

Health House International Limited

ACN 149 197 651

CLEANSING PROSPECTUS

For an offer of up to 100,000 *shares* at an issue price of \$0.075 each to raise up to \$7,500 (before costs) (*offer*).

The *offer* is not underwritten.

This *prospectus* has been prepared primarily for the purpose of section 708A(11) of the *Corporations Act* to remove any trading restrictions on the sale of *shares* issued by the *company* prior to the *closing date*.



BLACKWALL
LEGAL

Solicitors to the Offer
Blackwall Legal LLP
Level 26, 140 St Georges Terrace
Perth WA 6000

This document is important and should be read in its entirety. If after reading this prospectus you have any questions about the securities being offered under this prospectus or any other matter, then you should consult your stockbroker, accountant or other professional advisor.

The shares offered by this prospectus should be considered as highly speculative.

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1. CORPORATE DIRECTORY

<i>directors</i>	Mr David Wheeler	Executive Chairman
	Dr Henrik Sprengel	Executive Director
	Hon. Mike Rann AC	Non-Executive Director
	Mr Chris Mews	Non-Executive Director

company secretary Mr Tim Slate

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email info@healthhouse.com.au

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*share registry** Link Market Services
Central Park, Level 4
152 St Georges Terrace, Perth WA 6000

*auditor** HLB Mann Judd (WA) Partnership
Level 4, 130 Stirling Street, Perth WA 6000

solicitors to the company Blackwall Legal LLP
Level 26, 140 St Georges Terrace, Perth WA 6000

securities exchange Australian Securities Exchange (ASX)
ASX Code: HHI

*These entities are included for information purposes only. They have not been involved in the preparation of this prospectus and have not consented to being named in it.

2. TIMETABLE

7 December 2021 Lodgement of *prospectus* with *ASIC and ASX*

7 December 2021 *Offer* opens

10 December 2021 *Closing date*

13 December 2021 *Quotation* of *shares* issued under the *offer*

The above timetable is indicative only and subject to change. Subject to the *listing rules*, the *directors* reserve the right to vary these dates, including the *closing date*, without prior notice. Any extension of the *closing date* will have a consequential effect on the anticipated date for issue of the *shares*. The *directors* also reserve the right not to proceed with the whole or part of the *offer* at any time prior to allotment. In that event, the relevant *application monies* will be returned without interest.

3. IMPORTANT NOTES

3.1. Lodgement and timing

- 3.1.1. This *prospectus* is dated 7 December 2021 and was lodged with ASIC on that date. ASIC, ASX and their officers take no responsibility for the contents of this *prospectus* or the merits of the investment to which this *prospectus* relates.
- 3.1.2. This *prospectus* is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the *Corporations Act*) and has been prepared in accordance with section 713 of the *Corporations Act*. In preparing this *prospectus*, regard has been had to the fact that the *company* is a “disclosing entity” for the purposes of the *Corporations Act* and that certain matters may reasonably be expected to be known to investors and their professional advisers.
- 3.1.3. No *securities* may be issued on the basis of this *prospectus* later than 13 months after the date of this *prospectus*.

3.2. Disclaimer

- 3.2.1. No person is authorised to give information or to make any representation in connection with this *prospectus*, which is not contained in the *prospectus*. Any information or representation not so contained may not be relied on as having been authorised by the *company* in connection with this *prospectus*.
- 3.2.2. It is important that investors read this *prospectus* in its entirety and seek professional advice where necessary. The *shares* the subject of this *prospectus* should be considered highly speculative. No document or information included on the *company's* website is incorporated by reference into this *prospectus*.

3.3. Electronic prospectus

This *prospectus* will be issued as an electronic prospectus which may be accessed on the internet at www.healthhouse.com.au. The *offer* pursuant to the electronic *prospectus* is only available to persons receiving an electronic version of this *prospectus* in Australia. The *Corporations Act* prohibits any person passing the application form on to another person unless it is attached to, or accompanied by, the complete and unaltered version of the *prospectus*. During the *offer period*, any person may obtain a hard copy of this *prospectus* by contacting the *company* at the address set out in the corporate directory in *Section 1*.

