

---

**MGC PHARMACEUTICALS LTD****ACN 116 800 269****NOTICE OF GENERAL MEETING**

---

Notice is given that the Meeting will be held at:

**TIME:** 4:00PM (AWST)

**DATE:** Thursday, 30 March 2023

**PLACE:** 1202 Hay Street, West Perth, WA, Australia 6005

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00PM (AWST) on Tuesday, 28 March 2023.***

---

## **BUSINESS OF THE MEETING**

---

### **AGENDA**

---

#### **1. RESOLUTION 1 – APPROVAL TO AMEND TERMS OF CONVERTIBLE NOTES (2020)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to amend the terms of issue of 2,100,000 Convertible Notes (2020) issued to Mercer Street Global Opportunity Fund, LLC (or their nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

---

#### **2. RESOLUTION 2 – APPROVAL TO AMEND TERMS OF CONVERTIBLE NOTES A (2022)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to amend the terms of issue of 3,410,000 Convertible Notes (2022) issued to Mercer Street Global Opportunity Fund, LLC (or their nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

---

#### **3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES B (2022)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,246,432 Convertible Notes (2022) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

---

#### **4. RESOLUTION 4 – APPROVAL TO ISSUE CONVERTIBLE NOTES (2022)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 6,343,568 Convertible Notes (2022) to Mercer Street Global Opportunity Fund, LLC (or their nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

---

#### **5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue 50,000,000 Options on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution. Please see below.

---

**6. RESOLUTION 6 – APPROVAL FOR SHARE PLACEMENT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$5 million on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution. Please see below.

---

**Dated: 23 February 2023**

**By order of the Board**

**David Lim**  
**Company Secretary**

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

<b>Resolution 1 – Approval to amend terms of Convertible Notes (2020)</b>	A person who is expected to participate in the issue, or who will obtain a material benefit as a result of, the proposed issued, or is a counterparty to the agreement being approved (namely Mercer Street Global Opportunity Fund, LLC (or their nominee)) or an associate of that person or those persons.
<b>Resolution 2 – Approval to amend terms of Convertible Notes A (2022)</b>	A person who is expected to participate in the issue, or who will obtain a material benefit as a result of, the proposed issued, or is a counterparty to the agreement being approved (namely Mercer Street Global Opportunity Fund, LLC (or their nominee)) or an associate of that person or those persons.
<b>Resolution 3 – Ratification of prior issue of Convertible Notes B (2022)</b>	A person who participated in the issue or is a counterparty to the agreement being approved (namely Mercer Street Global Opportunity Fund, LLC (or their nominee)) or an associate of that person or those persons.
<b>Resolution 4 – Approval to issue Convertible Notes (2022)</b>	A person who intends to participate in the issue or is a counterparty to the agreement being approved (namely Mercer Street Global Opportunity Fund, LLC (or their nominee)) or an associate of that person or those persons.
<b>Resolution 5 – Ratification of prior issue of Options</b>	A person who participated in the issue or is a counterparty to the agreement being approved (namely Mercer Street Global Opportunity Fund, LLC (or their nominee)) or an associate of that person or those persons.
<b>Resolution 6 – Approval for Share placement</b>	A person who is expected to participate in the issue, or who will obtain a material benefit as a result of, the proposed issued, or is a counterparty to the agreement being approved, or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Voting by proxy

---

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

#### **Voting in person**

---

To vote in person, attend the Meeting at the time, date and place set out above.

## Depository Interest holders

---

### Persons Entitled to Vote

The Form of Instruction (accompanying this Notice of Meeting) must be signed by the depository interest holder or an attorney duly authorised in writing and deposited at the office of the Depository, Computershare Investor Services PLC, located at The Pavilions, Bridgewater Road, Bristol BS99 6ZY by 4:00PM (UK Time) on 23 March 2023. Any Form of Instruction received after that time will not be valid for the Meeting.

### CREST Voting

Holders of Depository Interests in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "**CREST Voting Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 4:00PM (UK Time) on 23 March 2023.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. Holders of Depository Interests in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the Depository Interest holder concerned to take (or, if the Depository Interest holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time. In this connection, Depository Interest holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6382 3390.***

---

## EXPLANATORY STATEMENT

---

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

---

### 1. RESOLUTION 1 – APPROVAL TO AMEND TERMS OF CONVERTIBLE NOTES (2020)

#### 1.1 General

As announced on 10 September 2020, the Company entered into an agreement (**Convertible Securities Agreement (2020)**) with Mercer Street Global Opportunity Fund, LLC (**Mercer**), whereby Mercer conditionally agreed to provide the Company with up to A\$15 million in funding, via subscriptions for convertible notes in the Company with a face value of A\$1.00 each (**Convertible Notes (2020)**).

Under the Convertible Securities Agreement (2020) a total of 6,325,000 Convertible Notes (2020) were issued in two tranches (representing drawdowns of A\$5,750,000). The Convertible Notes (2020) were approved for issue (pursuant to Listing Rule 7.1) or ratified (pursuant Listing Rule 7.4) by Shareholders at the Company's annual general meeting on 4 November 2020.

As at the date of this Notice, a total of 4,225,000 Convertible Notes (2020) have been converted into Shares and the balance of 2,100,000 Convertible Notes (2020) remain on issue (**Remaining Convertible Notes (2020)**).

As announced on 2 February 2023, the Company entered into an agreement with Mercer (**CN (2020) Variation Agreement**), pursuant to which the parties agreed to amend the Convertible Securities Agreement (2020):

- (a) to extend the maturity date of the Remaining Convertible Notes (2020) from 24 November 2022 to 1 February 2024 (with effect from 23 November 2022); and
- (b) subject to obtaining Shareholder approval prior to 31 March 2023, to amend the minimum conversion price of the Remaining Convertible Notes (2020) from "not less than A\$0.018" to "not less than A\$0.01".

In consideration for agreeing to the variation, the Company agreed to issue Mercer 50,000,000 Options on the terms and conditions set out in Schedule 3.

Pursuant to this Resolution 1, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 to amend the terms of issue of the Remaining Convertible Notes (2020) by reducing the minimum conversion price from A\$0.018 to A\$0.01.

The Company notes that pursuant to the CN (2020) Variation Agreement, an additional event of default was added to the Convertible Securities Agreement (2020) such that if the Company does not receive Shareholder approval for the proposed variation to the floor price of the Remaining Convertible Notes (2020) by 31 March 2023 (or such later date agreed by Mercer), the Company will be in default under the Convertible Securities Agreement (2020). The Company considers this additional event of default to be appropriate and equitable to Shareholders for the following reasons:

- (a) Without the extension to the maturity date (as provided for under the CN (2020) Variation Agreement) the Company was in technical default under the Convertible Securities Agreement (2020), as it had not

complied with its obligation to repay the face value of the Remaining Convertible Notes (2020) (plus accrued but unpaid interest) within 20 business days of the maturity date (being 24 November 2022 prior to the variation).

