

NEUROTECH INTERNATIONAL LIMITED

ACN 610 205 402

PROSPECTUS

Placement Option Offer

For the offer to each Placement Participant (or their nominee) to subscribe for one (1) New Option for nil cash consideration, for every two (2) Shares issued under the Placement (**Placement Option Offer**).

Joint Lead Manager Offer

For an additional offer of 10,000,000 New Options for nil cash consideration to the Joint Lead Managers (or their nominees) (**JLM Offer**).

Cleansing Offer

For the offer of up to 1,000 Shares in the capital of the Company at an issue price of \$0.08 per Share to raise up to \$80 (before expenses) (**Cleansing Offer**).

The Offers are not subject to a minimum subscription condition.

Offer Period

It is proposed that the Offers will open on 22 December 2022 and close at 5:00pm (WST) on 13 January 2023. The Directors reserve the right to close the Offers earlier or to extend the Closing Date without notice. Applications must be received before the Closing Date.

IMPORTANT INFORMATION

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this document and on the accompanying Application Form regarding acceptance of the Offers. If you do not understand this document, you should consult your professional adviser. The Securities offered by this Prospectus should be considered speculative.

Refer to Section 6 for a summary of the key risks associated with an investment in the Securities.

IMPORTANT NOTICE

General

This Prospectus is dated 22 December 2022 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for the offers of Shares (being a continuously quoted security), and New Options to acquire 'continuously quoted securities' (as defined in the Corporations Act), prepared in accordance with section 713 of the Corporations Act. In preparing this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

Securities will not be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.neurotechinternational.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

Applications

Applications for Securities may only be made on an Application Form attached to or accompanying this Prospectus. Please read the instructions in this Prospectus and on the accompanying Application Form regarding the acceptance of an Offer. By returning the Application Form or lodging the Application Form with your stockbroker, an Applicant will be taken to acknowledge that they have received and read this Prospectus, have acted in accordance with the terms of the Offer to which the Application Form relates and have agreed to all of the terms and conditions as detailed in this Prospectus.

Overseas Applicants

This Prospectus is not, and is not intended to constitute, an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. The distribution of this Prospectus and the Application Forms (including electronic copies) outside Australia may be restricted by law. By submitting an Application Form, an Applicant represents and warrants that there has been no breach of such laws. If you come into possession of these documents, you

should observe such restrictions and should seek your own advice about such restrictions. Please refer to Section 4.4 for further information.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at www.asx.com.au). The contents of any website or filing with ASIC or ASX by the Company are not incorporated into this Prospectus and do not constitute part of the Offers unless otherwise expressly stated. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company or subscribe for Securities.

The Company has not authorised any person to give any information or make any representation in connection with an Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon.

Forward-looking statements

This Prospectus includes forward-looking statements that have been based on current expectations about future acts, events and circumstances, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward- looking statements contained in this Prospectus will actually occur. Further, except during the Offer Period and otherwise as required by law, the Company may not update or revise any forward- looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

Target Market Determination

A Target Market Determination (**TMD**) in respect of the offer of the Securities under this Prospectus has been prepared by the Company and is available on the Company's website at www.neurotechinternational.com. The TMD seeks to offer potential investors with an understanding of the class of investors for which the offer of Securities has been designed, having regard to the objectives, financial situation and needs of the target market.

Defined Terms

Capitalised terms and certain other terms used in this Prospectus are defined in the Glossary in Section 10.

Currency

References to "\$", "A\$", "AUD", or "dollar" are references to Australian currency, unless otherwise stated.

Time

Unless otherwise stated, references to time relate to the time in Perth, Western Australia.

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1. CORPORATE DIRECTORY**Directors**

Thomas Duthy (Executive Director)
Mark Davies (Non-Executive Chairman)
Winton Willesee (Non-Executive Director)
Gerald Quigley (Non-Executive Director and
Director of Public Relations)

Company Secretary

Erlyn Dawson

ASX Code

NTI

Registered office

Suite 5 CPC, 145
Stirling Highway
Nedlands WA 6009

Telephone: +61 (8) 9389 3130
Website: www.neurotechinternational.com

Share Registry*

Automic Registry Services
Level 5/191 St Georges Terrace
Perth WA 6000
Telephone: 1300 288 664

Joint Lead Managers

PAC Partners
Level 29/360 Collins St Melbourne
VIC 3000
Telephone: (03) 9114 7400

Peloton Capital
Level 8/2 Bligh St Sydney NSW 2000
Telephone: (02) 8651 7800

Solicitors

Mills Oakley
Level 24
240 St Georges Terrace
Perth WA 6000

Auditor*

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

2. INDICATIVE TIMETABLE AND OFFER DETAILS

Indicative Timetable¹	Date
Announcement of the Placement and Appendix 3B	28 October 2022
Prospectus lodged with ASIC and ASX	22 December 2022
Opening Date of the Offers	22 December 2022
Closing date of the Offers ²	5:00pm (WST) 13 January 2023
Issue of Securities	18 January 2023
Despatch of Holding Statements for Securities and application made to ASX for quotation of the Securities	18 January 2023

¹The above dates are indicative only and may change without notice.

