 – Other Listing Rule requirements

Question No.	Question	Answer
6.1	*Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?	No
6.1b	*Are any of the +securities being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?	Yes
6.1b.1	*How many +securities are being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?	2,400,688
6.1c	*Are any of the +securities being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?	No

Appendix 2A (final IHLOA options exercise)

Application for quotation of securities

Part 1 – Entity and announcement details

Question no	Question	Answer
1.1	We, (the Company named herein) apply for quotation of the following securities and agree to the matters set out in Appendix 2A of the ASX Listing Rules. ²	Incannex Healthcare Limited
1.2	Registration number:	ABN 93 096 635 246
1.3	ASX issuer code:	"IHL"
1.4	This announcement is:	A new announcement
1.5	Date of this announcement:	2 October 2020

Part 2 – Type of issue

Question No.	Question	Answer
2.1	The securities to be quoted are:	Being issued as a result of options being exercised
2.2c.1	Please state the number and type of options that were exercised	82,112,994 listed \$0.04 options expiring 30-Sep-2020 ('IHLOB')
2.2c.2	And the date the options were exercised	30 September 2020
2.2h.1	The purpose(s) for which the entity is issuing the securities is:	additional working capital
2.2i	Are these securities being offered under a disclosure document or PDS?	No
2.3	The securities to be quoted are:	Additional securities in a class that is already quoted on ASX ("existing class")

Part 3B – number and type of securities to be quoted (existing class) where issue has not previously been notified to ASX in an Appendix 3B

Question No.	Question	Answer
3B.1	ASX security code & description	IHL ordinary fully paid shares
3B.2	Number of securities to be quoted	82,112,994
3B.3a	Will the securities to be quoted rank equally in all respects from their issue date with the existing issued securities in that class?	Yes

Part 4 – Issue details

Question No.	Question	Answer
4.1	Have the securities to be quoted been issued yet?	Yes
4.1a	What was their date of issue?	2 October 2020
4.2	Are the securities to be quoted being issued for a cash consideration?	Yes
4.2a	In what currency is the cash consideration being paid	AUD
4.2b	What is the issue price per security	\$0.04 (x 82,112,994 = \$3,284,520)

Part 5 – Issued capital following quotation

5.1	Quoted securities (total number of each class of securities quoted on ASX following the quotation of the securities the subject of this application)	
ASX security code and description		Total number on issue
"IHL" – Ordinary fully paid shares		1,012,140,515

5.2	Unquoted securities (total number of each class of securities issued but not quoted on ASX):	
Security description		Total number on issue
L. Options – Strike \$0.06 – Expiry 1-Dec-2020		L. 14,000,000
M. Options – Strike \$0.08 – Expiry 1-Dec-2020		M. 16,000,000
N. Options – Strike \$0.10 – Expiry 1-Dec-2020		N. 18,000,000
O. Options – Strike \$0.12 – Expiry 1-Dec-2020		O. 20,000,000
P. Options – Strike \$0.14 – Expiry 1-Dec-2020		P. 20,000,000
Q. Options – Strike \$0.08 – Expiry 30-Sep-2021		Q. 120,084,395
R. Options – Strike \$0.20 - Expiry 30-Sep-2021		R. 200,000,000
S. Options – Strike - Expiry 30-Jun-2025		S. 1,500,000
T. Options – Strike - Expiry 30-Jun-2026		T. 1,500,000
U. Options – Strike - Expiry 30-Jun-2027		U. 1,500,000
V. Restricted Performance Rights		V. 41,553,593