3.4. Foreign jurisdictions

- 3.4.1. No action has been taken to permit the offer of *shares* under this *prospectus* in any jurisdiction other than Australia. The distribution of this *prospectus* outside Australia may be restricted by law and therefore persons into whose possession this *prospectus* comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This *prospectus* does not constitute an offer of any *shares* in any jurisdiction where, or to any person to whom, it would be unlawful to issue this *prospectus*.

3.5. Speculative investment

- 3.5.1. An investment in the *shares* offered under this *prospectus* should be considered highly speculative. Refer to *Section 6* for details of the key risks applicable to an investment in the *company*. Persons wishing to apply for *shares* offered under this *prospectus* should

read this *prospectus* in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the *company* and the rights and liabilities attaching to the *shares* offered pursuant to this *prospectus*.

- 3.5.2. This *prospectus* does not consider the investment objectives, financial or taxation or particular needs of any *applicant*. Before making any investment in the *company*, each *applicant* should consider whether such an investment is appropriate to his or her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for *shares* offered pursuant to this *prospectus* have any questions, they should consult their stockbroker, solicitor, accountant or other professional advisor.
- 3.5.3. There is no guarantee that the *shares* offered under this *prospectus* will make a return on the capital invested, that dividends will be paid on the *shares* or that there will be an increase in the value of the *shares* in the future.

3.6. Other matters

- 3.6.1. All financial amounts in this *prospectus* are expressed as Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables contained in this *prospectus* are due to rounding.
- 3.6.2. Defined terms and abbreviations italicised in this *prospectus* are detailed in the *glossary* in *Section 9*.

4. DETAILS OF THE OFFER

4.1. The offer

4.1.1. By this *prospectus*, the *company* offer up to 100,000 *shares* at an issue price of \$0.075 each to raise up to \$7,500 (before the costs of the *offer*) (*offer*).

4.1.2. All *shares* issued pursuant to the *offer* will rank equally with existing *shares*. Please refer to *Section 7.1* for further information regarding the rights and liabilities attaching to *shares*.

4.2. Minimum subscription

There is no minimum subscription.

4.3. Over-subscriptions

No over-subscriptions will be accepted by the *company*.

4.4. Applications

The *offer* will only be extended to specific parties on invitation from the *directors*. *Application forms* will only be provided to those parties.

4.5. Application monies to be held on trust

Until *shares* are issued under this *prospectus*, the *application monies* will be held by the *company* on trust on behalf of *applicants* in a separate bank account maintained solely for the purpose of depositing *application monies* received pursuant to this *prospectus*. If the *shares* to be issued under this *prospectus* are not admitted to *quotation* within three months after the date of this *prospectus*, no *shares* will be issued and *application monies* will be refunded in full without interest in accordance with the *Corporations Act*.

4.6. Issue of shares

4.6.1. *Shares* issued pursuant to the *offer* will be issued in accordance with the *listing rules* and the timetable set out at in *Section 2*.

4.6.2. Pending the issue of the *shares* under the *offer* or payment of refunds pursuant to this *prospectus*, all *application monies* will be held by the *company* in trust for the *applicants* in a separate bank account as required by the *Corporations Act*. The *company*, however, will be entitled to retain all interest that accrues on the bank account and each *applicant* waives the right to claim interest.

4.6.3. Holding statements for *shares* issued under the *offer* will be mailed in accordance with the *listing rules* and timetable set out at in *Section 2*.

4.7. Quotation of shares

4.7.1. Application for *quotation* of the *shares* issued pursuant to this *prospectus* will be made in accordance with the timetable set out in *Section 2*. If *ASX* does not grant *quotation* of the *shares* issued pursuant to this *prospectus* before the expiration of 3 months after the date of issue of the *prospectus* (or such period as varied by *ASIC*) the *company* will not issue any *shares* and will repay all *application monies* for the *shares* within the time prescribed under the *Corporations Act*, without interest.

4.7.2. The fact that *ASX* may grant *quotation* to the *shares* is not to be taken in any way as an indication of the merits of the *company* or the *shares* now offered for subscription.

4.8. Dividend policy

4.8.1. The *company* does not expect to declare any dividends in the near future as its focus will primarily be on using cash reserves to grow and develop the *company's* exploration projects.

4.8.2. Any future determination as to the payment of dividends by the *company* will be at the discretion of the *directors* and will depend on matters such as the availability of distributable earnings, the operating results and financial condition of the *company*, future capital requirements and general business and other factors considered relevant by the *directors*. No assurances can be given by the *company* in relation to the payment of dividends or that franking credits may attach to any dividends.

