

**PHARMAUST LIMITED  
(ACN 094 006 023)**

**NEW OPTIONS OFFER PROSPECTUS**

**For the offer of up to 79,224,912 New Options on the basis of 1 New Option for every 1 Lapsed Option held by Eligible Lapsed Option Holders at an issue price of 0.5 cents per New Option, to raise up to approximately \$396,125**

This document is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This Prospectus contains important information about the Offer. You should read the entire document including the Acceptance Form. If after reading this Prospectus you have any questions about the Offer or this Prospectus, you should speak to your professional adviser.

The Options offered by this Prospectus should be considered highly speculative.

## **IMPORTANT NOTICE**

This Prospectus is dated 21 November 2023 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 Options 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 and that you are an Eligible Lapsed Option Holder.

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](http://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 Options under this Prospectus has been prepared by the Company and is available on the Company's website at [www.pharmaust.com](http://www.pharmaust.com).

The TMD seeks to offer potential investors with an understanding of the class of investors for which the offer of New Options 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](http://www.pharmaust.com)

### **SOLICITORS**

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

### **LEAD MANAGER**

Blue Ocean Equities Pty Limited  
Level 29 Aurora Place  
88 Phillip Street  
Sydney NSW 2000  
AFSL No. 412765

### **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.

## TABLE OF CONTENTS

<b>1.</b>	<b>INVESTMENT OVERVIEW .....</b>	<b>1</b>
<b>2.</b>	<b>REASON FOR THE OFFER AND EFFECT ON THE COMPANY .....</b>	<b>6</b>
2.1	Background .....	6
2.2	Use of funds .....	6
2.3	Effect on shareholders' equity and cash reserves .....	6
2.4	Effect on capital structure .....	6
2.5	Pro-forma balance sheet .....	7
2.6	Potential effect on control of the Company .....	8
<b>3.</b>	<b>RISK FACTORS.....</b>	<b>9</b>
3.1	Introduction.....	9
3.2	Company and Industry Risks .....	9
3.3	General Investment Risks.....	12
<b>4.</b>	<b>DETAILS OF THE OFFER .....</b>	<b>13</b>
4.1	The Offer .....	13
4.2	How to accept the Offer .....	13
4.3	Issue and quotation .....	15
4.4	Lead Manager to place Shortfall and Corporate Advisor Agreement.....	15
4.5	Shortfall .....	16
<b>5.</b>	<b>RIGHTS ATTACHING TO NEW OPTIONS AND UNDERLYING SECURITIES .....</b>	<b>17</b>
5.1	Rights attaching to New Options.....	17
5.2	Rights attaching to underlying securities (Shares) .....	18
<b>6.</b>	<b>ADDITIONAL INFORMATION .....</b>	<b>20</b>
6.1	Transaction specific prospectus and continuous disclosure obligations .....	20
6.2	Market price of Shares.....	21
6.3	Directors' Interests.....	22
6.4	Interests of experts and advisers .....	23
6.5	Expenses of the Offer .....	24
6.6	Consents .....	24
<b>7.</b>	<b>DIRECTORS' AUTHORISATION AND CONSENT .....</b>	<b>25</b>
<b>8.</b>	<b>GLOSSARY .....</b>	<b>26</b>

## 1. INVESTMENT OVERVIEW

Question	Response	Where to find more information
What is the Offer?	<p>We are offering to issue New Options to Eligible Lapsed Option Holders.</p> <p>Under the Offer, Eligible Lapsed Option Holders may subscribe for 1 New Option for every 1 Lapsed Option held on the Record Date.</p>	Section 2.1
What is the Issue Price for the New Options?	The Issue Price is 0.5 cents per New Option.	Section 2.1
What are the terms of the New Options?	The New Options have an exercise price of 15 cents and an expiry date of 30 April 2026. The Company will apply for quotation of the New Options on ASX. The full terms of the New Options are set out in Section 5.1.	Section 5.1
Who is an Eligible Lapsed Option Holder?	The Offer is made to Eligible Lapsed Option Holders only. An Eligible Lapsed Option Holder is a Lapsed Option Holder with a registered address in Australia or New Zealand on the Record Date.	Section 4.1(a)
How many New Options will be issued?	The maximum number of New Options that may be issued under the Offer is approximately 79,224,912.	Section 2.1
What is the amount that will be raised under the Offer?	The maximum amount that may be raised under the Offer is up to \$396,125 before expenses (representing the issue of 79,224,912 New Options at an Issue price of 0.5 cents per New Option).	Section 2.1
What will the funds raised be used for?	The Offer will raise funds to be used as additional working capital for the Company and to meet Offer expenses.	Section 2.2
What is the effect of the Offer on capital and cash reserves?	<p>The effect of the Offer is to:</p> <ul style="list-style-type: none"><li>• Increase the number of Options on issue.</li><li>• Increase our cash reserves by up to approximately \$396,125 (at Full Subscription and before the expenses of the Offer).</li></ul>	Section 2.3
What are the key risks of a further	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.	Section 3