- (b) Due to prevailing market conditions, repayment of the Remaining Convertible Notes (2020) was not a viable option for the Company. With further drawdowns under the Mercer facility contingent on the passing of Resolutions 1 and 2, and no guarantee the Company would be able to source additional capital, a default of this nature would raise solvency concerns and cast doubt on the Company's ability to continue as a going concern.
- (c) As announced on 2 February 2023, Mercer (in good faith) agreed to terms for the refinancing of the existing facilities (as detailed above and in section 2.1). Mercer is one of the Company's top 5 shareholders, and has continued to support the Company since its initial involvement with MGC in 2020. The ongoing support and funding from Mercer has been for the benefit of all shareholders.

During the period August 2022 to January 2023, MXC's share price deteriorated to a point where it was trading below the minimum conversion price of the Remaining Convertible Notes (2020) (i.e. below \$0.018).

In the Company's view, it is therefore reasonable that as part of the refinancing negotiations, Mercer have asked for the conversion floor price to be reduced below the prevailing market price, in order to make a return on its investment.

- (d) Shareholders would expect the Company to fund its continued operations to remain solvent. Prior to the refinancing, the Convertible Securities Agreement (2020) already contained customary events of default linked to the solvency of the Company as well as the Company's ability to meet its obligations under the agreement and pay amounts when due and payable. As such, the addition of an event of default tied to Shareholder approval for the revised floor price, in the context of the Company's present circumstances and the broader refinancing transaction, leaves Shareholders no worse off (in all material respects).

## **1.2 Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue or agree to issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

As noted above, the Convertible Notes (2020) were approved for issue (pursuant to Listing Rule 7.1) or ratified (pursuant Listing Rule 7.4) by Shareholders at the Company's annual general meeting on 4 November 2020. As such, the 15% cap under Listing Rule 7.1 does not presently apply to the Remaining Convertible Notes (2020). However, ASX has advised the Company that any reduction to the minimum conversion price of the Remaining Convertible Notes (2020) would render the applicable prior Shareholder approval(s) stale. This means that before the variation to the minimum floor price can take effect, the Company either needs to, (1) have sufficient placement capacity, or (2) seek fresh Shareholder approval, for the purposes of Listing Rule 7.1.



In light of the above, the Company and Mercer agreed that the proposed variation to the minimum conversion price would be subject to Shareholder approval.

### **1.3 Technical information required by Listing Rule 14.1A**

If Resolution 1 is passed, the Remaining Convertible Notes (2020) (and any Shares issued on conversion of the Remaining Convertible Notes (2020)) will be excluded from the calculation of the number of equity securities that the Company can issue or agree to issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed (and assuming Shareholder approval for the proposed reduction to the minimum conversion price of the Remaining Convertible Notes (2020) has not otherwise been obtained by 31 March 2023, or such later date agreed by the parties), it would constitute an event of default under the Convertible Securities Agreement (2020) and in Mercer's sole discretion it may:

- (a) declare all outstanding obligations by the Company under the Convertible Securities Agreement (2020) (including without limitation any amount of the face value of the Remaining Convertible Notes (2020) to be immediately due and payable; or
- (b) terminate the Convertible Securities Agreement (2020), in which case any amounts payable under the Convertible Securities Agreement (2020) (including without limitation any amount of the face value of the Remaining Convertible Notes (2020) to Mercer, become immediately payable.

### **1.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the Remaining Convertible Notes (2020), were issued to Mercer, who is not a related party of the Company;
- (b) the Remaining Convertible Notes (2020) were issued to Mercer on 24 November 2020. The proposed variation to the minimum floor price will take effect immediately upon passage of this Resolution 1;
- (c) an aggregate of 2,100,000 Convertible Notes (2020) were issued, which will convert into a maximum of 210,000,000 Shares<sup>1</sup>;
- (d) the Remaining Convertible Notes (2020) were issued on the terms and conditions set out in Part 2 of Schedule 1.
- (e) any Shares issued on the conversion of the Remaining Convertible Notes (2020) will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Remaining Convertible Notes (2020) were issued at an issue price of A\$1.00 per Convertible Note (2020). The Company will not receive any

---

<sup>1</sup> This assumes that the Remaining Convertible Notes (2020) are converted at the lowest possible conversion price (being A\$0.01, assuming Resolution 1 is approved). The actual number of Shares to be issued on conversion will be calculated in accordance with the conversion formula for the Remaining Convertible Notes (2020), as detailed in Part 2 of Schedule 1.

other consideration for the issue of the Remaining Convertible Notes (2020);

- (g) the purpose of the issue of the Remaining Convertible Notes (2020) was to raise A\$2,100,000, which the Company applied in accordance with the table set out below;

Allocation of Funds	
Research and Development (incl. clinical studies)	A\$1,000,000
Production Costs	A\$600,000
Corporate Administration	A\$500,000
<b>Total</b>	<b>A\$ 2,100,000</b>

- (h) the Remaining Convertible Notes (2020) were issued pursuant to the Convertible Securities Agreement (2020), a summary of which is included in Part 1 of Schedule 1; and
- (i) the Remaining Convertible Notes (2020) were not issued under, or to fund, a reverse takeover.

---

## 2. RESOLUTION 2 – APPROVAL TO AMEND TERMS OF CONVERTIBLE NOTES A (2022)

### 2.1 General

As announced on 29 July 2022, the Company entered into an agreement (**Convertible Securities Agreement (2022)**) with Mercer, whereby Mercer conditionally agreed to provide the Company with up to a total of US\$10 million in funding, via subscriptions for convertible notes in the Company with a face value of US\$1.00 each (**Convertible Notes (2022)**).

During the period from 4 August 2022 to 1 November 2022, the Company drew down an aggregate of US\$3,100,000 in exchange for the issue of 3,410,000 Convertible Notes (2022) (**Convertible Notes A (2022)**). The Convertible Notes A (2022) were approved for issue (pursuant to Listing Rule 7.1) or ratified (pursuant to Listing Rule 7.4) by Shareholders at a General Meeting of shareholders held on 5 October 2022 and the Company's AGM held on 24 November 2022.

During the period from 28 December 2022 to 6 February 2023, the Company drew down an additional US\$1,133,120 in exchange for the issue of 1,246,432 Convertible Notes (2022) (**Convertible Notes B (2022)**). The Convertible Notes B (2022) were issued under the Company's Listing Rule 7.1 placement capacity.

As at the date of this Notice no Convertible Notes (2022) have been converted and 4,656,432 Convertible Notes (2022) are on issue.

As announced on 2 February 2023, the Company entered into an agreement with Mercer (**CSA Variation Agreement**), pursuant to which the parties agreed:

- (a) to vary the minimum conversion price of all Convertible Notes (2022) that were or will be issued after 23 December 2022 (including the Convertible Notes B (2022)) to A\$0.01; and
- (b) subject to Shareholder approval, to vary the minimum conversion price of the Convertible Notes A (2022) to A\$0.01.

ASX has confirmed that if the proposed variations to the Convertible Notes A (2022) are effected, the Shareholder approvals previously obtained by the Company in respect of the Convertible Notes A (2022) will become stale.

As such, pursuant to this Resolution 2, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 to amend the terms of issue of the Convertible Notes A (2022) by reducing the minimum conversion price from A\$0.014 to A\$0.01.

