

**PHARMAUST LIMITED
ACN 094 006 023**

PROSPECTUS

For the Offer of 1 New Option at an issue price of 1 cent

This Prospectus has been prepared for the purposes of section 708A(11) of the Corporations Act to remove secondary trading restrictions on the sale of the Placement Options which are of the same class as the New Option to be issued under this Prospectus.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. This Prospectus contains important information about the Offer. The securities offered under this Prospectus should be considered highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 2 January 2024 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary. In this Prospectus, the words "we", "our" and "us" refer to the Company. The words "you" or "your" refer to Shareholders.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for quotation of the New Option will be made to ASX within 7 days after the date of this Prospectus.

We are an ASX listed company whose securities are granted official quotation by ASX. In preparing this Prospectus, regard has been had to the fact that we are a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.

No person is authorised to give any information or to make any representations in connection with this Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Directors or by us.

Restrictions on distribution

The Offer is made in Australia and New Zealand only. This Prospectus does not constitute an offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a duly completed Acceptance Form as a representation by you that there has been no breach of any laws.

The Corporations Act prohibits any person passing on to another person an application form unless it is accompanied by or included in a hard copy, or the complete and unaltered electronic version of this Prospectus. Please contact us if you wish to obtain a hard copy of this Prospectus free of charge.

A copy of this Prospectus can be downloaded from our website at www.pharmaust.com. If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus is only available to Australian residents.

Target Market Determination

A Target Market Determination (TMD) in respect of the offer of New Option under this Prospectus has been prepared by the Company and is available on the Company's website at www.pharmaust.com.

The TMD seeks to offer potential investors with an understanding of the class of investors for which the offer of the New Option has been designed, having regard to the objectives, financial situation and needs of the target market.

CORPORATE DIRECTORY

DIRECTORS

Dr Roger Aston (Non-Executive Chairman)
Mr Robert Bishop (Executive Director)
Mr Sam Wright (Non-Executive Director)
Mr Neville Bassett, AM (Non-Executive Director)

CHIEF EXECUTIVE OFFICER

Dr Michael Thurn

COMPANY SECRETARY

Mr Sam Wright

REGISTERED OFFICE

Suite 116, 1 Kyle Way
Claremont, Western Australia, 6010

www.pharmaust.com

SOLICITORS

Fairweather Corporate Lawyers
Suite 2, 589 Stirling Highway
Cottesloe, Western Australia, 6011

SHARE REGISTRY *

Computershare Investor Services Pty
Limited
Level 11
172 St George's Terrace
Perth, Western Australia, 6000

ASX Code : PAA

* The name of the Share Registry is included for information purposes only. It has not been involved in the preparation of any part of this Prospectus and has not consented to being named in the Prospectus.

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1. INVESTMENT OVERVIEW

Question	Response	Where to find more information
What is the Offer?	The Company is offering to issue 1 New Option at an issue price of 1 cent under this Prospectus.	Sections 2.1 and 4.1
What is the purpose of the Offer?	<p>The purpose of the Offer is to remove secondary trading restrictions on the sale of the Placement Options.</p> <p>The first tranche of the Placement Options have been issued and the second and third tranches of the Placement Options will be issued while the Offer under this Prospectus is open. The offer and issue of the New Option under this Prospectus will remove secondary trading restrictions on the sale of the Placement Options..</p>	Section 2.1
Who should apply?	The Company will invite an investor to apply. You should not apply for the New Option unless you are invited to do so.	Section 4.1
What are the terms of the New Option to be issued under this Offer?	<p>The New Option has an exercise price of 15 cents and an expiry date of 30 April 2026. The terms of the New Option is set out in Section 5.1.</p> <p>The terms of the New Option are the same as the Placement Options and Listed Options.</p>	Section 5.1
What is the effect of the Offer?	<p>The effect of the Offer is to remove the secondary trading restrictions on the Placement Options.</p> <p>The Offer will further increase the number of Options on issue by 1 Option and decrease the cash reserves of the Company by approximately \$14,206 (being the estimated expenses of the Offer).</p>	Section 2.2
What are the key risks associated with an investment in the Company?	The Offer should be considered highly speculative as the Company is developing therapeutics for cancer and neurodegenerative diseases in humans and cancer for pet dogs. Before deciding to subscribe under the Offer, you should consider the risk factors set out in this Prospectus and our public announcements. Some of the specific risks relevant to an investment in the Company are:	Section 3