²The Directors may extend the closing date of the Offers or close the Offers early without notice. The Offers may be withdrawn at any time by the Company in its discretion, subject to compliance with the Corporations Act and the Listing Rules.

KEY OFFER STATISTICS

Key Public Offer Details	
Price per Share offered under the Cleansing Offer	\$0.08
Shares offered under the Cleansing Offer	1,000
Cash proceeds of the Cleaning Offer (before costs)	\$80
Price per New Option under the Option Offers	Nil
New Options offered under the Placement Option Offer	45,000,000
New Options offered under the JLM Offer	10,000,000
Cash proceeds of the Option Offers	Nil

3. DETAILS OF THE PLACEMENT AND THE OFFERS

3.1 Background to the Placement

On 28 October 2022 the Company announced it had received binding commitments from Placement Participants to subscribe for 90,000,000 Shares at \$0.10 per Shares to raise \$9,000,000 (before costs). Under the terms of the Placement, each Placement Participant is entitled to subscribe for 1 free attaching New Option (each exercisable at \$0.135 and expiring on the date that is two years from the date of issue) for every 2 Shares subscribed for and issued under the Placement.

The Company has since completed the Placement with 90,000,000 Shares being issued by the Company.

Funds raised by the Placement will be applied to the Company's paediatric clinical trials program, including multiple Phase I/II trials in PANDAS/PANS and cerebral palsy, the Phase II/III clinical trials in autism spectrum disorder, drug product manufacturing and scale-up, lead-in pre-clinical work associated with the Company's planned submissions to the US Food and Drug Administration to undertake future US trials for NT1164 and general working capital.

PAC Partners and Peloton acted as joint lead managers to the Placement.

3.2 Details of the Placement Option Offer

The Placement Option Offer under this Prospectus invites Placement Participants (or their nominees) to subscribe that number of New Options to which they are entitled to be issued under the terms of the Placement, being one New Option for every two Shares issued to them under the Placement, at an issue per New Option of nil. A total of 45,000,000 New Options may be issued under the Placement Option Offer.

New Options issued pursuant to this Prospectus will entitle the holder to subscribe for one Share at an exercise price of \$0.135, within two years of the date of issue. The full terms and conditions of the New Options are set out in Section 7.1.

No funds will be raised from the issue of the New Options pursuant to the Placement Option Offer.

Only participants in the Placement will be eligible to apply for New Options under the Placement Option Offer. Accordingly, the Placement Option Offer will only be extended to specific parties on invitation from the Directors and the Placement Option Offer Application Form will be provided by the Company to these parties only.

3.3 Details of the JLM Offer

The JLM Offer under this Prospectus invites the Joint Lead Managers (or their nominees) to subscribe for up to 10,000,000 New Options (**JLM Options**), for no cash consideration, pursuant to the terms of the JLM Mandate.

The Company has entered into the JLM Mandate with the Joint Lead Managers under which the Joint Lead Managers are entitled to receive the JLM Options in consideration for their services to the Company as joint lead managers. A summary of the JLM Mandate is set out in Section 8.1 including additional fees paid to the Joint Lead Managers in connection with the Placement.

The full terms and conditions of the New Options are set out in Section 7.1.

Only the Joint Lead Managers will be eligible to apply for New Options under the JLM Offer. Accordingly, the JLM Offer will only be extended to Joint Lead Managers and the JLM Offer Application Form will be provided by the Company to those parties.

3.4 Cleansing Offer

The Cleansing Offer is an offer of up to 1,000 Shares at an issue price of \$0.08 per Share to raise up to \$80 (before expenses).

The primary purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date of the Cleansing Offer (including prior to the date of this Prospectus).

Accordingly, the Company is seeking to raise only a nominal amount of \$80 (before costs) under the Cleansing Offer as the purpose of the Cleansing Offer is not to raise capital.

Section 708A(11) of the Corporations Act provides that a sale offer of securities does not need disclosure to investors if the relevant securities are in a class of securities that are quoted securities of the body, and either:

- (a) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
- (b) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

The Cleansing Offer will only be extended to specific parties on invitation from the Directors. An Application Form will only be provided by the Company to these parties. All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

3.5 No Underwriting or Minimum Subscription

The Offers are not underwritten or subject to any minimum subscription conditions.

3.6 ASX Listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 2. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company:

- (a) will not issue any Securities under this prospectus;
- (b) will repay all application monies for Shares within the time prescribed under the Corporations Act, without interest;
- (c) will not be required to refund any money as the New Options are free attaching, and no application monies will be received by the Company in respect of the Option Offers; and
- (d) subject to compliance with the Corporations Act and Listing Rules, may elect to issue unquoted Options to the Placement Participants and Joint Lead Managers under new offers.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered.

3.7 Proposed use of funds

The Company will raise up to \$80 (before costs) under the Cleansing Offer. Any funds raised will be applied towards the costs of the Offers.

The Company will not raise any funds under the Option Offers. Any funds raised on exercise of the Placement Options or JLM Options will be applied by the Company to its general working capital requirements at that time.

