



Announcement Summary

Entity name

MGC PHARMACEUTICALS LTD

Announcement Type

New announcement

Date of this announcement

Thursday September 10, 2020

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Unlisted Convertible Notes	2,475,000
MXC	ORDINARY FULLY PAID	9,425,000

Proposed +issue date

Monday September 14, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

MGC PHARMACEUTICALS LTD

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

30116800269

1.3 ASX issuer code

MXC

1.4 The announcement is

New announcement

1.5 Date of this announcement

Thursday September 10, 2020

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

New class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

No

ASX +security code

New class-code to be confirmed

+Security description

Unlisted Convertible Notes

+Security type

+Convertible debt securities

Number of +securities proposed to be issued

2,475,000

Offer price details



Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.90909

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

+Convertible debt securities details

These securities are:

Convertible

Type of security

Corporate Bond

+Security currency

AUD - Australian Dollar

Face value

AUD 1.0000

Interest rate type

Zero coupon/no interest

Frequency of coupon/interest payments per year

No coupon/interest payments

s128F of the Income Tax Assessment Act status applicable to the +security

Not applicable

Is the +security perpetual (ie. no maturity date)?

No

Maturity date

Tuesday September 14, 2021

Select other features applicable to the +security

Redeemable

Secured

Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?

No

Details of the type of +security that will be issued if the securities to be quoted are converted, transformed or exchanged

MXC : ORDINARY FULLY PAID



Number of +securities that will be issued if the +securities to be quoted are converted, transformed or exchanged

Maximum of 137,500,000 Ordinary Fully Paid Shares (ASX:MXC) based on a floor price of \$0.018

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

See ASX Announcement also released today.

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +security code and description

MXC : ORDINARY FULLY PAID

Number of +securities proposed to be issued

9,375,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

Fee in consideration for the provision of the funding

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

225,000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No



Details of +securities proposed to be issued

ASX +security code and description

MXC : ORDINARY FULLY PAID

Number of +securities proposed to be issued

50,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.02000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Part 7C - Timetable

7C.1 Proposed +issue date

Monday September 14, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

2,475,000 Convertible Notes (maximum of 137,500,000 ORD shares on conversion of all Convertible Notes based on the floor price of \$0.018), 9,375,000 ORD shares in consideration for the provision of the funding and 50,000 Cleansing Offer Shares (under the Prospectus).



7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

No

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Fee included in Part 7B

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Completion of the MCC acquisition, Clinical and Preclinical Research Programs, Manufacturing Costs, FDA PreIND Registration, Working Capital as detailed in the announcement also released today on the Convertible Note Facility.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue

For more information see ASX announcement also released today on the Convertible Note Facility