Question	Response	Where to find more information
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Risk Area

Risks

Commercialisation of key monepantel product

The Company's future success depends in part on its ability to commercialise its key product, monepantel (MPL) as a therapeutic including in treating some cancer, and neurodegenerative diseases, in humans and cancer in pet dogs. Commercialisation of this and any other products may be reliant on the ability of the Company to effectively collaborate with a larger pharmaceutical or healthcare company. No assurances can be given of the successful development and commercialisation of products that are being developed.

Future Funding

The Company is yet to commercialise its products or generate material revenue or profits. The Company will therefore depend on its ability to raise additional funds. No assurance can be given that future investor funds as required will be made available on acceptable terms (if at all). If the Company is unable to obtain additional financing (whether equity or debt) as is needed, it may be required to reduce the scope of its operations and scale back its programs.

Intellectual property risk

The success of the Company will depend in part on the Company's ability to secure and protect rights to intellectual property and, in particular, patents (and therefore proprietary rights) without infringing the proprietary rights of others. The Company has intellectual property rights to the use of MPL including in the treatment of cancer and neurodegenerative diseases in humans and cancer in pet dogs. The strength of patents, even if granted, involves complex legal and scientific questions and can be uncertain.

Question	Response	Where to find more information
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Clinical validation and regulatory risk	The commercialisation and registration of products being developed by the Company requires regulatory approval in various jurisdictions. Additionally, ethical body approval may be required. Although the Company has obtained approval to date to conduct its trials, there is inherent uncertainty involved in obtaining relevant regulatory approval as the Company progresses towards commercialisation.	
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Dependence on key personnel	The Company's success depends in part on the core competencies of the Directors and management and the ability of the Company to retain these key executives. Loss of key personnel may have an adverse impact on the Company's performance, particularly given the small size of the team.	
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What are the key dates of the Offer?

Prospectus lodged with ASIC.	2 January 2024
Opening Date	2 January 2024
Closing Date	27 February 2024
Despatch of holding statement	28 February 2024

Please note that these dates are subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules to amend the timetable at any time, and in particular, to extend the Closing Date.

2. PURPOSE AND EFFECT OF THE OFFER

2.1 Purpose of Offer

The Company has an existing class of Listed Options (exercise price 15 cents and expiry date of 30 April 2026). As announced on 13 and 18 December 2023, the Company is undertaking the Placement (of Placement Shares and Placement Options) in 3 tranches to institutional and sophisticated investors under section 708 of the Corporations Act. The Placement Options have an exercise price of 15 cents and an expiry date of 30 April 2026.

The first tranche of the Placement was undertaken on 22 December 2023 where 24,611,257 Shares and 16,407,505 Placement Options were issued to unrelated parties.

The second tranche of the Placement will be undertaken on or about 2 January 2024 where 10,750,000 Shares and 7,166,670 Placement Options will be issued to unrelated parties.

The third tranche of the Placement will be undertaken in February 2024 where 450,000 Shares and 300,000 Placement Options will be issued to Sam Wright, a Director. This third tranche is subject to Shareholder approval to be sought in February 2024.

The first tranche of Placement Options has joined the existing class of Listed Options. The Company will apply for the second tranche and the third tranche of the Placement Options to join the existing class of Listed Options once they are issued.

The Placement was, and will be, undertaken without a prospectus. Therefore, there are secondary trading (sale) restrictions on these securities in accordance with the Corporations Act. The Placement Shares have been, or will be, the subject of a relevant secondary trading notice under section 708A(5) of the Corporations Act that will remove secondary trading restrictions on these Placement Shares.

The purpose of the Offer is to remove secondary trading restrictions on the sale of the Placement Options.

The offer and issue of the New Option under this Prospectus is on the same terms as the Placement Options and the Listed Options. This will have the effect under section 708A(11)(b)(i) of the Corporations Act of removing secondary trading restrictions on the sale of the first tranche Placement Options, which all have been issued and not sold. It will also have the effect under section 708A(11)(b)(ii) of the Corporations Act of removing secondary trading restrictions on the sale of the second tranche and third tranche Placement Options, which will be issued while the offer under this Prospectus is open.