The Company notes that pursuant to the CSA Variation Agreement, an additional event of default was added to the Convertible Securities Agreement (2022) such that if the Company does not receive Shareholder approval for the proposed variation to the floor price of the Convertible Notes A (2022) by 31 March 2023 (or such later date agreed by Mercer), the Company will be in default under the Convertible Securities Agreement (2022). The Company considers this additional event of default to be appropriate and equitable to Shareholders for the following reasons:

- (a) Although the Company is not presently in default under the Convertible Securities Agreement (2022), the variation to the floor price (the subject of Resolution 2) was agreed with Mercer as part of the broader refinancing of the 2020 and 2022 facilities. As noted in section 1.1 above, without refinancing the facilities, the Company would be in default under the Convertible Securities Agreement (2020) and further drawdowns under the Convertible Securities Agreement (2022) would not be available, casting doubt on the Company's ability to continue as a going concern.
- (b) Mercer is one of the Company's top 5 shareholders, and has continued to support the Company since its initial involvement with MGC in 2020. The ongoing support and funding from Mercer has been for the benefit of all shareholders.

During the period August 2022 to January 2023, MXC's share price deteriorated to a point where it was trading below the minimum conversion price of the Convertible Notes A (2022) (i.e. below \$0.014).

In the Company's view, it is therefore reasonable that as part of the refinancing negotiations, Mercer have asked for the conversion floor price to be reduced below the prevailing market price, in order to make a return on its investment.

- (c) Shareholders would expect the Company to fund its continued operations to remain solvent. Prior to the refinancing, the Convertible Securities Agreement (2022) already contained customary events of default linked to the solvency of the Company as well as the Company's ability to meet its obligations under the agreement and pay amounts when due and payable. As such, the addition of an event of default tied to Shareholder approval for the revised floor price, in the context of the Company's present circumstances and the broader refinancing transaction, is appropriate and equitable to Shareholders.

## **2.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is set out in section 1.2 above.

As noted above, the Convertible Notes A (2022) were approved for issue (pursuant to Listing Rule 7.1) or ratified (pursuant Listing Rule 7.4) by Shareholders. As such, the 15% cap under Listing Rule 7.1 does not presently apply to the Convertible Notes A (2022). However, ASX has advised the Company that any reduction to the minimum conversion price of the Convertible Notes A (2022) would render the applicable prior Shareholder approval(s) stale. This means that before the variation to the minimum floor price can take effect, the Company either needs to, (1) have sufficient placement capacity, or (2) seek fresh Shareholder approval, for the purposes of Listing Rule 7.1.

In light of the above, the Company and Mercer agreed that the proposed variation to the minimum conversion price would be subject to Shareholder approval.

### **2.3 Technical information required by Listing Rule 14.1A**

If Resolution 2 is passed, the Convertible Notes A (2022) (and any Shares issued on conversion the Convertible Notes A (2022)) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed (and assuming Shareholder approval for the proposed reduction to the minimum conversion price of the Convertible Notes A (2022) has not otherwise been obtained by 31 March 2023, or such later date agreed by the parties) it would constitute an event of default under the Convertible Securities Agreement (2022) and in Mercer's sole discretion it may:

- (a) declare all outstanding obligations by the Company under the Convertible Securities Agreement (2022) (including without limitation any amount of the face value of the Convertible Notes A (2022) to be immediately due and payable; or
- (b) terminate the Convertible Securities Agreement (2022), in which case any amounts payable under the Convertible Securities Agreement (2022) (including without limitation any amount of the face value of the Convertible Notes A (2022) to Mercer, become immediately payable.

### **2.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the 3,410,000 Convertible Notes A (2022) were issued to Mercer, who is not a related party of the Company;
- (b) the Convertible Notes A (2022) were issued to Mercer on:
  - (i) 4 August 2022 - 1,320,000 Convertible Notes A (2022);
  - (ii) 26 August 2022 – 825,000 Convertible Notes A (2022);
  - (iii) 23 September 2022 – 605,000 Convertible Notes A (2022); and
  - (iv) 1 November 2022 – 660,000 Convertible Notes A (2022).

The proposed variation to the minimum floor price will take effect immediately upon passage of this Resolution 2;

- (c) an aggregate of 3,410,000 Convertible Notes A (2022) were issued, which will convert into a maximum of 501,470,588 Shares<sup>2</sup>;
- (d) the Convertible Notes A (2022) were issued on the terms and conditions set out in Part 2 of Schedule 2;
- (e) any Shares issued on the conversion of the Convertible Notes A (2022) will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Convertible Notes A (2022) were issued at an issue price of US\$0.90909 per Convertible Note A (2022). The Company will not receive any other consideration for the issue of the Convertible Notes A (2022);
- (g) the purpose of the issue of the Convertible Notes A (2022) was to raise an additional US\$3,100,000, which the Company applied in accordance with the table set out below;

<b>Allocation of Funds</b>	
Research and Development (incl. clinical studies)	US\$970,000
Production Costs	US\$1,400,000
Corporate Administration	US\$730,000
<b>Total</b>	<b>US\$3,100,000</b>

- (h) the Convertible Notes A (2022) were issued pursuant to the Convertible Securities Agreement (2022), which is summarised in Part 1 of Schedule 2; and
- (i) the Convertible Notes A (2022) were not issued under, or to fund, a reverse takeover.

---

### **3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES B (2022)**

#### **3.1 General**

As set out in Section 2.1 above, the Company has issued an aggregate of 1,246,432 additional Convertible Notes (2022) since 23 December 2022 (representing drawdowns of US\$1,133,120), under its existing Listing Rule 7.1 placement capacity.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Convertible Notes B (2022).

#### **3.2 Listing Rules 7.1 and 7.4**

A summary of Listing Rule 7.1 is set out in section 1.2 above.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not

---

<sup>2</sup> This assumes that the Convertible Notes A (2022) are converted at the lowest possible conversion price (being A\$0.01, assuming Resolution 2 is passed), and USD exchange rate of A\$0.68. The actual number of Shares to be issued on conversion will be calculated in accordance with the conversion formula for the Convertible Notes A (2022), as detailed in Part 3 of Schedule 2.

reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the prior issue of the Convertible Notes B (2022).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **3.3 Technical information required by Listing Rule 14.1A**

If Resolution 3 is passed, the Convertible Notes B (2022) will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Convertible Notes B (2022).

If Resolution 3 is not passed, the Convertible Notes B (2022) will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Convertible Notes B (2022).

### **3.4 Technical information required by Listing Rule 7.4**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to this Resolution 3:

- (a) 1,246,432 Convertible Notes B (2022) were issued to Mercer:
  - (i) 586,432 Convertible Notes B (2022) were issued on 28 December 2022; and
  - (ii) 660,000 Convertible Notes B (2022) were issued on 6 February 2023.
- (b) Mercer is not a related party of the Company;
- (c) the Convertible Notes B (2022) were issued with a face value of US\$1.00 at a subscription price of US\$0.90909 per Convertible Note (2022);
- (d) the Convertible Notes B (2022) were issued on the terms and conditions set out in Part 2 of Schedule 2;
- (e) the Convertible Notes B (2022) are convertible into a maximum of 183,298,824 Shares<sup>3</sup>. Any Shares issued on conversion shall be issued on the same terms and conditions as the Company's existing Shares;

---

<sup>3</sup> This assumes that the Convertible Notes B (2022) are converted at the lowest possible conversion price (being A\$0.01), and USD exchange rate of A\$0.68. The actual number of Shares to be issued on conversion will be calculated in accordance with the conversion formula for the Convertible Notes B (2022), as detailed in Part 3 of Schedule 2.