3.8 Key risks

The key risks of investing in the Company are set out below. These risks are not an exhaustive list. Further details of specific risks and general investment risks are set out in Section 6. These risks may adversely affect the Company's financial position, prospects and price of its Securities.

(a) **Intellectual Property risk**

The Company currently has a number of patent applications lodged and pending in respect of the proprietary technology composition of matter and methods of use. The Company's success is partially dependent on the Company's ability to protect its intellectual property and continue to update and maintain patents that are of commercial value.

(b) **Clinical trials risk**

The Company's ability to generate revenue will ultimately depend on the outcomes of the Company's clinical trials as such will determine whether the Company's products are clinically proven to be safe and effective. The outcome of any clinical trial cannot be predicted with certainty. Any adverse findings (including serious health risk or insufficient treatment efficacy), suspension, or termination of the clinical trials would likely have material adverse effect on the Company's business, including future operations, financial condition and goodwill.

(c) **Regulatory risk**

In order to conduct clinical trials in Australia, a number of permits, approvals and licenses are required. To date, the Company has been granted regulatory approval to commence two clinical trials in Australia (Phase I/II and Phase II/III in Autism Spectrum Disorder) and has requested a meeting with the FDA to initiate its Investigational New Drug (IND) application. In order to progress and further develop its products in additional countries at a later stage, the Company will also require further approvals from those relevant jurisdictions at that time. There is no guarantee that the Company will continue to receive the requisite approvals necessary to conduct its clinical trials.

(d) **Government changes to legislation risk**

The operations involved with developing a drug candidate based on medicinal cannabis are subject to various government laws, regulations and guidelines. Countries around the world, including Australia and the United States are continuing to evolve their guidelines and policies. Medicinal cannabis received legislative approval in Australia in November 2016 and is therefore still in its relative infancy.

It is likely that governments and regulators worldwide will continue to explore the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids (such as cannabidiol and tetrahydrocannabinol) and make regulatory adjustments in accordance. However, the direction that such legislative reforms may take is outside the control of the Company and the introduction of new legislation or amendments to existing legislature could have a negative impact on the Company's operations, commercialisation prospects and financial position.

(e) **Manufacturing / agriculture risk**

The Company relies on the successful cultivation of medicinal cannabis/ hemp to derive its drug candidate and thus may be subject to inherent risks associated with the agricultural industry. Risk of natural events such as fire, flood, frost, water shortages, pests/insects, plant diseases and other natural disasters may result in

crop failure low crop yield. If suppliers are unable to obtain sufficient raw product from which to process NT1164, the Company's ability to recruit patients into its clinical trials and supply final drug product will be impacted. Additionally, factors such as inflation, increased cost of raw materials/ supplies and utilities related to growing operations (such as water and electricity) may materially impact the business, financial condition, and operational performance of the Company.

Adverse changes or developments affecting processing facilities or material failures of the Company's security infrastructure, could reduce or require the Company to entirely suspend its production of medicinal cannabis. These factors can also impact grow times, the number of harvests and expected production yields, which will in turn dictate the number of patients treatable under the Company's planned clinical trial programs.

(f) **Supplier risk**

The Company relies on third parties for the provision of the crucial materials required for the manufacture of its drug candidate since it lacks facilities at which to manufacture its goods (including the materials needed for those products). If, for whatever reason these third parties are unable to supply/provide the Company with the necessary materials or services, the Company will need to find and engage new suppliers, which could delay its clinical trial activities.

(g) **Competition risk**

The Company is operating within the biopharmaceutical and biotechnology industries focusing on developing neurological solutions, which is a highly competitive target. These industries are subject to increasing competition in addition to rapid and significant technological change. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the business.

4. APPLICATIONS FOR SECURITIES

4.1 Making an application

Applications for New Options under the Placement Option Offer may only be submitted by Placement Participants (or their nominees) and must be made using the Placement Option Offer Application Form that accompanies this Prospectus.

Applications for JLM Options under the JLM Offer may only be submitted by the Joint Lead Managers and must be made using the Joint Lead Manager Application Form that accompanies this Prospectus.

The Cleansing Offer will only be extended to specific parties on invitation from the Directors. An application for Shares can only be made on Application Form provided by the Company to these parties.

Each Application Form must be completed in accordance with the instructions set out on the form.

Paper Applications

Completed Application Forms must be received by the Company before 5:00pm (WST) on the Closing Date at submissions@automicgroup.com.au.

A completed and lodged Application Form constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in that Application Form. The Application Form does not need to be signed to be valid.

If an Application Form is not completed correctly, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such an Application Form as valid and how to construe, amend or complete a form is final.

The Company reserves the right to refuse a completed Application Form if it has reason to believe that an Applicant has not received a copy of this Prospectus in paper or electronic form, or the Prospectus or Application Form provided to the Applicant has been altered or tampered with in any way.