Question	Response	Where to find more information								
investment in the Company?	<p>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:</p>									
	<table border="0"> <thead> <tr> <th data-bbox="395 421 746 488">Risk Area</th> <th data-bbox="746 421 1257 488">Risks</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 488 746 1137">Commercialisation of key monepantel product</td> <td data-bbox="746 488 1257 1137"> <p>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.</p> </td> </tr> <tr> <td data-bbox="395 1137 746 1630">Future Funding</td> <td data-bbox="746 1137 1257 1630"> <p>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.</p> </td> </tr> <tr> <td data-bbox="395 1630 746 1957">Intellectual property risk</td> <td data-bbox="746 1630 1257 1957"> <p>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</p> </td> </tr> </tbody> </table>	Risk Area	Risks	Commercialisation of key monepantel product	<p>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.</p>	Future Funding	<p>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.</p>	Intellectual property risk	<p>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</p>	
Risk Area	Risks									
Commercialisation of key monepantel product	<p>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.</p>									
Future Funding	<p>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.</p>									
Intellectual property risk	<p>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</p>									

Question	Response	Where to find more information
	<p>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.</p> <p>Clinical validation and regulatory risk</p> <p>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.</p> <p>Dependence on key personnel</p> <p>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.</p>	
<p>How do I accept my New Options under the Offer?</p>	<p>All Eligible Lapsed Option Holders are entitled to subscribe for New Options under the Offer. If you wish to make an Application in respect of your Entitlement, you must make payment in accordance with instructions on the Acceptance Form that accompanies this Prospectus.</p> <p>You may accept all or part of your Entitlement.</p> <p>If you do not wish to take up any of your Entitlement, you do not need to take any action and your Entitlement will lapse.</p>	<p>Section 4.2(a)</p>
<p>What will happen to Excluded Lapsed Option Holders?</p>	<p>The Offer is not extended to Excluded Lapsed Option Holders (any Lapsed Option Holder whose registered address on the Record Date is not situated in Australia or New Zealand).</p>	<p>Section 4.2(b)</p>
<p>Is the Offer underwritten?</p>	<p>The Offer is not underwritten.</p>	<p>Section 4.1(c)</p>