- (f) the purpose of the issue of the Convertible Notes B (2022) was to raise an additional US\$1,133,120, which the Company intends to apply in accordance with the table set out below;

<b>Allocation of Funds</b>	
Research and Development (incl. clinical studies)	US\$800,000
Corporate Administration	US\$333,120
<b>Total</b>	<b>US\$1,133,120</b>

**Notes:**

The above table is a statement of current intentions as of the date of this Notice. As with any forecasts, intervening events (including Research and Development success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

- (g) the Convertible Notes B (2022) were issued pursuant to the Convertible Securities Agreement (2022), a summary of which is included in Part 1 of Schedule 2.

---

## **4. RESOLUTION 4 – APPROVAL TO ISSUE CONVERTIBLE NOTES (2022)**

### **4.1 General**

Under the Convertible Securities Agreement (2022) (as amended by the CSA Variation Agreement), the Company may request additional drawdowns of up to a further US\$5,766,880, in exchange for the issue of a further 6,343,568 Convertible Notes (2022).

Pursuant to this Resolution 4, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 6,343,568 Convertible Notes (2022) in advance of future funding drawdowns (up to US\$5,766,880) made by the Company.

The Company notes that this approval does not guarantee that future drawdown requests will be made by the Company.

### **4.2 Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue or agree to issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The proposed issue of additional Convertible Notes (2022) does not fall within any of the exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **4.3 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the Company will be able to proceed with the issue of up to an additional 6,343,568 Convertible Notes (2022). Further, the issue of such additional Convertible Notes (2022) (and any Shares issued on conversion) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will still be able to proceed with the issue of the additional Convertible Notes (2022), but only to the extent that such issue does not exceed the Company's available placement capacity under Listing Rule 7.1 (calculated based on the maximum number of Shares that may be issued on conversion of the Convertible Notes (2022)). This may also impact the Company's ability to access future tranches of funding under the Convertible Securities Agreement (2022).

#### **4.4 Convertible Note Agreement**

A summary of the material terms of the Convertible Securities Agreement (2022) as amended by the CSA Variation Agreement, between the Company and Mercer (the **Noteholder**) is set out in Part 1 of Schedule 2.

#### **4.5 Material Terms and Conditions of the Convertible Notes (2022)**

A summary of the material terms of the Convertible Notes (2022) is set out in Part 2 of Schedule 2.

#### **4.6 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4. For the avoidance of doubt, the Company notes that additional Convertible Notes (2022) will only be issued upon further drawdowns under the Convertible Securities Agreement (2022), which are at the discretion of the Company and are therefore not guaranteed:

- (a) the Convertible Notes (2022) will be issued to Mercer, who is not a related party of the Company;
- (b) the maximum number of Convertible Notes (2022) to be issued is 6,343,568, which will convert into a maximum of 9,322,877,647 Shares<sup>4</sup>;
- (c) the Convertible Notes (2022) will be issued on the terms and conditions set out in Part 2 of Schedule 2;
- (d) any Shares issued on the conversion of the Convertible Notes (2022) will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Convertible Notes (2022) will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) upon any further drawdowns from the Company under the Convertible Securities Agreement (2022);
- (f) the Convertible Notes (2022) will be issued at an issue price of US\$0.90909 per Convertible Note (2022). The Company will not receive any other consideration for the issue of the Convertible Notes (2022);
- (g) the purpose of the issue of the Convertible Notes (2022) is to raise up to an additional US\$5,766,880, which the Company intends to apply in accordance with the table set out below;

---

<sup>4</sup> This assumes that the Convertible Notes (2022) are converted at the lowest possible conversion price (being A\$0.01), and USD exchange rate of A\$0.68. The actual number of Shares to be issued on conversion will be calculated in accordance with the conversion formula for the Convertible Notes (2022), as detailed in Part 2 of Schedule 2.



<b>Allocation of Funds</b>	
Corporate Costs	1,058,638
Research and Development (incl. clinical studies)	4,240,242
Plant and Equipment	468,000
<b>Total</b>	<b>US\$5,766,880</b>

**Notes:**

1. The above table is a statement of current intentions as of the date of this Notice. As with any budget, intervening events (including Research and Development success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.
- (h) the Convertible Notes (2022) will be issued pursuant to the Convertible Securities Agreement (2022), which is summarised in Part 1 of Schedule 2; and
- (i) the Convertible Notes (2022) are not being issued under, or to fund, a reverse takeover.

---

## **5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS**

### **5.1 General**

On 6 February 2023, the Company issued 50,000,000 Options to Mercer with an exercise price of A\$0.013 and an expiry date of 30 June 2025 in consideration for Mercer agreeing to enter into the CN (2020) Variation Agreement to amend the terms of the Convertible Securities Agreement (2020) and the Remaining Convertible Notes (2020).

The 50,000,000 Options were issued under the Company's existing Listing Rule 7.1 placement capacity.

### **5.2 Listing Rules 7.1 and 7.4**

A summary of Listing Rule 7.1 is set out in section 1.2 above and a summary of Listing Rule 7.4 is included at section 3.2 above.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the prior issue of the Options.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **5.3 Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Options.

If Resolution 5 is not passed, the Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Options.

#### **5.4 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) 50,000,000 Options were issued to Mercer;
- (b) the Options were issued on the terms and conditions set out in Schedule 3;
- (c) the Options were issued on 6 February 2023;
- (d) the Options were issued in consideration for Mercer agreeing to enter into the CN (2020) Variation Agreement to amend the terms of the Convertible Securities Agreement (2020) and the Remaining Convertible Notes (2020). No funds were raised from the issue, however, funds may be received by the Company upon any future exercise of the Options.;
- (e) the purpose of the issue of the Options was to satisfy the Company's obligations under the CN (2020) Variation Agreement; and
- (f) the Options were issued to Mercer under the CN (2020) Variation Agreement. A summary of the material terms of the CN (2020) Variation Agreement is set out in Section 1.1.

---

## **6. RESOLUTION 6 – APPROVAL FOR SHARE PLACEMENT**

### **6.1 General**

The Company seeks pre-approval to raise up to \$5 million in order to fund ongoing clinical trials (including lodgement of an Investigation New Drug Application with the US Food and Drug Administration), production and corporate costs (including product marketing) and general working capital.

Resolution 6 seeks Shareholder approval for the issue of up to that number of Shares, when multiplied by the issue price, will raise up to \$5 million (**Proposed Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 6 will be to allow the Company to issue the Shares pursuant to the Proposed Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

It is intended that a broker or brokers will be appointed for the purpose of the Placement and the fees customary for a placement of this size shall be paid to the appointed broker/s.

It is intended that Placement participants be sophisticated and professional investors (as defined in section 708 of the Corporations Act).

## 6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Proposed Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$5 million;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be determined at the time of the Placement based on the then current share price and prevailing market conditions;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to apply the funds raised from the Placement towards fund ongoing clinical trials (including lodgement of an Investigation New Drug Application with the US Food and Drug Administration), production and corporate costs (including marketing) and general working capital; and
- (g) the Shares will not be issued under or to fund a reverse takeover.