Online Applications

Placement Participants will be able to accept the Placement Option Offer online. To accept the Placement Option Offer online visit <https://investor.automic.com.au> and follow the following steps:

- (a) Login with your existing Username and Password. If you have not yet established an online account, visit <https://investor.automic.com.au/#/signup>
- (b) Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.
- (c) Select "Neurotech International Limited" from the dropdown list in the Issuer Name Field
- (d) Enter your Holder Reference (SRN/HIN)
- (e) Enter your postcode OR country of residence (only if outside Australia)
- (f) Tick the box "I'm not a robot" and then select "Next"
- (g) Complete the prompts to set up your username and password details
- (h) Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

4.2 Issue of Securities

The Securities are expected to be issued on the date specified in the Timetable in Section 2 of this Prospectus.

The sale by an Applicant of New Options prior to the receipt of a Holding Statement is at the Applicant's own risk.

4.3 Withdrawal

The Directors may decide to withdraw this Prospectus or an Offer at any time before the issue of any Securities under the respective Offer.

4.4 Applicants outside Australia

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue this Prospectus or make the Offers.

It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued Securities. Return of a duly completed Application Form will constitute a representation and warranty by an Applicant that there has not been any breach of such regulations.

The Company has not taken any action to register or qualify the Securities or the Offers, or to otherwise to permit a public offering of the Securities, in any jurisdiction outside Australia.

Prospective investors located outside Australia are advised that the information contained within this Prospectus has not been prepared with regard to matters that may be of particular concern to them. Accordingly, prospective investors located outside Australia should consult with their own legal, financial and tax advisors concerning the information contained within this Prospectus and as to the suitability of an investment in the Securities in their particular circumstances.

4.5 CHES and issuer sponsorship

The Company participates in the Clearing House Electronic Sub-register System (CHES), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Rules. The Company operates an electronic issuer-sponsored sub-register and an electronic CHES sub-register. The two sub-registers together make up the Company's principal register of its Securities.

Under CHES, the Company does not issue certificates to the holders of Securities. Instead, the Company provides holders with a Holding Statement (similar to a bank account statement) that sets out the number of Securities allotted and issued to them under this Prospectus.

This holding statement also advises investors of either their Holder Identification Number (HIN) in the case of a holding on the CHES sub-register or Security Holder Reference Number (SRN) in the case of a holding on the issuer sponsored sub-register.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time. However, a charge may be incurred for additional statements.

4.6 Taxation implications

The taxation obligations and the effects of participating in an Offer can vary depending on the circumstances of each individual Applicant. Applicants who are in doubt as to their taxation position should seek professional advice. It is the sole responsibility of Applicants to inform themselves of their taxation position resulting from participation in an Offer.

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions for potential Applicants.

Neither the Company nor any of its advisers, officers or employees accept any responsibility or liability for any taxation consequences to potential Applicants in relation to an Offer.

4.7 Privacy disclosure

The Company collects information about each Applicant from the Application Form for the purpose of processing the Application and, if the Applicant is successful, for the purposes of administering the Applicant's Security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement.

The Company and the Securities Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act (Privacy Act):

- (a) the Securities Registry for ongoing administration of the Company's register;
- (b) the Company's related bodies corporate (as that term is defined in the Corporations Act), agents, contractors and third party service providers, as well as to ASX, ASIC and other regulatory authorities (including the Australian Taxation Office); and
- (c) the printers and the mailing house for the purposes of preparing and distributing Holding Statements and for the handling of mail.

If an Applicant becomes a Security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the Securities held) in its public register. This information must remain in the Company's register even if that person ceases to be a Security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Security holders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

Under the Privacy Act, a person may request access to their personal information held by (or on behalf of) the Company or the Securities Registry. An Applicant can request access to their personal information by writing to the Company through the Securities Registry.

4.8 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety.

If, after reading this Prospectus you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or financial advisor.

5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Offers the Placement Option Offer and the JLM Offer

The primary purpose of the Placement Option Offer and the JLM Offer is for the Company to fulfil its obligations to the Placement Participants under the Placement and to the Joint Lead Managers under the JLM Mandate respectively.

In addition, the purpose of this Prospectus is also to remove any trading restrictions that may attach to the New Options. The New Options will be issued with disclosure under Chapter 6D of the Corporations Act and accordingly the New Options (and any Shares issued on their exercise) will not be subject to secondary trading restrictions.

5.2 Purpose of the Cleansing Offer

As set out in section 3.4 of this Prospectus, the primary purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date of the Cleansing Offer (including prior to the date of this Prospectus).

5.3 Principal effects of the Offers on the Company

The principal effects of the Offers on the Company will be to:

- (a) increase the total number of Shares on issue by 1,000 Shares; and
- (b) increase the number of Options on issue from 153,982,110 Options (assuming 60,000,000 Options are issued prior to the close of the Offers as approved by Shareholders pursuant to Resolution 6, 8 and 9 at the 2022 AGM) to 208,982,110 Options.

The Company will raise up to \$80 (before costs) under the Cleansing Offer and the funds will be applied towards the costs of the Offers. No funds will be raised from the issue of the New Options under the Option Offers.