Question	Response	Where to find more information														
<p>What are the Lead Manager arrangements concerning Shortfall and how will Shortfall be issued?</p>	<p>Any Entitlement not accepted will form part of the Shortfall. The Offer to issue Shortfall is a separate offer under this Prospectus.</p> <p>Blue Ocean Equities is the Lead Manager.</p> <p>The Lead Manager has been engaged to place any Shortfall on a best efforts basis in conjunction with the Directors of the Company. The Lead Manager will be paid a fee of 6% plus GST on the funds raised by the placement of any Shortfall by it. Additionally, under the terms of a corporate advisor agreement, the Lead Manager will be issued with 3,000,000 Corporate Advisor Options as a separate offer under this Prospectus and on the same terms as the New Options.</p> <p>Shortfall will be allocated and issued by the Lead Manager in conjunction with the Directors of the Company to parties that are not related parties of the Company and on the same terms as being offered to Eligible Lapsed Option Holders under this Prospectus.</p>	<p>Sections 4.4 and 4.5</p>														
<p>What is the effect of the Offer on control of the Company?</p>	<p>The New Options have no participating rights or entitlements until exercised. It is only upon exercise of the New Options and the issue of Shares that rights such as voting rights arise.</p> <p>The effect of the Offer on the capital structure is set out in Section 2.4. If all the New Options are issued under the Offer they will represent approximately 17.65% of the enlarged capital of the Company on a fully diluted basis (assuming all other Options are exercised) at the date of this Prospectus.</p> <p>By reason of the above and the Offer being to Lapsed Option Holders on a pro-rata basis, the Offer should not have a material effect on the control of the Company.</p>	<p>Section 2.6</p>														
<p>What are the key dates of the Offer?</p>	<table border="0"> <tr> <td data-bbox="406 1444 917 1489">ASX announcement of Offer</td> <td data-bbox="941 1444 1173 1489">18 October 2023</td> </tr> <tr> <td data-bbox="406 1512 917 1556">Lapsed Options lapse/Record Date</td> <td data-bbox="941 1512 1173 1556">31 October 2023</td> </tr> <tr> <td data-bbox="406 1579 917 1624">Shareholder approval to Offer</td> <td data-bbox="941 1579 1173 1624">20 November 2023</td> </tr> <tr> <td data-bbox="406 1646 917 1691">Prospectus lodged with ASIC and ASX</td> <td data-bbox="941 1646 1173 1691">21 November 2023</td> </tr> <tr> <td data-bbox="406 1713 917 1825">Send Prospectus and Acceptance Forms to Eligible Lapsed Option Holders</td> <td data-bbox="941 1713 1173 1758">24 November 2023</td> </tr> <tr> <td data-bbox="406 1848 917 1892">Opening Date</td> <td data-bbox="941 1848 1173 1892">24 November 2023</td> </tr> <tr> <td data-bbox="406 1915 917 1960">Closing Date</td> <td data-bbox="941 1915 1173 1960">8 December 2023</td> </tr> </table>	ASX announcement of Offer	18 October 2023	Lapsed Options lapse/Record Date	31 October 2023	Shareholder approval to Offer	20 November 2023	Prospectus lodged with ASIC and ASX	21 November 2023	Send Prospectus and Acceptance Forms to Eligible Lapsed Option Holders	24 November 2023	Opening Date	24 November 2023	Closing Date	8 December 2023	
ASX announcement of Offer	18 October 2023															
Lapsed Options lapse/Record Date	31 October 2023															
Shareholder approval to Offer	20 November 2023															
Prospectus lodged with ASIC and ASX	21 November 2023															
Send Prospectus and Acceptance Forms to Eligible Lapsed Option Holders	24 November 2023															
Opening Date	24 November 2023															
Closing Date	8 December 2023															

Question	Response	Where to find more information
	Announce results of Offer	15 December 2023
	Issue date	15 December 2023
<p>Please note that these dates are subject to change. We reserve 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 or to withdraw the Offer without prior notice.</p>		

## **2. REASON FOR THE OFFER AND EFFECT ON THE COMPANY**

---

### **2.1 Background**

The Company is making this Offer which consists of a pro-rata issue of New Options to Eligible Lapsed Option Holders on the basis of 1 New Option for every 1 Lapsed Option held by Eligible Lapsed Option Holders on the Record Date at an issue price of 0.5 cents per New Option ("**Offer**").

The Offer will raise up to \$396,125 before expenses at Full Subscription by the issue of 79,224,912 New Options. The New Options have an exercise price of 15 cents and an expiry date of 30 April 2026.

The Company will apply for quotation of the New Options on ASX as well as other Options on the same terms that are on issue or will be issued. See note 2 to section 2.4 below.

### **2.2 Use of funds**

The funds raised by the Offer of up to approximately \$396,125 will therefore be used as additional working capital for the Company and to meet Offer expenses of approximately \$60,000.

### **2.3 Effect on shareholders' equity and cash reserves**

Assuming that all New Options offered under the Offer are issued, the principal effects of the Offer on the Company will be to:

- (a) increase the total number of Options on issue by the New Options (see Section 2.4); and
- (b) increase our cash reserves by approximately \$396,125, before taking into account the expenses of the Offer (see Sections 2.5 and 6.5).

A pro forma statement of financial position, which that contains further information about the effect of the Offer on the Company, is provided in Section 2.5.