## 6.3 Dilution

The closing market price for Shares on 22 February 2023 was \$0.009. Set out below is a worked example of the number of Shares that may be issued under Resolution 6 based on an assumed issue prices:

Assumed issue price	Maximum number of Shares which the Company could issue (rounded up to the nearest whole number) pursuant to Resolution 6	Current Shares on issue as at the date of this Notice	Number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 6	Dilution effect on existing Shareholders
\$0.0090	555,555,556	2,865,847,321	3,421,402,875	16.2%
\$0.0086	581,395,349	2,865,847,321	3,447,242,669	16.8%
\$0.0081	617,283,951	2,865,847,321	3,483,131,272	17.7%
\$0.0077	649,350,650	2,865,847,321	3,515,197,971	18.5%
\$0.0072	694,444,445	2,865,847,321	3,560,291,766	19.5%

The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

---

## GLOSSARY

---

**A\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Company** means MGC Pharmaceuticals Ltd (ACN 116 800 269).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Listing Rules** means the Listing Rules of ASX.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**US\$** means the US dollar.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time as observed in Perth, Western Australia.

---

## SCHEDULE 1 – CONVERTIBLE NOTES (2020)

---

### 1. Convertible Securities Agreement (2020)

Assuming Resolution 1 is approved by Shareholders, the material terms of the Convertible Securities Agreement (2020) between the Company and Mercer are as follows:

- (a) **Secured Debt Security:** Repayment of the face value of the Convertible Notes (2020) is secured by a first ranking general security granted by the Company in favour of Mercer.
- (b) **Reconstructions:** In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, the terms of the Convertible Notes (2020) will be reconstructed to the extent necessary to comply with the Listing Rules.
- (c) **Satisfaction of Convertible Notes (2020):** The face value of each Convertible Note (2020) issued is to be satisfied by:

- (i) **Being converted into Shares:**

Mercer may (at its absolute discretion) converting the Convertible Notes (2020) (in a minimum parcel with a face value of at least \$25,000) at any time prior to 1 February 2024 (**Maturity Date**), by giving the Company a conversion notice. The conversion will occur within 5 business days of receipt of the notice.

The number of Shares to which Mercer is entitled upon conversion of the relevant Convertible Notes (2020) is determined by the following formula:

*Number of Shares = repayment amount / conversion price.*

The applicable conversion price is set out below.

Upon conversion of the Convertible Notes (2020):

- (A) those Convertible Notes (2020) are cancelled and may not be reissued; and
- (B) the face value of the Convertible Notes (2020) which has been converted will be deemed satisfied.

- (ii) **Being repaid:**

If Mercer has not notified the Company in writing by the day that is 10 business days prior to the Maturity Date that it will be converting the relevant Convertible Notes (2020) (in whole or in part), the Company is to pay in full to the holder of the Convertible Notes (2020), the face value of the Convertible Notes (2020) (and any accrued but unpaid interest).

If an event of default is subsisting after the Company has notice, the Company must repay the face value of the outstanding Convertible Notes (2020) held by Mercer together with any accrued by unpaid interest.

If there occurs a change of control event or a delisting event, Mercer may require repayment by the Company of some or all of the Convertible Notes (2020); or

**(iii) Being repurchased:**

Provided that the Company is:

- (A) in compliance with its obligations under the Convertible Securities Agreement (2020);
- (B) there is no existing event of default; and
- (C) Mercer has not issued a conversion notice,

the Company may (by written notice to Mercer) elect to repurchase all of the outstanding Convertible Notes (2020) on issue at any time, for a 3% premium to the face value, provided such repurchase is permitted by law and the Listing Rules.

Where Mercer receives a written notice from the Company with respect to the repurchase of Convertible Notes (2020), Mercer may elect to convert up to 30% of the Convertible Notes (2020), the subject of such notice.

**(d) Rights of Mercer upon an Event of Default:** Upon the occurrence of an event of default, Mercer may in its sole discretion:

- (i) declare all outstanding obligations by the Company under the Convertible Securities Agreement (2020) to be immediately due and payable; or
- (ii) terminate the Convertible Securities Agreement (2020), in which case any amounts payable under the Convertible Securities Agreement (2020) to Mercer, become immediately payable.

**(e) Termination:** The Convertible Securities Agreement (2020) may be terminated:

- (i) by the mutual written consent of the parties, at any time;
- (ii) by the Company, provided that the Company has paid Mercer all money due and payable under the Convertible Securities Agreement (2020);
- (iii) by Mercer, in an event of default; and
- (iv) by Mercer, if, as a consequence of any change of law, regulation or administrative action or policy relating to tax after the execution date, the tax liability of Mercer increases.

Upon termination, any amounts payable under the Convertible Securities Agreement (2020) to Mercer or the Company which are unpaid as at the date of termination, become immediately payable.

**(f) Conversion Conditions:** Any conversion of the Convertible Notes (2020), is conditional on the following conditions (together, the **Conversion Conditions**):

- (i) **shareholding limits:** the relevant conversion will not:
  - (A) cause the voting power in the Company of Mercer and its associates to exceed 4.99%, unless Mercer gives its written consent to the Company from time to time, that Mercer's relevant interest may exceed 4.99% but will not exceed 9.99%; and
  - (B) result in Mercer acquiring a relevant interest in the Shares which causes the voting power in the Company of Mercer and its associates to exceed 19.99%.
- (ii) **capacity:** the Company either:
  - (A) for the purposes of Chapter 7 of the Listing Rules and for all other purposes obtaining Shareholder approval to issue the relevant securities the subject of the relevant conversion; or
  - (B) having existing placement capacity to issue the relevant securities the subject of the relevant conversion without any further Shareholder approval (including for the purposes of Chapter 7 of the Listing Rules or any other purpose);
- (iii) **representations and warranties:** each representation and warranty by the Company in the Convertible Securities Agreement (2020) being true and correct;
- (iv) **other requirements:** any and all authorisations, in the reasonable opinion of Mercer, necessary at the relevant conversion date, to give effect to the transaction under the Convertible Securities Agreement (2020), having been obtained by the Company and remaining in full force and effect;
- (v) **no disclosure or default:** Mercer is of the opinion, acting reasonably, that:
  - (A) any offer for sale by Mercer or its nominee of any of the relevant securities, does not and will not need disclosure under Part 6D.2 of the Corporations Act;
  - (B) the issue of any securities in respect of the relevant conversion has not and will not result in the Company being in breach of the Listing Rules or any other law;
  - (C) no event of default has occurred; and
  - (D) no event of default would result from the relevant conversion being effected and the relevant securities being issued;
- (vi) **compliance with Convertible Securities Agreement (2020):** the Company has complied in all respects with all agreements and covenants required by the Convertible Securities Agreement (2020) as at or prior to the conversion date;

- (vii) **quotation:** the ASX has not indicated to the Company that quotation of Shares (issued on conversion) on the ASX will not be granted; and
- (viii) **conversion price:** means in respect of any Convertible Notes (2020), the lower of:
- (A) A\$0.035; or
  - (B) 92% of the lowest daily VWAP of the shares selected by Mercer and specified in a Conversion Notice for the 10 Trading Days on which Shares traded in the ordinary course of business on the ASX ending on the date immediately prior to the relevant Conversion Notice,
  - (C) subject to the Conversion Price being not less than A\$0.01.

