

ASX Release

1<sup>st</sup> March 2017

## Dr Richard Hopkins Appointed as CEO of PharmAust

PharmAust Limited (“PharmAust”) (ASX: PAA) is pleased to advise that Dr Richard Hopkins has been appointed to the role of Chief Executive Officer. The appointment will take effect from 7<sup>th</sup> March 2017.

Dr Hopkins is an experienced pharmaceutical executive with over 10 years in corporate leadership roles. Most recently, Dr Hopkins held the position of CEO of Phylogica Limited (ASX:PYC) from July 2013. He has an established track record in development of novel cancer therapies with a particular focus on corporate strategy, business development and intellectual property. Dr Hopkins was a co-founder of Phylogica, where, in addition to the CEO role, he served in variety of positions, including Chief Scientific Officer and VP Research and Chief Operating Officer.

Dr Hopkins was elected to the position of Chair of Ausbiotech (WA Branch) in 2016. He has also held senior research roles at the Telethon Institute for Child Health Research and the Department of Medicine at the University of Western Australia and Murdoch University.

Dr Hopkins will be very important in the continued development of PharmAust’s key anti-cancer product, Monepantel (MPL) as well as assisting with increasing the contract sales and income activities of its wholly owned subsidiary, Epichem Pty Ltd. His experience and capabilities will be an asset to PharmAust and provide an additional level of expertise and knowledge to the Company.

PharmAust Chairman Dr Roger Aston said: “Richard is a biotech executive with strong business operations and commercial experience in the field of early-stage cancer drug development. As an executive with previous ASX-listed company experience and who is recognised for fostering a culture of excellence and building high performing teams engaged in cutting-edge drug discovery and development, Richard is ideally suited to PharmAust’s next stages of development.”

Commenting on his appointment, Dr Hopkins said: “It is an exciting time to be joining the team at PharmAust as the company is poised to deliver on the significant preclinical and clinical foundations laid down in recent years. The company has a lead Phase II-ready product, a significant trading business in Epichem and is working towards a NASDAQ listing. I look forward to adding value in the strategic direction of the company as it works to make this breakthrough technology available for patients.”

Dr Hopkins will be based at PharmAust’s Epichem facility in Perth, Western Australia.

The material terms of the employment agreement with Dr Hopkins including the issue of incentive securities are set out below.

**For further details please contact:**

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<b>Material terms of employment agreement with Dr Richard Hopkins</b>	
Appointment	As Chief Executive Officer of PharmAust Limited (but not serving on the board of Directors).
Commencement and Term	The appointment of the CEO commences on 7 March 2017 is subject to a 3 month Probation Period and otherwise continues until terminated in accordance with the agreement.
Base Salary	\$182,650 p.a. (plus statutory superannuation)
Incentive Securities	Options and Performance Rights as set out below upon the Executive's successful conclusion of the 3 month Probation Period.
Termination	During the Probation Period, either party may terminate the agreement on 30 days written notice without cause and thereafter either party may terminate the agreement on 6 months written notice without cause. The Company may terminate the agreement without notice upon limited events akin to misconduct or incapacity.
Review	The remuneration of the Executive shall be reviewed on the earlier of the effective filing of the Form F-1 Registration Statement with the United States Securities and Exchange Commission and 12 months from the commencement date. Thereafter, the remuneration shall be reviewed every 12 months from the initial review or as otherwise agreed between the parties.

### Option Terms

The Options will be issued on one date but in 3 tranches as follows. The Options vest and are only capable of exercise upon the Executive being engaged as an employee for a continuous period of 12 months from the Commencement Date.

Tranche	Number of Options	Exercise Price	Expiry Date
1	1,875,000	7.5 cents	31 March 2020
2	3,750,000	15 cents	31 March 2020
3	4,500,000	23 cents	31 March 2020
<b>Total</b>	<b>10,125,000</b>		

Other than as set out above, the Options and Performance Rights will be on standard terms.

**Performance Rights**

The Performance Rights to be issued under this Agreement will be issued in 3 milestone based classes as follows:

Number of Performance Rights	Class of Performance Rights	Performance Condition
625,000	Class A Performance Rights	<p>(a) The Executive is engaged as an employee for a continuous period of 12 months from the Commencement Date; <u>and</u></p> <p>(b) prior to 31 March 2018, the successful completion of a phase II trial in canines of monepantel either alone or in combination with other drugs either in Australia or in the United Kingdom with success being defined as empirical verifiable evidence of tumour regression or progression-free survival in 50% or more of canine patients formally recruited into that trial.</p>
1,250,000	Class B Performance Rights	<p>(a) The Executive is engaged as an employee for a continuous period of 12 months from the Commencement Date; <u>and</u></p> <p>(b) prior to 31 December 2018, the formal commencement of a phase II trial in humans of monepantel either alone or in combination with other drugs either at one or more approved centres in the United States or United Kingdom following commencement of all formal approvals from relevant regulators and entities and the recruitment of the first patient.</p>
1,500,000	Class C Performance Rights	<p>(a) The Executive is engaged as an employee for a continuous period of 12 months from the Commencement Date; <u>and</u></p> <p>(b) prior to 31 December 2018, the formal exercise by Novartis Animal Health of the Collaborative Research and Option Agreement with the Company.</p>