### **2.4 Effect on capital structure**

The effect of the Offer on the Company's capital structure at the date of the Prospectus and assuming Full Subscription is shown in the following table:

<b>Shares</b>	
Existing Shares	348,778,664
Shares issued under this Offer	0
<b>Total Shares on issue after completion of the Offer<sup>1</sup></b>	<b>348,778,664</b>

<b>Options</b>	
Existing 10 cent unlisted Options (exercise price 10 cents expiring 28 February 2026)	2,730,000
Existing 15 cent unlisted Options (exercise price 15 cents expiring 30 April 2026) <sup>2</sup>	16,150,006
New Options issued under this Offer (exercise price 15 cents expiring 30 April 2026) <sup>2</sup>	79,224,912
Corporate Advisor Options issued under this Prospectus <sup>2 and 3</sup>	3,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>101,104,918</b>

1. The Company also has 2,400,000 Performance Rights on issue to the CEO with various vesting hurdles and expiry dates as referred to in the ASX announcement of 28 August 2023.
2. The Company will apply for quotation of the New Options plus each of the existing 15 cent unlisted Options and the Corporate Advisor Options as they have the same exercise price and expiry date and general terms.
3. The Corporate Advisor Options will be issued under the terms of a corporate advisor agreement between the Company and Lead Manager as summarised in Section 4.4.

## 2.5 Pro-forma balance sheet

To illustrate the effect of the Offer on the Company, a pro-forma balance sheet has been prepared based on the audited balance sheet as at 30 June 2023. The pro forma balance sheet shows the effect of the Offer as if it had been made on 30 June 2023 based on the following assumptions:

- (a) The issue of 79,224,912 New Options under the Offer at an issue price of 0.5 cents each to raise \$396,125.
- (b) Expenses of the Offer, being approximately \$60,000.

	<b>30 June 2023 consolidated audited \$</b>	<b>30 June 2023 consolidated proforma at Full Subscription \$</b>
<b>Current assets</b>		
Cash and cash equivalents	2,705,941	3,042,066
Trade and other receivables	148,233	148,233
Other current assets	167,055	167,055
Inventory	0	0
<b>Total current assets</b>	<b>3,021,229</b>	<b>3,357,354</b>
<b>Non-current assets</b>		

Intangible assets	3,107,476	3,107,476
Plant and equipment	1,641	1,641
<b>Total non-current assets</b>	<b>3,109,117</b>	<b>3,109,117</b>
<b>Total assets</b>	<b>6,130,346</b>	<b>6,466,471</b>
<b>Current liabilities</b>		
Trade and other payables	926,127	926,127
Borrowings	0	0
Employee benefits	262,786	262,786
Lease liabilities	158,454	158,454
<b>Total current liabilities</b>	<b>1,347,367</b>	<b>1,347,367</b>
<b>Non-Current Liabilities</b>		
Employee benefits	3,341	3,341
Lease liabilities	890,503	890,503
<b>Total non-current liabilities</b>	<b>893,844</b>	<b>893,844</b>
<b>Total liabilities</b>	<b>2,241,211</b>	<b>2,241,211</b>
<b>Net assets</b>	<b>3,889,135</b>	<b>4,225,260</b>
<b>Equity</b>		
Issued capital	57,632,710	58,028,835
Reserves	2,715,312	2,715,312
Accumulated losses	(56,458,887)	(56,518,887)
<b>Total equity</b>	<b>3,889,135</b>	<b>4,225,260</b>

## 2.6 Potential effect on control of the Company

The New Options have no participating rights or entitlements until exercised. It is only upon exercise of the New Options and the issue of Shares that rights such as voting rights arise.

The effect of the Offer on the capital structure is set out in Section 2.4. If all the New Options are issued under the Offer they will represent approximately 17.65% of the enlarged capital of the Company on a fully diluted basis (assuming all other Options are exercised) at the date of this Prospectus.

By reason of the above and the Offer being to Lapsed Option Holders on a pro-rata basis, the Offer should not have any material effect on the 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 including 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**

#### **(a) Overview**

All Eligible Lapsed Option Holders are entitled to participate in the Offer. You are an Eligible Lapsed Option Holder if you are a Lapsed Option Holder with a registered address in Australia or New Zealand on the Record Date. The Record Date is 5.00pm WST, 31 October 2023.

As an Eligible Lapsed Option Holder you are entitled to subscribe for 1 New Option for every 1 Lapsed Option held on the Record Date at the Issue price of 0.5 cents per New Option.