The Convertible Securities Agreement (2020) otherwise contains representations, warranties and indemnities standard for an agreement of this nature.

## 2. Terms and Conditions of the Convertible Notes (2020)

Assuming Resolution 1 is passed by Shareholders, the key terms and conditions of the Convertible Notes (2020) are set out below.

<b>Face Value</b>	A\$1.00 per Convertible Note (2020)
<b>Subscription Price</b>	A\$0.90909 per Convertible Note (2020)
<b>Maturity Date</b>	1 February 2024 ( <b>Maturity Date</b> ).
<b>Interest Rate</b>	Upon an event of default occurring, the Company must pay interest at a rate of 18% per annum on the amount of the face value of all Convertible Note (2020) issued which have not been converted or repurchased.
<b>Conversion of Remaining Convertible Note (2020)</b>	<p>Mercer may (at its absolute discretion) convert the Convertible Note (2020) (in a minimum parcel with a face value of at least \$25,000) at any time prior to the date which is 12 months from their date of issue, by giving the Company a conversion notice. The conversion will occur within 5 business days of receipt of the notice.</p> <p>The number of Shares to which Mercer is entitled upon conversion of the Convertible Note (2020) is determined by the following formula:</p> <p>Number of Shares = repayment amount / conversion price.</p> <p>The applicable conversion price is set out below.</p> <p>Upon conversion of the Convertible Note (2020):</p> <ul style="list-style-type: none"> <li>(a) those Convertible Note (2020) are cancelled and may not be reissued; and</li> <li>(b) the face value of the Convertible Note (2020) which has been converted will be deemed satisfied.</li> </ul>



<b>Conversion by the Company</b>	The Company has no right to require Mercer to convert any Convertible Note (2020) at any time.
<b>Conversion Price</b>	<p>In respect of the Convertible Note (2020) , the conversion price will be the lower of:</p> <p>(a) A\$0.035; or</p> <p>(b) 92% of the lowest daily VWAP of the shares selected by Mercer and specified in a Conversion Notice for the 10 Trading Days on which Shares traded in the ordinary course of business on the ASX ending on the date immediately prior to the relevant Conversion Notice,</p> <p>subject to the Conversion Price being not less than A\$0.01.</p>
<b>Repurchase</b>	<p>Provided that the Company is:</p> <p>(a) in compliance with its obligations under the Convertible Securities Agreement (2020);</p> <p>(b) there is no existing event of default; and</p> <p>(c) Mercer has not issued a conversion notice,</p> <p>the Company may (by written notice to Mercer) elect to repurchase all of the outstanding Convertible Note (2020) on issue at any time, for a 3% premium to the face value, provided such repurchase is permitted by law and the Listing Rules.</p> <p>Where Mercer receives a written notice from the Company with respect to the repurchase of the Convertible Note (2020), Mercer may elect to convert up to 30% of the Convertible Note (2020), the subject of such notice.</p>
<b>Redemption</b>	<p>If Mercer has not notified the Company in writing by the day that is 10 business days prior to the Maturity Date that it will be converting the Convertible Note (2020) (in whole or in part), the Company is to pay in full to the holder of the Convertible Note (2020), the face value of the Convertible Note (2020) (and any accrued but unpaid interest).</p> <p>If an event of default is subsisting after the Company has notice, the Company must repay the face value of the outstanding Convertible Note (2020) held by Mercer together with any accrued by unpaid interest.</p> <p>If there occurs a change of control event or a delisting event, Mercer may require repayment by the Company of some or all of the Convertible Note (2020).</p>
<b>Ranking on Conversion</b>	Shares issued on conversion of the Convertible Note (2020) will rank equally with existing Shares on issue.
<b>Security Documents</b>	Repayment of the face value of the Convertible Note (2020) is secured by a first ranking general security granted by the Company in favour of Mercer.
<b>Reconstruction of capital</b>	In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, the terms of the Convertible Note (2020) will be reconstructed to the extent necessary to comply with the Listing Rules.

<b>Participation Rights</b>	The Convertible Note (2020) will not carry any entitlement to participate in future issues of Securities by the Company prior to any conversion of the Convertible Securities into Shares.
<b>No Voting Rights</b>	Except as required by the Corporations Act, the Convertible Note (2020) will not carry a right to vote at meetings of the Company prior to any conversion of the Convertible Note (2020) into Shares.

---

## SCHEDULE 2 – CONVERTIBLE NOTES (2022)

---

### 1. Convertible Securities Agreement (2022)

Assuming Resolutions 2 and 4 are passed by Shareholders, the material terms of the Convertible Securities Agreement (2022) between the Company and Mercer are as follows:

- (a) **Subsequent Investment:** At any time no later than 18 months from the execution date of the Convertible Securities Agreement (2022), the Company may request additional funding from Mercer of up to US\$8,800,000 (less taxes and transaction costs), as at the date of this Notice the Company has drawn down an additional US\$3,033,120 (**Subsequent Investment Amount**), subject to:
- (i) the Company providing Mercer with written notice requesting the Subsequent Investment Amount (or part thereof); and
  - (ii) Mercer, in its sole discretion, agreeing to advance the requested funds, the subject of the notice; and
  - (iii) the relevant 'Closing Conditions' (detailed below) being satisfied or waived.

The Company may provide multiple subsequent investment request notices, provided that the aggregate Subsequent Investment Amount paid to the Company under the notices is not greater than US\$8,800,000.

The Company is under no obligation to provide any requests for the Subsequent Investment Amount (or part thereof) and Mercer has no obligation to agree to advance funds in respect of any such requests.

- (b) **Issue of Convertible Notes (2022):** In consideration for each tranche of the Subsequent Investment Amount advanced to the Company, the Company will issue Mercer the number of convertible notes (with a face value of US\$1.00 each) equal to 110% of the relevant Subsequent Investment Amount, within 5 business days of the satisfaction of the applicable Closing Conditions to the relevant Subsequent Investment Amount.
- (c) **Secured Debt Security:** Repayment of the face value of the Convertible Notes (2022) is secured by a first ranking general security granted by the Company in favour of Mercer.
- (d) **Reconstructions:** In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, the terms of the Convertible Notes (2022) will be reconstructed to the extent necessary to comply with the Listing Rules.
- (e) **Satisfaction of Convertible Notes (2022):** The face value of each Convertible Notes (2022) issued is to be satisfied by:
- (i) **Being converted into Shares:**  
  
Mercer may (at its absolute discretion) convert the Convertible Notes (2022) (in a minimum parcel with a face value of at least US\$25,000) at any time prior to the date which is 18 months from

their date of issue (**Maturity Date**), by giving the Company a conversion notice. The conversion will occur within 5 business days of receipt of the notice.

The number of Shares to which Mercer is entitled upon conversion of the relevant Convertible Notes (2022) is determined by the following formula:

$$\text{Number of Shares} = (\text{FV} * \text{ER}) / \text{CP}$$

Where:

- **FV** means the aggregate face value of the Convertible Notes (2022) being converted.
- **ER** means the spot rate of exchange as reported by Bloomberg LP on the date immediately prior to the date of issue of a conversion notice by Mercer.
- **CP** means the applicable conversion price per Convertible Notes (2022). The applicable conversion price is set out below.