2.2 Effect of the Offer

The effect of the Offer will be to remove the secondary trading restrictions on the Placement Options.

The Offer will further:

- (a) increase the number of securities on issue by 1 New Option; and
- (b) decrease the cash reserves of the Company by approximately \$14,206, being the estimated costs of the Offer.

2.3 Capital Structure

The issued capital of the Company after the issue of the New Option under this Prospectus and the Placement Shares and Placement Options is set out below.

SHARES	Number
Existing Shares	374,065,597
Placement Shares (second tranche)	10,750,000
Placement Shares (third tranche)	450,000
Total Shares¹	385,265,597
OPTIONS	
Existing 10 cent unlisted Options (exercise price of 10 cents and expiry date of 28 February 2026)	2,730,000
Existing 15 cent Options to be listed (exercise price of 15 cents and expiry date of 30 April 2026)	16,150,006
Existing Listed Options (exercise price of 15 cents and expiry date of 30 April 2026)	98,632,417
Placement Options – second tranche to be listed (exercise price of 15 cents and expiry date of 30 April 2026)	7,166,670
Placement Options – third tranche to be listed (exercise price of 15 cents and expiry date of 30 April 2026)	300,000
Total Options²	124,979,093

1. The Company has 2,400,000 Performance Rights on issue to the chief executive officer with various vesting hurdles and expiry dates as referred to in the ASX announcement of 28 August 2023.
2. The Company will issue 4,000,000 unlisted Options (exercise price of 15 cents and expiry date of 31 December 2025) to the lead manager of the Placement.

2.4 Effect on Financial Position

The issue of the securities under this Prospectus will not have a material impact on the Company's financial position. For this reason a pro-forma statement of financial position of the Company showing the financial effect of the Offer has not been included in this Prospectus.

2.5 No material effect on Control

The issue of the securities under this Offer will have no material effect on control of the Company.

3. RISK FACTORS

3.1 Introduction

Applicants should be aware that an investment in the Company is highly speculative. The Company is focused on developing therapeutics for cancer and neurodegenerative diseases in humans and cancer for pet dogs.

The activities of the Company are subject to various risks that may impact on the future performance of the Company. The following is a non-exhaustive list of the risks that may have a material effect on the financial position and performance of the Company and the value of its securities. The list is set out under "Company and Industry Risks" and "General Investment Risks".

3.2 Company and Industry risks

Commercialisation of key monepantel product

The Company's future success depends in part on its ability to commercialise its key product, monepantel (MPL) as a therapeutic including in treating some cancer and neurodegenerative diseases in humans and cancer in pet dogs, and any subsequent commercialisation of this product. Commercialisation of this and any other products may be reliant on the ability of the Company to effectively collaborate with a larger pharmaceutical or healthcare company. No assurances can be given of the successful development and commercialisation of products that are being developed.

Future capital needs and additional funding

The Company is yet to commercialise its products or generate material revenue or profits. The Company's implementation of its business strategy will depend on its ability to continue to raise additional funds. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to it will vary according to a number of factors, including the success of the development of current products and industry conditions. No assurance can be given that future funding will be available, or that it will be available on terms favourable to the Company. If the Company is unable to obtain additional funding as is needed, it may be required to reduce the scope of its operations and scale back its programs.

Intellectual property risk

Securing and protecting rights to intellectual property, and in particular to patents, is an integral part of securing potential product value arising out of the Company's key product. The Company's success depends in part, on its ability to obtain patents, protect trade secrets and operate without infringing third parties' proprietary rights.

The granting of a patent does not guarantee that the rights of other parties are not infringed or that competitors will not develop competing intellectual property that circumvents the patents. In addition, there can be no assurance that any patents that the Company may own or control or licence now, or in the future, will afford the Company commercially significant protection of its intellectual property or its projects or have commercial application.

Competition in obtaining, retaining and maintaining protection of intellectual property and the complex nature of intellectual property rights can also lead to expensive and lengthy disputes for which there can be no guaranteed outcome.

The Company has intellectual property rights to the use of MPL including in the treatment of cancer and neurodegenerative diseases in humans and cancer in pet dogs.