5.4 Effect on capital structure

The effect of the Offers on the Company's capital structure is set out below assuming:

- (a) maximum subscription under the Offers;
- (b) the Company issues 33,000,000 Shares approved by Shareholders pursuant to Resolution 10 at the 2022 AGM prior to completion of the Offers; and
- (c) the Company issues 60,000,000 Options approved by Shareholders pursuant to Resolutions 6, 8 and 9 at the 2022 AGM prior to completion of the Offers.

Shares	Number
Shares currently on issue	821,857,126
Shares to be issued under Resolution 10 of the Notice of AGM ¹	33,000,000
Shares offered under the Cleansing Offer	1,000
Shares on issue after the Offers	854,858,126
Options	
Options currently on issue	93,982,110

Options to be issued under Resolutions 6, 8 and 9 of the Notice of AGM ¹	60,000,000
Placement Options offered under this Prospectus ²	45,000,000
JLM Options offered under this Prospectus ²	10,000,000
Options on issue after the Offers	208,982,110
Performance Rights	
Performance Rights currently on issue	15,000,000
Performance Rights on issue after the Offers	15,000,000

Notes:

1. These Securities do not relate to the Offers. The Company proposes to issue these Securities after the date of Prospectus and prior to the close of the Offers. Options to be issued pursuant to Resolution 7 of the Notice of AGM will no longer be issued.
2. The rights and liabilities attaching to the Placement Options and JLM Options are summarised in Section 7.1 of this Prospectus

5.5 Effect on control of the company

As at the Prospectus Date, the Company has 821,857,126 Shares, 93,982,110 Options and 15,000,000 Performance Rights on issue. Following completion of the Offers, 1,000 Shares and 55,000,000 New Options will be issued by the Company.

The Company does not propose to issue any Securities to any substantial Shareholders of the Company.

The Company does not anticipate that the acquisition of Securities under the Offers, will result in any Shareholder either becoming a substantial Shareholder (including on exercise of the New Options), or obtaining a relevant interest in Shares of 20% or more.

Accordingly, the Offers (and subsequent issue of Shares on the exercise of New Options) should not have a material impact upon the control of the Company.

5.6 Substantial holdings

A "substantial holding" is defined under section 9 of the Corporations Act to mean a relevant interest in 5% or more of the voting shares of a company.

As far as the Company is aware, no substantial holders (or their associates) will receive Securities under the Offers.

The Company received a substantial holder notice on 4 November 2022 (**Substantial Holder Notice**) from Merchant Funds Management Pty Ltd as manager of the Merchant Opportunities Fund, Merchant Funds Management Pty Ltd as manager of the Merchant Biotech Fund, and Merchant Group Pty Ltd (together, **Merchant**). The Substantial Holder Notice indicates that Merchant has a relevant interest in 36,402,227 Shares which, as at the date of this prospectus, represents 4.43% of the total Shares on issue, and therefore such holding has been diluted below the 5% substantial holder threshold.

5.7 Effect on financial position of the Company

The Company will only raise a nominal amount of up to \$80 under the Cleansing Offer (before costs), and will not raise any funds from the Option Offers, and so the Offers will not have a material effect on the Company's financial position.

The expenses of the Offers (approximately \$66,000) will be met from the Company's existing cash reserves.

6. RISK FACTORS

6.1 Introduction

Activities in the Company and its controlled entities, as in any business, are subject to risks which may impact on the Company's future performance. There can be no guarantee that the Company will achieve its stated objectives.

Prior to deciding whether to invest in Securities, investors should read the entire Prospectus and review announcements made by the Company to ASX (at www.asx.com.au under the code NTI) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

An investment in Securities should be considered speculative. The Securities carry no guarantee with respect to the payment of any dividends, returns of capital or the market value of those Securities.

Shareholders should consider the risk factors set out in Sections 6.2, 6.3 and 6.4 below which the Directors believe represent some of the key, specific and general risks that Shareholders should be aware of when evaluating the Company and deciding whether to invest in Securities. These risk factors are not intended to be an exhaustive list of all the risk factors to which the Company is exposed.

6.2 Key Company specific risks

The following risks have been identified as being key risks specific to an investment in Neurotech. These risks have the potential to have a significant adverse impact on Neurotech and may affect Neurotech's financial position, prospects and price of its listed securities.

(a) Intellectual Property risk

The Company currently has a number of patent applications lodged and pending in respect of the proprietary technology composition of matter and methods of use. The Company's success is partially dependent on the Company's ability to protect its intellectual property and continue to update and maintain patents that are of commercial value.

The risks associated with the Company's intellectual property and patent protection may include, but are not limited to:

- (i) Patent applications lodged may not be granted approval, thereby negatively impacting the Company's capacity to commercialise the Company's current and prospective products and prevent competitors from developing competing products.
- (ii) Revisions to the patent may be required or imposed, resulting in delays to the date of patent being granted.
- (iii) The company may be forced to litigate against infringement or unauthorised use by the Company's competitors. Any such legal action would likely be expensive and divert management's attention away from running the Company's operations and other aspects of its business.