4.9. Financial forecasts

4.9.1. The *directors* have considered the matters set out in *ASIC* Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the *company* are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

4.10. CHESS and issuer sponsorship

4.10.1. The *company* is a participant in *CHESS*, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through *CHESS* will be *issuer sponsored* by the *company*. Because the sub-registers are electronic, ownership of *securities* can be transferred without having to rely upon paper documentation.

4.10.2. Electronic registers mean that the *company* will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of *shares* issued to them under this *prospectus* (as well as any other *securities* registered in their name at the time). The notice will also advise holders of their “Holder Identification Number” (if broker sponsored) or “Securityholder Reference Number” (if *issuer sponsored*) and explain, for future reference, the sale and purchase procedures under *CHESS* and *issuer sponsorship*.

4.10.3. Further monthly statements will be provided to holders if there have been any changes in their security holding in the *company* during the preceding month.

4.11. Privacy

4.11.1. If you complete an *application* for *shares*, you will be providing personal information to the *company* (directly or through the *company's* share registry). The *company* collects, holds and will use that information to assess your application, service your needs as a holder of *securities* in the *company*, facilitate distribution payments and corporate communications to you as a *shareholder*, and carry out administration.

4.11.2. The information may also be used from time to time and disclosed to persons inspecting the *company's securities* registers, bidders for your *securities* in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the *company's* share registry.

- 4.11.3. You can access, correct and update the personal information that we hold about you. Please contact the *company* or its share registry if you wish to do so at the relevant contact numbers set out in this *prospectus*.
- 4.11.4. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the *Corporations Act* and certain rules such as the *settlement operating rules*. You should note that if you do not provide the information required on the application for *shares*, the *company* may not be able to process or accept your application.

4.12. Taxation

- 4.12.1. It is the responsibility of all persons to satisfy themselves of the taxation treatment that applies to them in relation to the *offer*, by consulting their own professional tax advisers. Neither the *company* nor any of its *directors* or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

4.13. Enquiries

- 4.13.1. Any questions concerning the *offer* should be directed to the *company* on +61 8 6558 0886.

5. PURPOSE AND EFFECT OF THE OFFER

5.1. Purpose of the offer

- 5.1.1. The primary purpose of this *prospectus* is to remove any trading restrictions that:
- (a) attach to *shares* issued by the *company* without disclosure under Chapter 6D of the *Corporations Act* prior to the date of this *prospectus*; and
 - (b) may attach to *shares* issued by the *company* without disclosure under Chapter 6D of the *Corporations Act* prior to the *closing date*.
- 5.1.2. Under the *offer*, an amount of approximately \$7,500 (before the costs of the *offer*) may be raised. All of the funds raised (if any) from the *offer* will be applied towards the expense of the *offer*. Refer to *Section 7.7* of this *prospectus* for further details relating to the estimated expenses of the *offer*.

5.2. Financial effect of the offer

After paying for the expenses of the *offer* of approximately \$7,500, there will be no proceeds from the *offer*. Any expenses of the *offer* exceeding \$7,500 will be met from the *company's* existing cash reserves. The *offer* will have no material effect on the *company's* financial position.

5.3. Effect on capital structure

- 5.3.1. As at the date of this *prospectus*, the *company* has on issue:
- (a) 177,324,622 *shares* (112,425,693 of which are subject to ASX escrow restrictions);
 - (b) 1,250,000 unlisted *options* exercisable at \$0.20 on or before 24 June 2024;
 - (c) 1,250,000 unlisted *options* exercisable at \$0.20 on or before 24 June 2024;
 - (d) 1,250,000 unlisted *options* exercisable at \$0.67 on or before 24 June 2024;
 - (e) 1,250,000 unlisted *options* exercisable at \$1.33 on or before 24 June 2024; and
 - (f) 36,900,000 *performance shares* (all of which are subject to ASX escrow restrictions).
- 5.3.2. The combined effect on the capital structure of the *company* of the *offer*, assuming the *offer* is fully subscribed and no *options* are exercised between the date of this *prospectus* and the *closing date*, is set out below.