Clinical validation and regulatory risk

A core component of the Company's strategy is the commercialisation and registration of existing and potentially new related products for the treatment of cancer and neurodegenerative diseases in humans and cancer in pet dogs. Successful trials will be required in order for the Company to gain regulatory approval and continue on the commercialisation pathway for its products.

The Company is required to seek regulatory approval to proceed through each phase or stage of the development of the products. Additionally, ethical body approval may be required. Due to the inherent uncertainty involved in obtaining such regulatory approval, there is a risk that the Company's products may not satisfy the requirements for relevant approval, or that the approval process takes longer than expected and therefore delays commercialisation.

Dependence on key personnel

The Company's success depends on the core competencies of its Directors and key management. The expertise and availability of the Company's scientific staff will be instrumental in the development of products as well as the success and evaluation of trials. Loss of key personnel would adversely affect the Company, particularly given the small size of the team.

Future product development

The Company faces a number of product related risks inherent in the development of its new drug for clinical markets. These range from clinical trial risk as noted above, an active market to support the development of new products as well as distribution and manufacturing risk.

The success of projects and product commercialisation depends on partnering with collaborators interested in the Company's platform and the appointment and co-operation of distributors to market and sell products to target segments. Although arrangements can be confirmed in agreements and undertakings given for the completion of work to be done and activities to perform, there is a risk that the performance of distributors and the delivery of contracted outcomes by collaborators will not occur due to a range of unforeseen factors relating to environment, technology, counterparty risk and market conditions.

Competition in development of products

The Company faces competition in the development of treatment products, which may include organisations with greater capital resources and expertise. The ability of a current or new competitor to introduce an improved product may adversely impact on the Company's financial performance. Such competition and new technologies can have the effect of rendering costly research and development obsolete, decreasing the financial value of products or research projects and reducing pricing and profit margins.

Product liability risk

The Company's business of development of treatment products exposes it to potential product liability claims. The Company may seek to obtain adequate product liability insurance at the appropriate time in order to minimise its liability to such claims however there can be no assurance that adequate insurance coverage will be available at an acceptable cost. If

the Company is unable to obtain sufficient product liability insurance then claims of this nature may adversely affect the Company's profitability.

Insurance

The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted including human trials. However, it is not always possible to cost-effectively insure against all risks associated with such activities. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons. Should liabilities arise on uninsured risks, the Company's business, financial condition and results of operations and the market price of the Shares may be materially adversely affected.

Legal proceedings

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

3.3 General Investment Risks

Securities investments and share market conditions

There are risks associated with any securities investment. The trading prices of securities trade fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for life sciences companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

Economic risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

Legislative

Changes in relevant taxes, legal and administration regimes, accounting practices and government policies may adversely affect the financial performance of the Company.

4. DETAILS OF THE OFFER

4.1 The Offer

By this Prospectus the Company offers 1 New Option at an issue price of 1 cent.

The New Option has an exercise price of 15 cents and an expiry date of 30 April 2026. The terms of the New Option is set out in Section 5.1.

The Offer is not underwritten. There is no sponsoring broker. No broker or financial services licensee will be paid any fee in relation to this Offer.

A person should only apply at the direction of the Company. The details of how to apply for the securities are set out below.

4.2 Application for Securities

An application for the securities may only be made at the direction of the Company and must be made using an Application Form.

A completed Application Form must be delivered to the Company as directed.

A completed Application Form must reach the Company by no later than the Closing Date.

4.3 No Minimum Subscription

There is no minimum subscription under the Offer.

4.4 Allotment

Allotment of the securities will take place as soon as practicable after the Closing Date to the Applicant.

4.5 Opening Date and Closing Date of the Offer

The Opening Date is 2 January 2024 and the Closing Date is estimated to be 5.00pm WST on 27 February 2024. The Directors reserve the right to extend the Closing Date and the Offer or close the Offer early without notice.

4.6 Official Quotation by ASX

Application for official quotation by ASX of the New Option to be issued by this Prospectus will be made within 7 days after the date of this Prospectus. If the New Option to be issued by this Prospectus is not admitted to official quotation by ASX before the expiration of 3 months after the date of the Prospectus, or such period as is varied by ASIC, the Company will not issue the New Option and will repay all application money within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the New Option to be issued pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company or the New Option offered.