The Offer is non-renounceable. This means that you may not sell or transfer all or part of your Entitlement. The Offer will lapse if you do not accept your Entitlement by the Closing Date.

#### **(b) No Minimum Subscription**

There is no minimum subscription under the Offer. The Company has sufficient working capital to meet its current objectives. Any capital raised pursuant to this Offer will be applied to general working capital after the payment of the expenses of the Offer.

#### **(c) Offer is not underwritten**

The Offer is not underwritten. Any Entitlement not accepted will form the Shortfall (see Sections 4.4 and 4.5).

#### **(d) Rights attaching to New Options and underlying securities**

A summary of the rights attaching to the New Options and the underlying securities (Shares) are set out in Sections 5.1 and 5.2.

#### **(e) Taxation**

There may be taxation implications in relation to subscribing for New Options. These taxation implications vary depending on your individual circumstances. You should seek and rely on your own taxation advice regarding an investment in the Company. Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility with respect to the taxation consequences connected with the Offer or the New Options.

### **4.2 How to accept the Offer**

#### **(a) Action required by Eligible Lapsed Option Holders**

Your Entitlement is shown on the Acceptance Form accompanying the Prospectus sent to you.

You may take up your Entitlement in whole or in part or allow all of your Entitlement to lapse.

You may pay by BPAY or electronic funds transfer (EFT) in accordance with the instructions on the Acceptance Form.

If you pay by BPAY or EFT, please follow the procedure set out in the Acceptance Form. You do not have to send us a completed Acceptance Form if you pay by BPAY or EFT. It is your responsibility to ensure that we receive your payment by the Closing Date. We do not accept any responsibility for incorrectly completed payments.

We must receive your payment by the Closing Date. If we receive your payment after the Closing Date, we may, at our discretion, accept or reject your Application. If we reject your Application, you will receive a refund in full of any payment of Application Money without interest.

If you make a payment, you will be deemed to have accepted the Offer to subscribe, on the terms set out in this Prospectus and in the Acceptance Form, for the number of New Options represented by the payment.

We will hold your Application Money on trust until we issue the New Options in accordance with the Corporations Act. We will retain any interest earned on the Application Money, whether or not the New Options are issued to you.

If you are in any doubt as to how to complete or deal with your Acceptance Form, you should contact your professional adviser for assistance.

**(b) Lapsed Option Holders outside Australia and New Zealand (Excluded Lapsed Option Holders)**

The Offer is not made to Lapsed Option Holders with a registered address which is outside Australia or New Zealand (Excluded Lapsed Option Holders). The Company has formed the view that it is unreasonable to make an offer to Excluded Lapsed Option Holders having regard to the number of Excluded Lapsed Option Holders, the number and value of New Options the Excluded Lapsed Option Holders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

Eligible Lapsed Option Holders holding Lapsed Options on behalf of persons who are resident outside Australia or New Zealand (including nominees, custodians and trustees) are responsible for ensuring that any dealing with their Entitlement and any New Options issued do not breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Entitlement or the distribution of this Prospectus or the Acceptance Form.

The making of an Application (whether by the making of a BPAY payment or EFT payment or otherwise) will constitute a representation that there has been no breach of such laws or regulations. Lapsed Option Holders who are nominees, custodians or trustees are therefore advised to seek independent advice as to how they should proceed.

**(c) New Zealand offer restrictions**

The New Options are not being offered or sold to the public within New Zealand other than to existing Lapsed Option Holders of the Company with registered addresses in New Zealand.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### **4.3 Issue and quotation**

#### **(a) Issue of New Options**

The New Options issued pursuant to the Offer will be issued as soon as practicable after the Closing Date. We will issue the New Options on the basis of your Entitlement.

Pending the issue of New Options or payment of refunds under this Prospectus, we will hold all Application Money on trust for you in a separate bank account. We will, however, be entitled to retain all interest that accrues on any Application Money we hold.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

#### **(b) Quotation of New Options by ASX**

We will apply to ASX for quotation of the New Options within 7 days of the date of this Prospectus. If the ASX accepts our application, quotation of the New Options will commence after the issue of the New Options.

If any New Options are not granted quotation on ASX within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, we will not issue those New Options and the Application Money in respect of those New Options will be refunded to you without interest within the time prescribed by the Corporations Act.