	<i>ordinary shares</i>	<i>options</i>	<i>performance shares</i>
<i>currently on issue</i>	177,324,622	5,000,000	36,900,000
<i>offer</i>	100,000	-	-
<i>total after offer</i>	177,424,622	5,000,000	36,900,000

6. RISK FACTORS

6.1. Introduction

- 6.1.1. The *shares* offered under this *prospectus* are considered highly speculative. An investment in the *company* is not risk free and the *directors* strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this *prospectus* and to consult their professional advisors before deciding whether to apply for *shares* pursuant to this *prospectus*.
- 6.1.2. There are specific risks which relate directly to the *company's* business. In addition, there are other general risks, many of which are largely beyond the control of the *company* and the *directors*. The risks identified in this *Section*, or other risk factors, may have a material impact on the financial performance of the *company* and the market price of the *shares*.
- 6.1.3. The following is not intended to be an exhaustive list of the risk factors to which the *company* is exposed.

6.2. Risks specific to the company

6.2.1. *Risk of adverse publicity*

The distribution of controlled substances by the *company* and the regulatory approvals needed to continue the enterprise may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for, the *company's* activities. These pressures could also limit or restrict the introduction and marketing of the *company's* products. Adverse publicity from cannabis misuse or adverse side effects from cannabis or other cannabinoid products may adversely affect the commercial success or market penetration achievable by the *company's* products. The nature of the *company's* business attracts a high level of public and media interest, and in the event of any resultant adverse publicity, the *company's* reputation may be harmed.

6.2.2. *Loss of key relationships*

The medicinal cannabis industry is undergoing rapid growth and substantial change, which has resulted in increasing consolidation and formation of strategic relationships. It is expected that this consolidation and strategic partnering will continue. Acquisitions or other consolidating transactions could harm the *company* in a number of ways, including:

- (a) loss of strategic relationships if third parties with whom we have arrangements are acquired by or enter into relationships with a competitor (which could cause the *company* to lose access to necessary resources);
- (b) the relationships between the *company* and third parties may deteriorate and have an adverse impact on the *company's* business; and
- (c) the *company's* current competitors could become stronger, or new competitors could form, from consolidations.

Any of these events could put us at a competitive disadvantage, which could cause us to lose access to markets. Consolidation could also force us to expend greater resources to meet new or additional competitive threats, which could also harm the *company's* results.

6.2.3. *Risk of adverse events or other safety issues associated with product*

If any of the products sold by the *company* cause serious or unexpected side effects, or are associated with other safety risks such as misuse, abuse or diversion, a number of potentially significant negative consequences could result, including:

- (a) regulatory authorities may withdraw their approval, or require more onerous labelling statements for any product that is approved;
- (b) the *company* could be sued and held liable for harm caused to patients; or
- (c) the *company's* reputation may suffer.

The *company's* distribution activities may voluntarily be suspended or terminated if at any time the *board* believes that they present an unacceptable risk to consumers, or that they are unlikely to receive regulatory approval or unlikely to be successfully commercialised.

6.2.4. *Risk of changes to laws and regulations*

The *company's* operations are subject to a variety of laws, regulations and guidelines. The medicinal cannabis industry is evolving globally and has been identified as possibly posing risks in relation to law enforcement and government regulation. It is likely that governments worldwide, including in Australia and the UK, will continue to explore the benefits, risks, regulations and operations of companies involved in medicinal cannabis industry. While, to the knowledge of management, the *company* is currently in compliance with all current laws, changes to laws and regulations due to matters beyond the control of the *company* may cause adverse effects to its operations.

The introduction of new legislation or amendments to existing legislation by governments, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the *company's* operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial position and financial performance of the *company* and its *shares*. In addition, there is a risk that legal action may be taken against the *company* in relation to commercial, legal, regulatory or other matters.

6.2.5. *Exposure to product liability claims, regulatory action and litigation*

These risks will arise if the *company's* product is alleged to have caused significant loss or injury. In addition, the manufacture of medicinal cannabis involves the risk of injury to consumers due to tampering by unauthorised third parties or product contamination. Previously unknown adverse reaction resulting from human consumption of medicinal cannabis alone or in combination with other medication or substances could occur. The *company* may be subject to various product liability claims, including among other products distributed by the *company* caused injury or illness, inadequate instructions for use or warnings concerning possible side effects. A product liability claim or regulatory action against the *company* could result in increased costs, could adversely affect the *company's* reputation with its clients and consumers generally and could have a material adverse effect on the *company's* results of operations and financial conditions.