4.7 ASX Listed Company

The Company is included in the official list of ASX and the Listing Rules apply to securities issued by the Company.

4.8 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. No action has been taken to register or qualify the securities or otherwise permit a public offering of the securities the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of any Applicant outside Australia to obtain all necessary approvals for the allotment and issue of the securities under this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

4.9 CHESS

The Company participates in the Clearing House Electronic Subregister System (CHESS). CHESS is operated by ASX Settlement Pty Ltd (ASPL), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to securityholders. Instead, securityholders receive a statement of their holdings in the Company. If an Applicant is broker sponsored, ASPL will send a CHESS statement.

4.10 Rights Attaching to the New Option and Shares

The terms of the New Option and a summary of the rights attaching to the underlying securities (Shares) is set out in Section 5.

5. RIGHTS ATTACHING TO NEW OPTION AND UNDERLYING SECURITIES

5.1 Rights attaching to New Option

The terms of the issue of the New Option are:

- (a) The Option will be issued for a subscription price of 1 cent.
- (b) The Option entitles the holder to one Share (fully paid ordinary share).
- (c) The exercise price of the Option is 15 cents.
- (d) The Option is exercisable at any time prior to 5.00 pm WST on 30 April 2026 (Expiry Date).
- (e) The Option is freely transferable. The Company will apply for quotation of the Option on ASX.
- (f) The Company will provide to the Option holder a notice that is to be completed when exercising the Option (Notice of Exercise). The Option may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (g) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares. The Company will apply to ASX for the Share pursuant to the exercise of the Option to be admitted to quotation.
- (h) There are no participating rights or entitlements inherent in the Option and the holder will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Option. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give the Option holder the opportunity to exercise the Option prior to the date for determining entitlements to participate in such issues.
- (i) If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (j) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

5.2 Rights attaching to underlying securities (Shares)

The security underlying the New Option is a Share. The rights attaching to ownership of Shares in the Company are:

- (a) set out in the Company's Constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

A summary of the more significant rights attaching to Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of our Shareholders.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. The person who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid on the relevant share bears to the total issue price of the share. Voting may be in person or by proxy, attorney or representative.

Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a share bears to the total issue price of the share. All Shares currently on issue and the Shares to be issued under this Prospectus are fully paid Shares.

Future Issues of Securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

Meetings and Notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

Election of Directors

There must be a minimum of 3 Directors. At every annual general meeting one third of the Directors (rounded down to the nearest whole number) must retire from office together with any Director who would have held office for more than 3 years or past the third annual general meeting following the Director's appointment. These retirement rules do not apply to certain appointments including the managing director.

Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

Listing Rules

While the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

6. ADDITIONAL INFORMATION

6.1 Transaction specific prospectus and continuous disclosure obligations

We are a disclosing entity under the Corporations Act and therefore are subject to regular reporting and disclosure obligations. Under those obligations, we are required to comply with all applicable continuous disclosure and reporting requirements in the Corporations Act and the Listing Rules. In particular, we must comply with the requirement to disclose to ASX any information held by us which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Share that will be issued on the exercise of the New Option issued pursuant to this Prospectus will be in the same class of Shares that have been granted official quotation by ASX in the 3 months prior to the issue of this Prospectus.

As this Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act, it is only required to contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the securities offered. This Prospectus is not required to provide information regarding our assets and liabilities, financial position and performance, profits and losses or prospects on the basis that, as at the date of this Prospectus, the Company has not withheld from its continuous disclosure reporting any information about such matters that investors and their professional advisers would reasonably require to make an informed assessment of such matters and expect to find in this Prospectus.

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

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge before the Offer closes, to any person on request:
 - (i) the annual financial report most recently lodged by the Company with ASIC;
 - (ii) any half-year financial report lodged with ASIC after lodgement of the annual financial report and before lodgement of this Prospectus with ASIC; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the annual financial report and before the lodgement of this Prospectus with ASIC.

We lodged our latest annual report with ASX on 31 August 2023. Since then, we have made the following announcements to ASX, shown in the table below.