#### **(c) Holding statements**

We participate in the security transfer system known as CHESS. CHESS is operated by ASX Settlement Pty Ltd (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS you will receive a holding statement setting out the number of New Options issued to you under this Prospectus. If you are broker sponsored, ASX Settlement Pty Ltd will send you a CHESS statement.

### **4.4 Lead Manager to place Shortfall and Corporate Advisor Agreement**

Any New Options under the Offer that are not applied for will form the Shortfall.

Blue Ocean Equities has been engaged as Lead Manager to the Offer to place any Shortfall on a best effort basis in conjunction with the Directors of the Company and to parties that are not related parties of the Company.

Blue Ocean Equities as Lead Manager will be paid a fee of 6% plus GST on the funds raised by it by the placement of any Shortfall by it.

The Company has further entered into a corporate advisor agreement with Blue Ocean Equities. By this agreement, the Company has engaged Blue Ocean Equities for a 12 month term from November 2023 to act as corporate advisor with Blue Ocean Equities having the first right of refusal to lead manage any equity capital raising during the term of the agreement. The advisory fee payable is the issue of 3,000,000 Options on the same terms as the New Options (Corporate Advisor Options). The Corporate Advisor Options will be issued as a separate offer under this Prospectus and will be issued on completion of the Offer.

#### **4.5 Shortfall allocation and issue**

Shortfall will be allocated and issued by the Lead Manager in conjunction with the Directors of the Company. The Shortfall will be issued on the same terms as being offered to Eligible Lapsed Option Holders under this Prospectus.

Shortfall will be issued within 3 months of the Closing Date.

## **5. RIGHTS ATTACHING TO NEW OPTIONS AND UNDERLYING SECURITIES**

---

### **5.1 Rights attaching to New Options**

The terms of the issue of the New Options are:

- (a) The Options will be issued for a subscription price of 0.5 cents each.
- (b) Each Option entitles the holder to one Share (fully paid ordinary share).
- (c) The exercise price of the Options is 15 cents.
- (d) The Options are exercisable at any time prior to 5.00 pm WST on 30 April 2026 (Expiry Date).
- (e) The Options are freely transferable. The Company will apply for quotation of the Options on ASX.
- (f) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options 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 all Shares pursuant to the exercise of Options to be admitted to quotation.
- (h) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. 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 Option holders the opportunity to exercise their Options 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 securities underlying the New Options are Shares. 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 Shares that will be issued on the exercise of the New Options 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.

<b>Date</b>	<b>Description of Announcement</b>
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

## 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:

	<b>Price</b>	<b>Date</b>
Highest	9.1 cents	9 November 2023
Lowest	6.9 cents	25 October 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.

Shareholder approval has been obtained on 20 November 2023 to the Directors being able to participate in the Offer as Eligible Lapsed Option Holders. The Directors have each advised the Company they intend to subscribe for all the New Options to which they are entitled. The table below includes the New Options that these Directors may subscribe for under the Offer.

Director	Shares	Options	New Options
Roger Aston	15,044,815	0	3,649,904
Robert Bishop	9,511,060	150,000 <sup>1</sup>	2,302,766
Sam Wright	4,550,000	250,000 <sup>1</sup>	875,000
Neville Bassett	507,000	250,000 <sup>1</sup>	1,750

1. The Options are unlisted and have an exercise price of 15 cents and an expiry date of 30 April 2026.

#### (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 \$15,000 (excluding GST) for these services. In the past 2 years, Fairweather Corporate Lawyers has been paid fees (excluding GST) of approximately \$17,400 by the Company.

Blue Ocean Equities is the Lead Manager to the Offer. The Lead Manager fee is 6% plus GST on the funds raised by the placement of Shortfall. Additionally, the Company has entered into a corporate advisor agreement with Blue Ocean Equities as summarised in Section 4.4. In the past 2 years, Blue Ocean Equities has not been paid any fees by the Company.

## 6.5 Expenses of the Offer

The costs connected to the Offer payable by the Company are estimated at approximately \$60,000 exclusive of GST. These expenses are expected to be applied to the items set out in the table below.