6.2.6. *Product liability and uninsured risks*

Through its intended business, the *company* is exposed to potential product liability risks which are inherent in undertaking research into the clinical efficacy of, and the manufacture and supply of medicinal cannabis products. It will be necessary to secure insurance to help manage such risks. The *company* may not be able to maintain insurance for product or service liability on reasonable terms in the future and, in

addition, the *company's* insurance may not be sufficient to cover large claims, or the insurer could disclaim coverage on claims.

Although the *company* endeavours to work to rigorous standards there is still the potential for adverse events. These events could result in the loss of or delay in generating revenue, loss of market share, failure to achieve market acceptance, diversion of development resources, and injury to the *company's* reputation or increased insurance costs.

If the *company* fails to meet its clients' expectations, the *company's* reputation could suffer and it could be liable for damages.

Further, the *company* is exposed to the risk of catastrophic loss to necessary equipment or facilities which would have a serious impact on the *company's* operations. The *company* gives no assurance that all such risks will be adequately managed through its insurance policies to ensure that catastrophic loss does not have an adverse effect on its performance.

6.2.7. *Funding risk*

The funds proposed to be raised pursuant to the *prospectus*, combined with existing cash reserves and projected cash flows, are considered sufficient to meet the immediate objectives of the *company*. However, the *company's* ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the *company* may incur may depend in part on its ability to raise additional funds. The *company* may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the *company's* activities and future projects may result in delay and indefinite postponement of development or research. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the *company* and might involve substantial dilution to *shareholders*.

Further, the *company*, in the ordinary course of its operations and developments, may be required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The *company's* ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position. Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the *company* may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the *company* would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the *company* or default under a finance lease could also result in the loss of assets.

The *company* is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual obligations; the risk that the *company* will not be able to meet its financial obligations as they fall due; and the risk that market prices may which will affect the *company's* income.

6.2.8. *Unforeseen expenditure risk*

Expenditure may need to be incurred that has not been taken into account. Although the *company* is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the *company*.

6.2.9. *New market*

The market for the *company's shares* is subject to uncertainty and there can be no assurance that an active market for the *company's shares* will develop or continue after reinstatement of the *company's securities* to trading. The price at which the *company's shares* trade on *ASX* after reinstatement may be higher or lower than the price at which *shares* are issued under the *public offer* and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the *directors* and the *company* have no control, such as exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the *company's shares* will develop or that the price of *shares* will increase.

6.2.10. *Management of growth*

There is a risk that management of the *company* will not be able to implement the *company's growth strategy* after *completion*. The capacity of the *company's management* to properly implement and manage the strategic direction of the *company* may affect the *company's financial performance*.

6.3. General risks

6.3.1. *Market conditions*

Share market conditions may affect the value of the *company's quoted securities* regardless of the *company's operating performance*. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) introduction of tax reform or other new legislation;
- (c) interest rates and inflation rates;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the *company* nor the *directors* warrant the future performance of the *company* or any return on an investment in the *company*.

6.3.2. *Economic and government risk*

The future viability of the *company* is also dependent on a number of other factors affecting performance of all industries and not just the exploration industry including, but not limited to, the following:

- (a) general economic conditions in jurisdictions in which the *company* operates;
- (b) changes in government policies, taxation and other laws in jurisdictions in which the *company* operates;

- (c) the strength of the equity markets in Australia and throughout the world, and in particular investor sentiment towards the exploration sector;
- (d) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the *company* operates; and
- (e) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

6.3.3. *COVID-19*

The outbreak of the COVID-19 pandemic is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had, and may continue to have, a significant impact on capital markets and share prices. The *company's* share price may be adversely affected by the economic uncertainty caused by COVID-19.

Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the *company's* operations and are likely to be beyond the control of the *company*. The *company's* ability to freely move people and product internationally may be the subject of delays or cost increases. The effects of COVID-19 on the *company's* share price may also impede the *company's* ability to raise capital or require the *company* to issue capital at a discount, which may in turn cause dilution to *shareholders*.

6.4. **Speculative investment**

6.4.1. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the *company* or by investors in the *company*. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the *company* and the value of the *shares* offered under this *prospectus*.