(ii) **Being repaid:**

If Mercer has not notified the Company in writing by the day that is 10 business days prior to the relevant Maturity Date that it will be converting the relevant Convertible Notes (2022) (in whole or in part), the Company is to pay in full to the holder of the Convertible Notes (2022), the face value of the Convertible Securities (and any accrued but unpaid interest), within 20 business days of the Maturity Date.

If an event of default is subsisting after the Company has notice, the Company must repay the face value of the outstanding Convertible Securities held by Mercer together with any accrued by unpaid interest.

If there occurs a change of control event or a delisting event, Mercer may require repayment by the Company of some or all of the Convertible Notes (2022).

(iii) **The relevant Convertible Notes (2022) being repurchased:**

Provided that the Company is:

- (A) in compliance with its obligations under the Convertible Securities Agreement (2022);
- (B) there is no existing event of default; and
- (C) Mercer has not issued a conversion notice,

the Company may (by written notice to Mercer) elect to repurchase all of the outstanding Convertible Notes (2022) on issue at any time, for a 3% premium to the face value, provided such repurchase is permitted by law and the Listing Rules.

Where Mercer receives a written notice from the Company with respect to the repurchase of Convertible Notes (2022), Mercer may elect to convert up to 30% of the Convertible Notes (2022), the subject of such notice.

- (f) **Rights of Mercer upon an Event of Default:** Upon the occurrence of an event of default, Mercer may in its sole discretion:
- (i) declare all outstanding obligations by the Company under the Convertible Securities Agreement (2022) to be immediately due and payable; or
  - (ii) terminate the Convertible Securities Agreement (2022), in which case any amounts payable under the Convertible Securities Agreement (2022) to Mercer, become immediately payable.
- (g) **Termination:** The Convertible Securities Agreement (2022) may be terminated:
- (i) by the mutual written consent of the parties, at any time;
  - (ii) by the Company, provided that the Company has paid Mercer all money due and payable under the Convertible Securities Agreement (2022);
  - (iii) by Mercer, in an event of default; and
  - (iv) by Mercer, if, as a consequence of any change of law, regulation or administrative action or policy relating to tax after the execution date, the tax liability of Mercer increases.

Upon termination, any amounts payable under the Convertible Securities Agreement (2022) to Mercer or the Company which are unpaid as at the date of termination, become immediately payable.

The provision of an Subsequent Investment Amount, and any subsequent conversion, are conditional on the following conditions (together, the **Closing Conditions**):

- (v) **shareholding limits:** the issue of the securities will not:
  - (A) cause the voting power in the Company of Mercer and its associates to exceed 4.99%, unless Mercer gives its written consent to the Company from time to time, that Mercer's relevant interest may exceed 4.99% but will not exceed 9.99%; and
  - (B) result in Mercer acquiring a relevant interest in the Shares which causes the voting power in the Company of Mercer and its associates to exceed 19.99%.
- (vi) **entitlement to investment:** the Company being entitled under the Convertible Securities Agreement (2022) to require Mercer to subscribe for the relevant Convertible Notes (2022) and pay the relevant Subsequent Investment Amount.
- (vii) **capacity:** the Company either:

- (A) for the purposes of Chapter 7 of the Listing Rules and for all other purposes obtaining Shareholder approval to issue the relevant securities the subject of the relevant conversion or closing; or
  - (B) having existing placement capacity to issue the relevant securities the subject of the relevant conversion or closing without any further Shareholder approval (including for the purposes of Chapter 7 of the Listing Rules or any other purpose);
- (viii) **representations and warranties:** each representation and warranty by the Company in the Convertible Securities Agreement (2022) being true and correct;
- (ix) **other requirements:** any and all authorisations, in the reasonable opinion of Mercer, necessary at the relevant closing date or conversion date, to give effect to the transaction under the Convertible Securities Agreement (2022), having been obtained by the Company and remaining in full force and effect;
- (x) **Company documents delivered:** the Company delivering to Mercer:
- (A) in respect of a closing, a copy of the resolutions duly adopted by the board of directors of the Company, approving the closing; and
  - (B) copies of such additional documents, certificates, payments, assignments, transfers and other deliveries as Mercer or its legal counsel may reasonably request;
  - (C) a certificate, executed on behalf of the Company, dated as at the relevant closing date or conversion date certifying that:
    - (I) the Company has performed or complied in all material respects with all agreements and covenants required by the Convertible Securities Agreement to be performed or complied with by it at or prior to the relevant closing date or conversion date;
    - (II) the representations and warranties of the Company contained in the Convertible Securities Agreement are true and correct in all material respects as of the dates as of which they are made or deemed to be made under the Convertible Securities Agreement; and
    - (III) all Closing Conditions have been satisfied;
- (xi) **no disclosure or default:** Mercer is of the opinion, acting reasonably, that:
- (A) any offer for sale by Mercer or its nominee of any of the relevant securities, does not and will not need disclosure under Part 6D.2 of the Corporations Act;

- (B) the issue of any securities in respect of the relevant closing or conversion has not and will not result in the Company being in breach of the Listing Rules or any other law;
  - (C) no event of default has occurred; and
  - (D) no event of default would result from the relevant closing or conversion being effected and the relevant securities being issued;
- (xii) **compliance with Convertible Securities Agreement:** the Company has complied in all respects with all agreements and covenants required by the Convertible Securities Agreement (2022) as at or prior to the relevant closing date or conversion date;
- (xiii) **quotation:** the ASX has not indicated to the Company that quotation of Shares (issued on conversion) on the ASX will not be granted;
- (xiv) **Cleansing Notice or prospectus lodged:** either:
- (A) a short form prospectus has been lodged by the Company with ASIC and on the ASX announcements platform under which the Convertible Notes (2022) are offered to Mercer and such offer remains open as at the closing; or
  - (B) a cleansing notice is lodged by the Company on the ASX announcements platform in respect of the relevant Convertible Notes (2022) and any Shares into which the relevant Convertible Notes (2022) are convertible.
- (xv) **Conversion Price:** means in respect of the Convertible Notes (2022), the lower of:
- (A) A\$0.02; or
  - (B) 90% of the lowest daily VWAP of the Company's Shares selected by Mercer and specified in a conversion notice for the 10 trading days on which the Shares traded in the ordinary course of business on the ASX ending on the date immediately prior to the relevant conversion notice,

subject to the conversion price being not less than A\$0.01.

The Convertible Securities Agreement (2022) otherwise contains representations, warranties and indemnities standard for an agreement of this nature.

### 3. Terms and Conditions of the Convertible Notes (2022)

Assuming Resolutions 2 and 4 are passed by Shareholders, the key terms and conditions of the Convertible Notes (2022) are set out below.