<b>Item of Expenditure (exclusive of GST)</b>	<b>Cost</b>
Legal Fees	\$15,000
Printing, share registry, postage, miscellaneous	\$12,945
ASIC lodgement fee for this Prospectus	\$3,206
ASX fee for New Options, existing 15 cents unlisted Options and Corporate Advisor Options <sup>1</sup>	\$28,849
<b>Total</b>	<b>\$60,000</b>

Notes:

1. The ASX fee assumes Full Subscription.
2. The fees above assume Full Subscription. In the event of less than Full Subscription, the Lead Manager will be paid a fee of 6% plus GST on the funds raised by the placement of Shortfall.

## 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.

Blue Ocean Equities Pty Limited has consented to being named as the Lead Manager to the Offer and all statements referring to it.

RSM Australia Partners has consented to reference this Prospectus to the audited financial information of the Company,

The parties referred to in this Section:

- do 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 disclaim 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
- have 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: 21 November 2023



.....  
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:

<b>Acceptance Form</b>	The Acceptance Form attached to or accompanying this Prospectus, which allows Eligible Lapsed Option Holders to accept the Offer.
<b>Applicant</b>	A person who submits an Application Form.
<b>Application</b>	An application for New Options under the Offer.
<b>Application Money</b>	The Issue Price multiplied by the total number of New Options applied for by an Applicant under an Acceptance Form.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) and the Australian Securities Exchange it operates.
<b>Blue Ocean Equities or Lead Manager</b>	Blue Ocean Equities Pty Limited (ACN 151 186 935) (AFSL 412765).
<b>Board</b>	The Board of Directors.
<b>CEO</b>	Chief Executive Officer
<b>Closing Date</b>	The time and date at which the Offer expires, being 5.00pm WST, 8 December 2023 subject to the Company varying this date.
<b>Company or PAA</b>	PharmAust Limited (ACN 094 006 023).
<b>Company Group</b>	The Company and subsidiaries.
<b>Constitution</b>	The constitution of the Company.
<b>Corporate Advisor Options</b>	The 3,000,000 Options to be issued to the Lead Manager, on the same terms as the New Options.
<b>Corporations Act</b>	The Corporations Act 2001 (Cth)
<b>Director</b>	A director of the Company for the time being.
<b>Eligible Lapsed Option Holders</b>	Lapsed Option Holders with a registered address in Australia or New Zealand at the Record Date.
<b>Entitlement</b>	The entitlement to subscribe for New Options under the Offer.
<b>Excluded Lapsed Option Holder</b>	A Lapsed Option Holder whose registered address is not in Australia or New Zealand.
<b>Full Subscription</b>	The maximum amount to be raised under the Offer being the sum of \$396,125.

<b>Issue Price</b>	0.5 cents per New Option.
<b>Lapsed Option</b>	Options with an exercise price of 20 cents that were listed on ASX as a class referred to as 'PAAO' and that lapsed unexercised on 31 October 2023.
<b>Lapsed Option Holders</b>	Holders of Lapsed Options at the Record Date.
<b>Listing Rules</b>	The official listing rules of ASX.
<b>MPL</b>	Monepantel.
<b>New Options</b>	The Options to be issued under this Prospectus on the terms set out in Section 5.1.
<b>Offer</b>	The offer of New Options under this Prospectus on the basis of 1 New Option for every 1 Lapsed Option held by Lapsed Option Holders on the Record Date at an issue price of 0.5 cents per New Option.
<b>Official List</b>	The official list of the ASX.
<b>Option</b>	An option to acquire a Share.
<b>Performance Rights</b>	A right which entitles the holder to be issued with one Share subject to the satisfaction of any service and performance conditions.
<b>Prospectus</b>	This prospectus.
<b>Record Date</b>	The time of expiry of the Lapsed Options on 31 October 2023.
<b>Share</b>	A fully paid ordinary share in the issued capital of the Company.
<b>Shareholder</b>	Registered holder of Shares.
<b>Shortfall</b>	New Options not applied for under the Offer before the Closing Date.
<b>WST</b>	Western Standard Time.
<b>\$ or A\$</b>	means 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:** Options (**New Options**) to acquire fully paid ordinary shares in the Company (**Shares**), to be issued under a transaction specific prospectus dated 21 November 2023 (**Prospectus**).