Date	Description of Announcement
31/8/2023	Appendix 4G & Corporate Governance Statement
4/9/2023	Application for quotation of securities – PAA
4/9/2023	Cleansing Notice
8/9/2023	Notification regarding unquoted securities – PAA
15/9/2023	Change of registry address notification
29/9/2023	Notification of expiry of quoted options
2/10/2023	Clarification to notification of expiry of quoted options
6/10/2023	Trading Halt
9/10/2023	Canine Oncology Data Supports Progression to Registration
13/10/2023	Final MND Patient in Cohort 4 Successfully Completes Dosing
18/10/2023	Options Offer to Existing Listed Option Holders
18/10/2023	Proposed issue of securities – PAA
19/10/2023	Notice of Annual General Meeting & Proxy Form
27/10/2023	Application for quotation of securities - PAA
30/10/2023	Appendix 4C and Quarterly Update
02/11/2023	PharmAust to present at Emerging ASX Gems Conference
06/11/2023	Appendix 3Y x 4
20/11/2023	Results of Annual General Meeting
21/11/2023	Prospectus & Target Market Determination
1/12/2023	PAA completes Phase 1 and files for Orphan Drug Designation
6/12/2023	New Hires and Attendance at International MND Symposium
11/12/2023	Trading Halt
13/12/2023	PharmAust raises \$3.5 Million at a Premium
13/12/2023	Proposed issue of securities – PAA
14/12/2023	Update – Proposed issue of securities – PAA
15/12/2023	93% take up in Options Offer
18/12/2023	Update – Proposed issue of securities - PAA
18/12/2023	Application for quotation of securities – PAA

Date	Description of Announcement
18/12/2023	Cleansing Notice
18/12/2023	PharmAust launches Interactive Investor Hub
18/12/2023	Appendix 2A
18/12/2023	Appendix 3Y x 4
19/12/2023	PAA Top 20 & Distribution Report
20/12/2023	PharmAust receives R&D Incentive Refund
21/12/2023	Application for quotation of securities – PAA
21/12/2023	Application for quotation of securities – PAA
22/12/2023	Fight MND Invites PharmAust to Apply for Phase 2/3 Funding
22/12/2023	Cleansing Notice

6.2 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest closing market price of the Company's quoted Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last closing market price on the day on which Shares traded prior to lodgement of this Prospectus with ASIC were:

	Price	Date
Highest	12.0 cents	20 December 2023
Lowest	6.9 cents	25 October 2023
Latest	11.5 cents	29 December 2023

6.3 Directors' Interests

(a) Interests of Directors

Other than as disclosed in this Prospectus, no Director or proposed Director holds, or has held at any time during the last two years, any interest in:

- (i) the formation or promotion of the Company; or
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (iii) the Offer;

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person to a Director or proposed Director to induce him or her to become, or to qualify as, a Director or for services

provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

(b) **Interests in securities as at the date of this Prospectus**

As at the date of this Prospectus, the Directors (and their respective associates) have relevant interests in the Shares and Options of the Company as set out in the table below. Interests include those held directly and indirectly.

Director	Shares	New Options
Roger Aston	15,044,815	3,649,904
Robert Bishop	9,511,060	2,452,766 ¹
Sam Wright	4,550,000 ²	1,125,000 ¹
Neville Bassett	507,000	251,750 ¹

1. The Options have an exercise price of 15 cents and an expiry date of 30 April 2026 and are or will be listed.
2. In addition to the above and, subject to Shareholder approval, Sam Wright will subscribe for the tranche 3 Placement Shares (450,000 Shares) and Placement Options (300,000 Options).

(c) **Remuneration of Directors**

Dr Roger Aston as Non-Executive Chairman is paid \$75,000 per annum plus statutory superannuation. In the 2 years prior to the date of this Prospectus, Dr Aston has received cash remuneration totalling \$573,300.

Mr Robert Bishop is paid \$128,000 per annum plus statutory superannuation as an executive director. In the 2 years prior to the date of this Prospectus, Mr Bishop has received cash remuneration totalling approximately \$282,240.

Mr Sam Wright is paid a Director's fee of \$36,000 per annum plus GST and is paid \$8,500 per month as a company secretarial fee. In the 2 years prior to the date of this Prospectus, Mr Wright has received cash remuneration totalling approximately \$276,000.