<b>Terms and conditions of Convertible Notes (2022)</b>	
<b>Subscription Price</b>	US\$0.90909 per Convertible Note (2022).
<b>Face Value</b>	Each Convertible Note (2022) will have a face value of US\$1.00.
<b>Maturity Date</b>	18 months from the date of issue of the Convertible Notes.
<b>Interest Rate</b>	Upon an event of default occurring, the Company must pay interest at a rate of 18% per annum on the amount of the face value of all Convertible Notes (2022) issued which have not been converted or repurchased, calculated daily and compounded monthly.
<b>Conversion of Convertible Note (2022)</b>	<p>The Noteholder may (at its absolute discretion) convert the Convertible Notes (2022) (in a minimum parcel with a face value of at least US\$25,000) at any time prior to the date which is 18 months from their date of issue, by giving the Company a conversion notice. The conversion will occur within 3 business days of receipt of the notice.</p> <p>The number of Shares to which the Noteholder is entitled upon conversion of the relevant Convertible Notes (2022) is determined by the following formula:</p> $\text{Number of Shares} = (\text{FV} * \text{ER}) / \text{CP}$ <p>Where:</p> <ul style="list-style-type: none"> <li>• <b>FV</b> means the aggregate face value of the Convertible Notes (2022) being converted.</li> <li>• <b>ER</b> means the spot rate of exchange as reported by Bloomberg LP on the date immediately prior to the date of issue of a conversion notice by the Noteholder.</li> <li>• <b>CP</b> means the applicable conversion price per Convertibles Note (2022). The applicable conversion price is set out below.</li> </ul> <p>Upon conversion of the Convertible Notes (2022):</p> <p>(a) those Convertible Notes (2022) are cancelled and may not be reissued; and</p> <p>(b) the face value of the Convertible Notes (2022) which have been converted will be deemed satisfied.</p>
<b>Conversion by the Company</b>	The Company has no right to require the Noteholder to convert any Convertible Notes (2022) at any time.
<b>Conversion Price</b>	In respect of the Convertible Notes (2022), the lower of of: <ul style="list-style-type: none"> <li>(a) A\$0.02; or</li> <li>(b) 90% of the lowest daily VWAP of the Company's Shares selected by the Noteholder and specified in a conversion notice for the 10 trading days on which the</li> </ul>



## Terms and conditions of Convertible Notes (2022)

	<p>Shares traded in the ordinary course of business on the ASX ending on the date immediately prior to the relevant conversion notice, subject to the conversion price being not less than A\$0.01.</p>
<b>Repurchase</b>	<p>Provided that the Company is:</p> <ul style="list-style-type: none"> <li>(a) in compliance with its obligations under the Convertible Securities Agreement (2022);</li> <li>(b) there is no existing event of default; and</li> <li>(c) the Noteholder has not issued a conversion notice,</li> </ul> <p>the Company may (by written notice to the Noteholder) elect to repurchase all of the outstanding Convertible Notes (2022) on issue at any time, for a 3% premium to the face value, provided such repurchase is permitted by law and the Listing Rules.</p> <p>Where the Noteholder receives a written notice from the Company with respect to the repurchase of Convertible Notes (2022), the Noteholder may elect to convert up to 30% of the Convertible Notes (2022), the subject of such notice.</p>
<b>Redemption</b>	<p>If the Noteholder has not notified the Company in writing by the day that is 10 business days prior to the Maturity Date that it will be converting the relevant Convertible Notes (2022) (in whole or in part), the Company is to pay in full to the holder of the Convertible Notes (2022), the face value of the Convertible Notes (2022) (and any accrued but unpaid interest).</p> <p>If an event of default is subsisting after the Company has notice from the Noteholder requiring repayment, the Company must repay the face value of the outstanding Convertible Notes (2022) held by the Noteholder together with any accrued by unpaid interest. The Convertible Securities Agreement (2022) contains various events which constitute events of default which are standard for agreements of this nature.</p> <p>If there occurs a Change of Control Event or a delisting event, the Noteholder may require repayment by the Company of some or all of the Convertible Notes (2022).</p> <p>In this Notice:</p> <p><b>Change of Control Event</b> means each of:</p> <ul style="list-style-type: none"> <li>(a) a takeover bid being made to acquire all of the Company's shares and: <ul style="list-style-type: none"> <li>(i) the offer under the takeover bid is, or becomes, unconditional; and</li> <li>(ii) either: <ul style="list-style-type: none"> <li>(A) the bidder has acquired at any time during the offer period (or after the close of the offer period) a relevant interest in more than 50 per cent of the shares on issue; or</li> </ul> </li> </ul> </li> </ul>

## Terms and conditions of Convertible Notes (2022)

	<p>(B) the directors of the Company recommend acceptance of the offer under the takeover bid;</p> <p>(b) a court approves a proposed scheme of arrangement which, when implemented, will result in a person having a relevant interest in 100 per cent of the Shares on issue in the Company (where the requisite shareholder approval has also been obtained),</p> <p>but, for the avoidance of doubt, shall exclude certain agreed transactions previously detailed in the Company's ASX announcements.</p> <p><b>Delisting Event</b> means where the Company's Shares are no longer quoted on ASX, the Company's Shares are suspended from trading on ASX for a period of 20 consecutive business days, or in any case, other than as a result (directly or indirectly) of a change of Control Event.</p>
<b>Ranking on Conversion</b>	Shares issued on conversion of the Convertible Notes (2022) will rank equally with existing Shares on issue.
<b>Security Documents</b>	Repayment of the face value of the Convertible Notes is secured by a first ranking general security granted by the Company in favour of the Noteholder.
<b>Reconstruction of Capital</b>	In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, the terms of the Convertible Notes (2022) will be reconstructed to the extent necessary to comply with the Listing Rules.
<b>Participation Rights</b>	The Convertible Notes (2022) will not carry any entitlement to participate in future issues of securities by the Company prior to any conversion of the Convertible Notes (2022) into Shares.
<b>No Voting Rights</b>	Except as required by the Corporations Act, the Convertible Notes (2022) will not carry a right to vote at meetings of the Company prior to any conversion of the Convertible Notes (2022) into Shares.

---

## SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS

---

### 1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### 2. Exercise Price

Subject to paragraph 9, the amount payable upon exercise of each Option will be A\$0.013 (**Exercise Price**).

### 3. Expiry Date

Each Option will expire at 5:00 pm (AWST) on the 30 June 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 4. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### 5. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised by electronic funds transfer or other means of payment acceptable to the Company.

### 6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### 7. Timing of issue of Shares on exercise

Within five Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX and the official list of the FCA and to trading on the main market for listed securities on the London Stock Exchange plc, or any other public exchange, make an application for the listing and admission to trading of Shares issued pursuant to the exercise of the Options.

**8. Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

The Option holder is entitled to elect for the Shares to be registered in the name of its nominee by confirming such request in the Notice of Exercise.

**9. Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules and/or the Listing Rules of the FCA at the time of the reconstruction in order to ensure that the Optionholder maintains the same relative rights for the Options.

**10. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**11. Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.


**12. Transferability**


The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

MXCRM  
MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SURBURB  
SAMPLETOWN VIC 3030



## Need assistance?

 **Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **4:00pm (AWST) on Tuesday, 28 March 2023.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

XX

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



IND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of MGC Pharmaceuticals Ltd hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of MGC Pharmaceuticals Ltd to be held at 1202 Hay Street, West Perth, WA 6005 on Thursday, 30 March 2023 at 4:00pm (AWST) and at any adjournment or postponement of that meeting.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Approval to amend terms of Convertible Notes (2020)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval to amend terms of Convertible Notes (2022)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of prior issue of Convertible Notes B (2022)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval to issue Convertible Notes (2022)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval for Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