**Effective date:** 21 November 2023.

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

The New Options are being offered to parties that held options with an exercise price of 20 cents that were listed on ASX Limited (**ASX**) and that lapsed unexercised on 31 October 2023 (**Lapsed Options**). Under the Offer, holders of Lapsed Options with a registered address in Australia or New Zealand at the record date may subscribe for 1 New Option for every 1 Lapsed Option. Application will be made to list the New Options 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 New Options under the Offer will need to follow the instructions in the application form that will be in, or will accompany, the Prospectus. There is no cooling off period in respect of the issue of the New Options.

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 Options.

---

## TARGET MARKET DETERMINATION

---

The product (New Options) 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**

The New Options have been designed for investors whose likely objectives, financial situation and needs are aligned with the product (including the key attributes).

The New Options are for those who:

- held Lapsed Options at the record date and are applying for New Options under the Prospectus;

	<ul style="list-style-type: none"> <li>• seek to profit from an appreciation in the market price of the New Options (or Shares, in the event of exercise of the New Options) 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</li> <li>• are accustomed to participating in speculative investments and, in particular, the market for life sciences companies.</li> </ul> <p>The New Options are issued only to applicants under the Offer and consequently have been designed for consumers who:</p> <ul style="list-style-type: none"> <li>• held Lapsed Options at the record date;</li> <li>• have the financial ability to consider the economic risk of the exercise of the New Options;</li> <li>• given the speculative nature of the New Options, have adequate means to provide for their current needs and to withstand a loss of the entire investment of the New Options;</li> <li>• have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of exercising the New Options; and</li> <li>• have determined that the New Options are a suitable investment.</li> </ul> <p>The key product attributes of the New Options are described in the Prospectus and in summary are:</p> <ul style="list-style-type: none"> <li>• the holders of New Options will be entitled to one Share upon exercise of each one Option;</li> <li>• the New Options will be issued for 0.5 cents each consideration and are exercisable at 15 cents per New Option with an expiry date of 30 April 2026;</li> <li>• application will be made for the New Options to be listed on ASX; and</li> <li>• a maximum of 79,224,912 New Options will be issued under the Offer.</li> </ul>
<p><b>Excluded class of consumers</b></p>	<p>The New Options have not been designed for retail individuals and any person who:</p> <ul style="list-style-type: none"> <li>• requires an income stream from their investment;</li> <li>• does not ordinarily invest in speculative investments and, in particular, the market for life sciences companies; and/or</li> <li>• are not applicants under the Offer.</li> </ul>
<p><b>Conditions and restrictions on distribution</b></p>	<p>The key restrictions on distribution of the New Options is the Offer will only be made to holders of Lapsed Options with a registered address in Australia or New Zealand at the record date. Any entitlement not taken up under the Offer will form a shortfall offer (<b>Shortfall Offer</b>).</p>

	<p>Investors who are not related parties may apply for New Options under the Shortfall Offer as managed by Blue Ocean Equities Pty Limited as Lead Manager.</p> <p>The Company considers that this distribution condition will ensure that persons who invest in the New Options fall within the target market.</p>
<b>Review Triggers</b>	<p>As the Offer of the New Options is to a discrete class of persons (being the relevant holders of Lapsed Options and, in the event of shortfall, investors who are not related parties introduced or managed by the Lead Manager), is only open for a limited time under the Prospectus and the Company is subject to continuous disclosure requirements, the Company considers it is not 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"> <li>• ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the New Options or this TMD;</li> <li>• an unreasonable number of consumer complaints or feedback from those who distribute or acquire the product; and</li> <li>• significant adverse changes to the Company's circumstances.</li> </ul> <p>This TMD will be reviewed within 10 business days upon the occurrence of a review trigger.</p>
<b>Maximum Period</b>	<p>Subject to any review triggers, the maximum period of this TMD is from 21 November 2023 to 8 December 2023.</p>
<b>Reporting Requirements</b>	<p>As the Company is not appointing external distributors of the New Options, complaints relating to the New Options should be provided directly to the Company as soon as practicable. The Company will review all complaints received in relation to the New Options on a continuous basis and consider any of the following matters:</p> <ul style="list-style-type: none"> <li>• significant dealings in the New Options which are consistent with this TMD;</li> <li>• any dealings outside the target market (to the extent that the Company is aware of such dealings); and</li> <li>• the conduct of the Company under this TMD.</li> </ul>

*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*