(b) Clinical trials risk

The Company's ability to generate revenue will ultimately depend on the outcomes of the Company's clinical trials as such will determine whether the Company's products are clinically proven to be safe and effective. While the Company's clinical trials are designed in collaboration with subject matter experts and patients selected that are likely to respond to treatment, the outcome of any clinical trial cannot be predicted with certainty. Any adverse findings (including serious health risk or insufficient treatment efficacy) would likely have material adverse effect on

the Company's business, including future operations, financial condition and goodwill.

Delays to clinical trials can result from issues including but not limited to:

- (i) Delays with participant recruitment
- (ii) Participant non-compliance or withdrawal
- (iii) Lack of available product (due to manufacturing supply, low grow yield)
- (iv) Failure of third-party contractors (such as contract research organisations) to meet agreed timelines.

In addition to the matters outlined above, Regulatory and Research Governance bodies including Human Research and Ethics Committees (HREC) may suspend, delay or terminate clinical trials at any stage if deemed necessary due to events such as:

- (v) Discovery of serious toxicities or adverse effects experienced by trial participants
- (vi) Unfavourable results derived from ongoing non-clinical animal toxicity studies
- (vii) Failure to demonstrate treatment effectiveness
- (viii) Changes to regulatory policies or government approvals
- (ix) Mishandling of trial records or patient data
- (x) Complaints received by participants or their caregivers.
- (xi) Non-compliance with various standards that may apply to medicinal cannabis products, including Therapeutic Goods (Standard for Medicinal Cannabis) (TGO 93) Order 2017 and Therapeutic Goods (Microbiological Standards for Medicines) (TGO 100) Order 2018.

(c) **Regulatory risk**

In order to conduct clinical trials in Australia, a number of permits, approvals and licenses are required. To date, the Company has been granted regulatory approval to commence two clinical trials in Australia (Phase I/II and Phase II/III in Autism Spectrum Disorder) and has requested a meeting with the FDA to initiate its Investigational New Drug (IND) application. In order to progress and further develop its products in additional countries at a later stage, the Company will also require further approvals from those relevant jurisdictions at that time.

There is no guarantee that the Company will continue to receive the requisite approvals to continue its ongoing clinical trials and research and development plans. There is also no guarantee Neurotech will obtain necessary approvals for future products in the markets the Company aims to commercialise. The Company seeks to minimise risk by engaging regulatory consultants with substantial previous experience gaining regulatory approval in the major markets the Company intends to penetrate.

(d) **Government changes to legislation risk**

The operations involved with developing a drug candidate based on medicinal cannabis are subject to various government laws, regulations and guidelines. Countries around the world, including Australia and the United States are continuing to evolve their guidelines and policies. Medicinal cannabis received

legislative approval in Australia in November 2016 and is therefore still in its relative infancy.

It is likely that governments and regulators worldwide will continue to explore the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids (such as cannabidiol and tetrahydrocannabinol) and make regulatory adjustments in accordance. However, the direction that such legislative reforms may take is outside the control of the Company and the introduction of new legislation or amendments to existing legislature could have a negative impact on the Company's operations, commercialisation prospects and financial position.

(e) **Manufacturing / agriculture risk**

The Company relies on the successful cultivation of medicinal cannabis/ hemp to derive its drug candidate and thus may be subject to inherent risks associated with the agricultural industry. Risk of natural events such as fire, flood, frost, water shortages, pests/insects, plant diseases and other natural disasters may result in crop failure low crop yield. If suppliers are unable to obtain sufficient raw product from which to process NT1164, the Company's ability to recruit patients into its clinical trials and supply final drug product will be impacted. Additionally, factors such as inflation, increased cost of raw materials/ supplies and utilities related to growing operations (such as water and electricity) may materially impact the business, financial condition, and operational performance of the Company.

Adverse changes or developments affecting processing facilities or material failures of the Company's security infrastructure, could reduce or require the Company to entirely suspend its production of medicinal cannabis. These factors can also impact grow times, the number of harvests and expected production yields, which will in turn dictate the number of patients treatable under the Company's planned clinical trial programs.

(f) **Supplier risk**

The Company relies on third parties for the provision of the crucial materials required for the manufacture of its drug candidate since it lacks facilities at which to manufacture its goods (including the materials needed for those products). If, for whatever reason these third parties are unable to supply/provide the Company with the necessary materials or services, the Company will need to find and engage new suppliers, which could delay its clinical trial activities.

(g) **Competition risk**

The Company is operating within the biopharmaceutical and biotechnology industries focusing on developing neurological solutions, which is a highly competitive target. These industries are subject to increasing competition in addition to rapid and significant technological change. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the business.

6.3 Other Company specific or industry risks

The following risks have been identified as being relevant to Neurotech or the business sector in which Neurotech operates.

(a) **Cybersecurity**

Neurotech primarily relies upon the availability of its website and software platform to provide services to users and attract new users. Hackers could render the website or software unavailable through a disrupted denial of service or other disruptive attacks.

Neurotech have actively taken precaution towards such attacks. Network and Cloud services are provided by Microsoft Azure, one of the leading and most secure data platforms available. All data is encrypted at rest and in transit utilising the latest levels of encryption and security. Patient data is kept separate from customer data, is pseudo-anonymised; and even in the event of a breach, no patients can be identified from the data. Backups are regularly made and tested.

