

30 May 2016

## Successful Completion of Pre-IPO Capital Raise

### Highlights

- Zelda Therapeutics has successfully raised \$1.05 million via the issue of Convertible Notes
- Strong support from cornerstone investor, Merchant Funds Management, a key small-cap company investor
- Funds raised will be used to continue progress with pre-clinical and clinical activities during the re-compliance process
- The Convertible Notes form part of a pre-IPO capital raise prior to the Company's proposed acquisition by Gleneagle Gold and listing on the ASX

Gleneagle Gold Limited (ASX:GLN) is pleased to provide an update on behalf of Zelda Therapeutics Pty Ltd ("Zelda"). Zelda has successfully raised AU\$1.05 million via the issue of Convertible Notes, ahead of its proposed acquisition by Gleneagle Gold and listing on the Australian Securities Exchange.

These funds were raised from certain professional and sophisticated investors, including cornerstone investor, the Merchant Opportunities Fund.

Merchant Group is a boutique financial services firm that has a demonstrated track record in achieving above-average returns through detailed due diligence of special situation investment opportunities and was a pioneer in backing a series of medicinal cannabis opportunities in Australia. It's Merchant Opportunities Fund has generated significant outperformance over the ASX in the past 5 years.

**Commenting on their investment in Zelda, Andrew Chapman, Managing Director of Merchant Group, said:**

*"With the global medical cannabis market growing rapidly, there is substantial investor appetite for companies in this space. Merchant has a deep understanding of the opportunities and challenges facing players in this sector. We believe that Zelda has built a world-class series of relationships providing it with a unique position in the global sector. There is strong potential to generate significant shareholder value in a relatively short period of time given its unique access to a large body of human data."*

Under the terms of the issue, the convertible notes automatically convert into ordinary shares at a 20% discount to the prospectus capital raising price as part of the recompliance listing process.

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The Convertible Notes form part of a broader equity raising that will fund the Company's planned clinical trial program and research initiatives, including key clinical trials in sleep disorders (insomnia) and certain dermatology indications (acne), as well as funding pre-clinical research in certain cancer indications with leading global groups including Complutense University Madrid.

**Commenting on the capital raising, Zelda Chairman Harry Karelis said:**

*"We are delighted that Zelda has received such strong support from key investor, Merchant Group highlighting the significant opportunity to be a leader in this fast moving and emerging sector. Our focus is clearly on designing and conducting world-class trials to generate the clinical data demanded by regulators. Our activities should help to breakdown the barriers to providing increasing access to patients in need."*

**For more information:**

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**About Zelda Therapeutics**

Zelda Therapeutics is an Australian biotechnology company that brings together some of the world's leading researchers and clinicians active in the study and use of medicinal cannabis to treat a variety of ailments.

With an initial focus on cancer, dermatology and sleep disorder conditions, we believe that by investing in rigorous scientific research and clinical trials we can generate significant value for all stakeholders as the world re-acquaints itself with this ancient medicine.

[www.zeldatherapeutics.com](http://www.zeldatherapeutics.com)