6.4.2. Therefore, the *shares* to be issued pursuant to this *prospectus* carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those *shares*. Potential investors should consider that the investment in the *company* is highly speculative and should consult their professional advisors before deciding whether to apply for *shares* pursuant to this *prospectus*.

7. ADDITIONAL INFORMATION

7.1. Rights attaching to shares

7.1.1. The following is a summary of the more significant rights and liabilities attaching to *shares* being offered pursuant to this *prospectus*. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of *shareholders*. To obtain such a statement, persons should seek independent legal advice. Full details of the rights and liabilities attaching to *shares* are set out in the *constitution*, a copy of which is available for inspection at the *company's* registered office during normal business hours.

7.1.2. *General meetings*

- (a) Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the company.
- (b) Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the constitution.

7.1.3. *Voting rights*

- (a) Subject to the *constitution* and to any rights and restrictions attaching to any class of shares, at meetings of *shareholders* or other classes of *shareholder*, each *shareholder* entitled to attend and vote may attend and vote in person or by proxy or by attorney and, where the *shareholder* is a body corporate, by representative.
- (b) On a show of hands every *shareholder* present having the right to vote at the meeting has one vote. On a poll, every *shareholder* present has one vote for each fully paid *share* and, in the case of partly paid *shares* or *share* held by the *shareholder*, a fraction of a vote equivalent to the proportion which the amount paid (but not credited) is of the total amounts paid and payable (excluding amounts credited) on the *share* or *shares* held.

7.1.4. *Dividend rights*

Subject to the *Corporations Act* and to any special rights or restrictions attached to any *shares*, *directors* may from time to time authorise the *company* to pay interim and final dividends which appear to the *directors* to be justified by the profits of the *company*.

7.1.5. *Winding-up*

If the *company* is wound up, the liquidator may, with the authority of a special resolution, divide among the *shareholders* in kind the whole or any part of the property of the *company*, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the *shareholders* or different classes of *shareholders*.

7.1.6. *Transfer of shares*

Generally, *shares* are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the *Corporations Act* and the *listing rules*.

7.1.7. *Future increase in capital*

The issue of any *shares* is under the control of the *directors*. Subject to restrictions on the issue or grant of securities contained in the *listing rules*, the *constitution* and the *Corporations Act* (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the *directors* may issue *shares* as they shall, in their absolute discretion, determine.

7.1.8. *Variation of rights*

- (a) Under section 246B of the *Corporations Act*, the *company* may, with the sanction of a special resolution passed at a meeting of *shareholders*, vary or abrogate the rights attaching to *shares*.
- (b) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the *company* is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

7.2. Continuous disclosure

7.2.1. The *company* is a “disclosing entity” (as defined in section 111AC of the *Corporations Act*) for the purposes of section 713 of the *Corporations Act* and, as such, is subject to regular reporting and disclosure obligations. Specifically, the *company* is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the *company*’s *securities*.

7.2.2. This *prospectus* is a “transaction specific prospectus” prepared in accordance with section 713 of the *Corporations Act*. Section 713 provides that a “transaction specific prospectus” is only required to contain information in relation to:

- (a) the effect of the issue of *securities* on the *company*; and
- (b) the rights attaching to the *securities*.

7.2.3. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

7.2.4. This *prospectus* is intended to be read in conjunction with the publicly available information in relation to the *company* which has been notified to *ASX* and does not include all of the information that would be included in a prospectus for an initial offering of *securities* in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the *company* before deciding whether or not to invest.

7.2.5. The *company* believes that it has complied with the general and specific requirements of *ASX* as applicable from time to time throughout the 3 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*.

7.2.6. 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.

7.2.7. The *company*, as a disclosing entity under the *Corporations Act* and in accordance with section 713(3) of 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 between the date of issue of this *prospectus* and the *closing date*:
 - (i) the annual financial report most recently lodged by the Company with the *ASIC*;
 - (ii) any half-year financial report lodged by the *company* with *ASIC* after the lodgement of the annual financial report referred to in (i) above and before the lodgement of this *prospectus* with *ASIC*; and
 - (iii) any continuous disclosure documents given by the *company* to *ASX* in accordance with the *listing rules* as referred to in section 674(1) of the *Corporations Act* after the lodgement of the annual financial report referred to in (i) above and before the lodgement of this *prospectus* with *ASIC*.