Although Neurotech has strategies and technology in place to minimise such attacks, these strategies may not be successful. Continuous advancements in hacker technology and methods do require the Company to continuously test, update and audit the deployed hacker prevention strategies. Unavailability of the website and database could lead to a loss of revenues for the Company. Further, it could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company's growth.

(b) **Liability claims**

Neurotech may be exposed to liability claims if its products or services are provided in fault and/or cause significant harm to its customers. As a result, the Company may have to expend significant financial and managerial resources to defend against such claims. If a successful claim is made against the Company, it may be fined or sanctioned and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

(c) **Customer services risk**

Customers may need to engage with Neurotech's customer service personnel in certain circumstances, including on queries in relation to Neurotech's services or if there is a dispute between a customer and Neurotech. Neurotech needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer service requests. Poor customer experience may result in the loss of customers. If Neurotech loses key customers service personnel, or fails to provide adequate training and resources for such personnel, this could lead to adverse publicity, litigation, regulatory enquiries and/or a decrease in customers, all of which may negatively impact on the Company's earnings.

(d) **Special reputational risks**

Neurotech operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers about Neurotech (or its products) may have a disproportionate effect of Neurotech's reputation and its ability to earn revenues and profits. Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequential increase in compliance burden in responding to regulatory inquiries. This could negatively impact on the Company's profitability.

(e) **Reliance on key personnel**

Neurotech's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors. The Company has a small management team and the loss of the services of such personnel could have an adverse effect on the Company.

(f) **Limited sales, marketing and distribution resources**

Neurotech currently has limited marketing resources and will need to commit significant resources to developing sales, distribution and marketing capabilities. The majority of sales undertaken to date have been achieved via third party distributors and while the new business model envisages directly targeting clinicians and therapists, this will involve a number of selected intermediaries and consultants to target, educate, convert and ultimately fulfil transactions and deliver the Mente product to the customer. This marketing and supply chain is currently in development.

Neurotech will need to ensure compliance with all legal and regulatory requirements for sales, marketing and distribution in each relevant market. There is a risk that the Company will be unable to develop sufficient sales, marketing and distribution capacity to effectively commercialise its products.

(g) Future capital requirements

Neurotech's ongoing activities are likely to require substantial further financing in the future for its business activities. Any additional equity financing may be dilutive to Shareholders or may involve restrictive covenants which limit Neurotech's operations and business strategy.

Although the Directors believe that additional capital can be obtained, there can be no assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and which may result in a material adverse effect on the Company's activities and its ability to continue as a going concern.

(h) Liquidity and volatility

The Company is a small company in terms of its market capitalisation. Investment in its Securities will be regarded as speculative and the Company has a narrow shareholder base. As a consequence of such, there is a risk, particularly in times of share market turbulence or negative investor sentiment, that there will not be a highly liquid market for the Company's Shares or that the price of the Company's Securities may decrease considerably. There may be relatively few buyers or sellers of securities on ASX at any given time and the market price may be highly volatile. This may result in Shareholders wishing to sell their Securities in circumstances where they may receive considerably less than the price paid under an Offer (where applicable).

(i) Foreign exchange risk

Neurotech will have costs and expenses in other jurisdictions, such as the United States or Europe, denominated in foreign currency. Accordingly, the depreciation and/or the appreciation of the relevant foreign currency relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity. Movements of the foreign currency relative to the Australian currency may result in lower than anticipated revenues, profit and earnings. Neurotech could be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the relevant foreign currency, and will have to monitor this risk on an ongoing basis.

(j) No independent valuation

No independent valuation has been carried out on Neurotech or its products. Valuations of medical device products before commercial use are imprecise. The Directors do not believe that an independent valuation would be meaningful given the likely qualifications and limitations of such valuations and the difficulties in determining the likely commercial success of Neurotech and its products.

(k) Climate Risk

Hemp and cannabis cultivation can be impacted by weather patterns and these unpredictable weather patterns may impact the Company's ability to generate products. In addition, severe weather such as drought, floods, and hail, can damage or destroy crops, which could result in less raw material to harvest, process and sell or use for clinical trial purposes. Unforeseen climate events can also affect grow cycles, the number of harvests and production yields. If suppliers are unable to obtain sufficient hemp from which to process NT1164, the Company's ability to recruit patients into its clinical trials and supply final drug products will be impacted.

6.4 General Investment Risks

The business activities of Neurotech are subject to various general economic and investment risks that may impact on the future performance of Neurotech. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Neurotech and cannot be mitigated. There are a number of general economic and investment risk factors that apply to companies generally and may include economic, financial, market or regulatory conditions. These risk factors include, but are not limited to, the following:

(a) **Securities market conditions**

As with all securities market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the price payable for Shares, including on exercise of the New Options.

General factors that may affect the market price of Securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) **Liquidity risk**

There cannot be any guarantee that there will continue to be an active market for Securities or that the price of the Securities will increase. There may be relatively few buyers or sellers of securities on ASX at any given time. This may affect the volatility of the market price of the Securities. It may also affect the prevailing market price at which Securityholders are able to sell Securities held by them.