Mr Neville Bassett is paid a Director's fee of \$40,000 per annum plus GST. In the 2 years prior to the date of this Prospectus, Mr Bassett has received cash remuneration totalling approximately \$80,000.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

6.4 Interests of experts and advisers

Other than as disclosed in this Prospectus, no expert, promoter or any other 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, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Other than as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Fairweather Corporate Lawyers has acted as lawyers to the Company in relation to the Offer. We estimate that we will pay approximately \$10,000 (excluding GST) for these services. In the past 2 years, Fairweather Corporate Lawyers has been paid fees (excluding GST) of approximately \$32,400 by the Company.

6.5 Expenses of the Offer

The costs connected to the Offer payable by the Company are estimated at approximately \$14,206 exclusive of GST. These expenses are expected to be applied to the items set out in the table below.

Item of Expenditure (exclusive of GST)	Cost
Legal Fees	\$10,000
Printing, share registry, postage, ASX fee and miscellaneous	\$1,000
ASIC lodgement fee for this Prospectus	\$3,206
Total	\$14,206

6.6 Consents

The following parties have given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and context in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

FW Legal Pty Ltd trading as Fairweather Corporate Lawyers has consented to Fairweather Corporate Lawyers being named as the Solicitors to the Offer.

The party referred to in this Section:

- does not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;

- to the maximum extent permitted by law, expressly disclaims and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

7 DIRECTORS' AUTHORISATION AND CONSENT

This Prospectus is authorised by the Company and lodged with the ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to lodgement of this Prospectus with ASIC in accordance with the terms of section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 2 January 2024



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Signed for and on behalf of PharmAust Limited
By Dr Roger Aston
Non-Executive Chairman

8 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

Applicant	a person(s) who submits a valid Application Form pursuant to this Prospectus.
Application	a valid application made on an Application Form to subscribe for securities pursuant to this Prospectus.
Application Form	An application form attached to or accompanying this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	the ASX Limited (ACN 008 624 691).
Board	the Board of Directors.
Closing Date	the closing date for receipt of an Application Form under this Prospectus, estimated to be 5.00pm WST on 27 February 2024 or an amended time as set by the Board.
Company or PAA	PharmAust Limited (ACN 094 006 023).
Constitution	the constitution of the Company.
Corporations Act	the Corporations Act 2001 (Cth).
Director	a director of the Company.
Listed Options	Options with an exercise price of 15 cents and an expiry date of 30 April 2026 which have been granted quotation on ASX.
Listing Rules	the official listing rules of the ASX.
New Option	the Option offered under this Prospectus with an exercise price of 15 cents and an expiry date of 30 April 2026.
Offer	the offer of securities pursuant to this Prospectus.
Official List	the official list of ASX.
Opening Date	2 January 2024.
Option	an option to subscribe for a Share.
Placement	the placement of Placement Shares at 10 cents per Share with a free attaching Placement Option on the basis of 2 free Placement Options for every 3 Shares subscribed for.
Placement Option	an option with an exercise price of 15 cents and an expiry date of 30 April 2026.
Placement Share	means a Share issued under the Placement at 10 cents per Share.

Prospectus	this Prospectus.
Share	a fully paid ordinary share in the Company.
Shareholder	a person who holds one or more Shares.
WST	Western Standard Time, Perth, Western Australia.
\$ or Dollars	Australian dollars unless otherwise stated.

TARGET MARKET DETERMINATION

Made by: PHARMAUST LIMITED (ACN 094 006 023) of Suite 116, 1 Kyle Way, Claremont, Western Australia (**Company**)

Product: An Option (**New Option**) to acquire a fully paid ordinary share in the Company (**Share**), to be issued under a transaction specific prospectus dated 2 January 2024 (**Prospectus**).

Effective date: 2 January 2024.

This target market determination (**TMD**) has been prepared by the Company in relation to an offer made by the Company to issue the New Option under the Prospectus (**Offer**). A copy of the Prospectus is available on the Company's website, www.pharmaust.com.

The New Option is being issued to remove secondary trading restrictions on the sale of Placement Options that have been, or will be, issued as free attaching Options to Placement Shares that have been, or will be, subscribed for by sophisticated investors. Fundraising is not an intention of the Offer. The Company will invite a sophisticated investor with a registered address in Australia to apply for the New Option. Application will be made to list the New Option on ASX.