7.2.8. Copies of all documents lodged with *ASIC* in relation to the *company* can be inspected at the registered office of the *company* or an *ASIC* office during normal office hours.

7.2.9. Details of documents lodged with *ASX* since the date of lodgement of the *company's* latest annual financial report and before the lodgement of this *prospectus* with *ASIC* are set out in the table below:

Date	Announcement
02/12/2021	Proposed issue of securities – HHI
12/11/2021	Notice of Annual General Meeting/ Proxy Form
12/11/2021	Letter to Shareholders
08/11/2021	Germany-wide study on effect of cannabis extracts launched
03/11/2021	Appendix 3G
02/11/2021	Proposed issue of securities – HHI
02/11/2021	Issue of Unquoted Options
28/10/2021	September 2021 Quarterly Report
28/10/2021	Appendix 4C Cash Flow Report
11/10/2021	Application for quotation of securities – HHI
11/10/2021	Investor Presentation – Non-deal Roadshow
01/10/2021	Release from Escrow
01/10/2021	Appendix 4G

7.3. Interests of directors

7.3.1. Other than as set out below or elsewhere in this *prospectus*, no director has or had within 2 years before the lodgement of this *prospectus* with ASIC, any interest in:

- (a) the formation or promotion of the *company*;
- (b) property acquired or proposed to be acquired by the *company* in connection with its formation or promotion or the *offer* pursuant to this prospectus; or
- (c) the *offer*,

and no amounts have been paid or agreed to be paid (in cash or *shares* or otherwise) to any *director* either to induce them to become, or to qualify them as, a director or otherwise for services rendered by them in connection with the formation or promotion of the *company* or the *offer*.

7.3.2. The relevant interest of each of the *directors* in the *securities* of the *company* as at the date of this *prospectus* is set out below:

<i>director</i>	<i>shares</i>	<i>performance shares</i>
<i>David Wheeler</i>	4,985,930	-
<i>Dr Henrik Sprengel</i>	5,816,250	13,016,250
<i>Hon Mike Rann</i>	226,085	-
<i>Chris Mews</i>	12,500	-

7.3.3. Details of the *directors*' expected remuneration (exclusive of superannuation or GST) are set out in the table below:

<i>director</i>	<i>proposed remuneration for year ended 30 June 2022 (\$)</i>	<i>proposed remuneration for year ended 30 June 2023 (\$)</i>
<i>David Wheeler</i>	75,000	60,000
<i>Dr Henrik Sprengel</i>	225,000	255,000
<i>Hon Mike Rann</i>	67,000	67,000
<i>Chris Mews</i>	42,000	42,000

7.4. Interests of experts and advisors

7.4.1. Other than as set out below or elsewhere in this *prospectus*, no promoter of the *company* or person named in this *prospectus* as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this *prospectus* has, or had within the 2 years preceding lodgement of this *prospectus* with ASIC, any interest in:

- (a) the formation or promotion of the *company*;
- (a) any property acquired or proposed to be acquired by the *company* in connection with its formation or promotion or in connection with the *offer*,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with the formation or promotion of the *company* or the *offer*.

- 7.4.2. Blackwall Legal LLP has acted as the *company's* solicitors in relation to the *acquisition* and the *offer*. The *company* estimates it will pay Blackwall Legal LLP approximately \$2,500 (excluding GST and disbursements) for these services. Blackwall Legal LLP has been paid \$271,000 for other professional services provided to the *company* during the 2 years prior to the lodgement of this *prospectus* with ASIC.

7.5. Consents

- 7.5.1. Chapter 6D of the Corporations act imposes a liability regime on the *company* (as the offeror of the securities), the *directors*, the persons named in the prospectus with their consent as incoming directors, any underwriters, persons named in the *prospectus* with their consent having made a statement in the *prospectus* and persons involved in a contravention in relation to the *prospectus*. Although the *company* bears primary responsibility for the *prospectus*, the other parties involved in the preparation of the *prospectus* can also be responsible for certain statements in it.

- 7.5.2. Other than as set out below, each of the parties referred to in this *Section*:

- (a) has not authorised or caused the issue of this *prospectus*;
- (b) does not make, or purport to make, any statement in this *prospectus* other than those referred to in this *Section*;
- (c) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this *prospectus* other than a reference to its name and a statement included in this *prospectus* with the consent of that party; and
- (d) was not involved in the preparation of this *prospectus* or any part of it except where expressly attributed to that person.