The Offer will be made under the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wants to acquire the New Option under the Offer will need to follow the instructions in the application form that will be in, or will accompany, the Prospectus. However, as stated above, the Company will invite a sophisticated investor with a registered address in Australia to apply for the New Option. There is no cooling off period in respect of the issue of the New Option.

This TMD is not a disclosure document for the purposes of the *Corporations Act 2001* (Cth), and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**).

This TMD does not take into account what you currently have, or what you want and need, for your financial future. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the New Option.

TARGET MARKET DETERMINATION

The product (New Option) is likely to be appropriate for a consumer seeking exposure to a clinical-stage company developing therapeutics for both humans and animals and:

1. should the therapeutics held by the Company be commercialised, exposure to potential for capital growth; and
2. for inclusion as part of a diversified portfolio where the consumer has a medium to long term investment timeframe.

Class of consumers that fall within this target market	<p>The New Option has been designed for an investor whose likely objectives, financial situation and needs are aligned with the product (including the key attributes).</p> <p>The New Option is for those who:</p>
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	<ul style="list-style-type: none"> • seek to profit from an appreciation in the market price of the New Option (or a Share, in the event of exercise of the New Option) and/or who have a long term view on the underlying assets of the Company and wish to participate in any potential future distribution, if holding Shares and should the therapeutics held by the Company be commercialised; and • are accustomed to participating in speculative investments and, in particular, the market for life sciences companies. <p>The New Option is issued only to an applicant under the Offer and consequently have been designed for consumers who:</p> <ul style="list-style-type: none"> • have the financial ability to consider the economic risk of the exercise of the New Option; • given the speculative nature of the New Option, have adequate means to provide for their current needs and to withstand a loss of the entire investment of the New Option; • have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of exercising the New Option; and • have determined that the New Option is a suitable investment. <p>The key product attributes of the New Option is described in the Prospectus and in summary are:</p> <ul style="list-style-type: none"> • the holder of the New Option will be entitled to one Share upon exercise of the New Option; • the New Option will be issued for 1 cent each and is exercisable at 15 cents with an expiry date of 30 April 2026; • application will be made for the New Option to be listed on ASX.
Excluded class of consumers	<p>The New Option has not been designed for retail individuals and any person who:</p> <ul style="list-style-type: none"> • requires an income stream from their investment; • does not ordinarily invest in speculative investments and, in particular, the market for life sciences companies; and/or • are not applicants under the Offer.
Conditions and restrictions on distribution	<p>The key restrictions on distribution of the New Option is the Company will invite a sophisticated investor with a registered address in Australia to apply for the New Option.</p> <p>The Company considers that this distribution condition will ensure that the person who invests in the New Option will fall within the target market.</p>

Review Triggers	<p>As the Offer of the New Option is to a discrete class of persons, is only open for a limited time under the Prospectus and the Company is subject to continuous disclosure requirements, the Company does not consider it is necessary or appropriate to implement the requirement of periodic reviews of this TMD.</p> <p>The Company will review this TMD where any event or circumstance has arisen that would suggest this TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the New Option or this TMD; • an unreasonable number of consumer complaints or feedback from those who distribute or acquire the product; and • significant adverse changes to the Company's circumstances. <p>This TMD will be reviewed within 10 business days upon the occurrence of a review trigger.</p>
Maximum Period	<p>Subject to any review triggers, the maximum period of this TMD is from 2 January 2024 to 27 February 2024.</p>
Reporting Requirements	<p>As the Company is not appointing external distributors of the New Option, complaints relating to the New Option should be provided directly to the Company as soon as practicable. The Company will review all complaints received in relation to the New Option on a continuous basis and consider any of the following matters:</p> <ul style="list-style-type: none"> • significant dealings in the New Option which are consistent with this TMD; • any dealings outside the target market (to the extent that the Company is aware of such dealings); and • the conduct of the Company under this TMD.

This TMD has been authorised for release by the directors of PharmAust Limited.

*PharmAust Limited ACN 094 006 023. Suite 116, 1 Kyle Way, Claremont, WA 6010
Tel: 08 9202 6814 Fax: 08 9467 6111
www.pharmaust.com*