- 7.5.3. Blackwall Legal LLP has given its written consent to being named as the solicitors to the *company* in this *prospectus*. Blackwall Legal LLP has not withdrawn its consent prior to the lodgement of this *prospectus* with ASIC.

7.6. Litigation

As at the date of this *prospectus*, the *company* is not involved in any legal proceedings and the *directors* are not aware of any legal proceedings pending or threatened against the *company*.

7.7. Expenses of the offer

In the event that the *offer* is fully subscribed, the total expenses of the *offer* are estimated to be approximately \$7,500 (excluding GST) and are expected to be applied towards the items set out in the table below:

	subscription \$7,500
<i>ASIC fees</i>	3,206
<i>ASX fees</i>	1,250
<i>legal fees</i>	2,500
<i>miscellaneous expenses</i>	544
<i>total</i>	7,500

8. DIRECTORS' AUTHORISATION

This *prospectus* is issued by the *company* and its issue has been authorised by a resolution of the *directors*. In accordance with section 720 of the *Corporations Act*, each *director* has consented to the lodgement of this *prospectus* with ASIC.



David Wheeler
Executive Chairman

for and on behalf of
Health House International Limited

9. GLOSSARY

In this *prospectus*, unless the context otherwise requires, the following terms have the following meanings:

<i>applicant</i>	a person who applies for <i>shares</i> pursuant to an <i>offer</i> .
<i>application</i>	a valid application to subscribe for <i>shares</i> under this <i>prospectus</i> .
<i>application form</i>	the application form attached to or accompanying this <i>prospectus</i> .
<i>application monies</i>	money submitted by <i>applicants</i> in respect of <i>applications</i> .
<i>ASIC</i>	the Australian Securities and Investments Commission.
<i>ASX</i>	ASX Limited ACN 008 624 691, or where the context requires, the Australian Securities Exchange which it runs.
<i>board</i>	the board of <i>directors</i> .
<i>business day</i>	a day (other than a Saturday or a Sunday) on which banks in Perth, Western Australia are open for business.
<i>CHESS</i>	<i>ASX</i> 's Clearing House Electronic Subregistry System.
<i>closing date</i>	10 December 2021 (unless extended).
<i>company</i>	Health House International Limited ACN 149 197 651, a public company incorporated and existing in Australia and listed on <i>ASX</i> (ASX: HHI).
<i>company secretary</i>	the secretary of the <i>company</i> , Mr Tim Slate.
<i>constitution</i>	the constitution of the <i>company</i> from time to time.
<i>Corporations Act</i>	the <i>Corporations Act 2001</i> (Cth).
<i>director</i>	a director of the <i>company</i> .
<i>dollar, \$, A\$ or AUD</i>	the lawful currency for the time being of the Commonwealth of Australia.
<i>glossary</i>	this glossary of terms.
<i>issuer sponsored</i>	<i>securities</i> issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in <i>CHESS</i> .
<i>listing rules</i>	the official listing rules of <i>ASX</i> from time to time.
<i>offer</i>	the offer under this <i>prospectus</i> , as set out in <i>Section 4.1</i> .

<i>offer period</i>	the period between the date of this <i>prospectus</i> and the <i>closing date</i> .
<i>option</i>	an option to acquire a <i>share</i> .
<i>performance share</i>	a <i>security</i> that may converted to a <i>share</i> on achievement of specified performance milestones.
<i>prospectus</i>	this prospectus dated 7 December 2021
<i>quotation</i>	has the meaning given to that term in the <i>listing rules</i> .
<i>related party</i>	has the meaning given to that term in sections 9 and 228 of the <i>Corporations Act</i> .
<i>relevant interest</i>	has the meaning given by sections 608 and 609 of the <i>Corporations Act</i> .
<i>Section</i>	a section of this <i>prospectus</i> .
<i>securities</i>	has the meaning given to that term in section 92 of the <i>Corporations Act</i> .
<i>settlement operating rules</i>	the settlement rules of the securities clearing house which operates <i>CHESS</i> .
<i>shares</i>	fully paid ordinary shares in the capital of the <i>company</i> .
<i>shareholders</i>	the holders of <i>shares</i> from time to time.
<i>WST</i>	Western Standard Time, being the time in Perth, Western Australia.