(c) **Securities investment risk**

Applicants should be aware that there are risks associated with any Securities investment. Securities quoted on a securities market may experience extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Securities regardless of the Company's performance.

(d) **Other risks**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk, and other matters that may interfere with the business or trade of the Company.

7. RIGHTS AND LIABILITIES ATTACHED TO SHARES AND NEW OPTIONS

7.1 Rights and liabilities attaching to New Options

The New Options offered pursuant to this Prospectus are regulated by the Constitution, the Corporations Act, the Listing Rules and general law.

Each New Option will be issued on the following terms:

(a) Entitlement

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.135 (**Exercise Price**).

(c) Expiry Date

Each New Option will expire at 5:00 pm (WST) on the date that is two years from the date of issue of the New Options (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Company will provide to each Option holder a notice that is to be completed when exercising their New Options (**Notice of Exercise**). New Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the Expiry Date. The Notice of Exercise must, among other things, state the number of New Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

- (h) Shares issued on exercise
- Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.
- (i) Reconstruction of capital
- If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) Participation in new issues
- There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.
- (k) Change in exercise price
- A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.
- (l) Transferability
- The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- (m) Quotation
- The Company will apply for quotation of the New Options on ASX.

7.2 Rights and liabilities attaching to Shares

If Option holders convert their New Options into Shares, the Shares issued will be fully paid ordinary shares in the capital of the Company and will rank equally with the existing Shares on issue.

Full details of the rights and liabilities attaching to the Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office and on the Company's website (www.neurotechinternational.com).

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to Shares:

- (a) **Share capital:** All issued ordinary fully paid shares rank equally in all respects.
- (b) **Voting rights:** At a general meeting of the Company, every holder of Shares present in person, or by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for each Share held, and for every partly paid Share held, a fraction of a vote equivalent to the proportion which the amount paid (not credited) on the Share is of the total amounts paid and payable (excluding amounts credited) on the Share. Where there is an equality of votes, the chairperson has a casting vote.
- (c) **Dividend rights:** Subject to the Corporations Act, the Listing Rules and any rights of persons entitled to shares with special rights to dividends (at present there are none), all dividends as declared by the Directors are to be payable on all such shares in proportion to the amount of capital paid or credited as paid on the shares

during any portion or portions of the period in respect of which the dividends is paid, unless the share is issued on terms providing to the contrary.

- (d) **Payment of dividends:** Dividends are payable out of the assets of Neurotech in accordance with section 254T of the Corporations Act and as determined by the Directors, which shall be conclusive. The Directors may direct that payment of the dividend be made wholly or in part by the distribution of specific assets or Securities of Neurotech.
- (e) **Rights on winding-up:** Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of Shares, the liquidator may on a winding-up of Neurotech, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of Neurotech and may for that purpose set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.
- (f) **Transfer of Shares:** Subject to the Constitution, Shares in Neurotech may be transferred by:
 - (i) a proper ASX Settlement transfer or any other method of transferring or dealing in Shares introduced by the ASX or operated in accordance with the ASX Settlement Rules or the Listing Rules as recognised under the Corporations Act; or
 - (ii) an instrument in writing in any usual or common form or in any other form that the Directors, in their absolute discretion, approve from time to time.
- (g) **Refusal to transfer Shares:** The Directors may refuse to register a transfer of Shares (other than a proper ASX Settlement transfer) only where:
 - (i) the law permits it;
 - (ii) the law requires it; or
 - (iii) the transfer is a transfer of restricted securities (as defined in ASX Listing Rule 19.12) which is, or might be, in breach of the Listing Rules or any escrow agreement entered into by Neurotech in respect of those restricted securities.
- (h) **Further increases in capital:** Subject to the Constitution, the Corporations Act and the Listing Rules:
 - (i) Shares in Neurotech are under the control of the Directors, who may allot or dispose of all or any of the Shares to such persons, and on such terms, as the Directors determine; and
 - (ii) the Directors have the right to grant options to subscribe for Shares, to any person, for any consideration.
- (i) **Variation of rights attaching to shares:** The rights attaching to the shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or in certain circumstances, with the written consent of the holders of at least seventy-five percent (75%) of the issued shares of that class.
- (j) **General meeting:** Each holder of Shares will be entitled to receive notice of, and to attend and vote at, general meetings of Neurotech and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

8. ADDITIONAL INFORMATION

8.1 Material and related party contracts

The Company and the Joint Lead Managers have entered into a Corporate Advisor and Capital Raising Mandate under which the Joint Lead Managers were appointed as the joint lead managers to the Placement (with the rights and liabilities of the Joint Lead Managers being on a several basis) (**JLM Mandate**).

The Company agreed to provide the Joint Lead Managers (collectively) the following fees (exclusive of GST):

- (a) an offer arrangement fee of 2% of the of the gross proceeds raised under the Placement (which has already been paid by the Company);
- (b) a capital raising fee of 4% of the of the gross proceeds raised under the Placement (which has already been paid by the Company); and
- (c) the issue of the JLM Options to the Joint Lead Managers (or their nominees).

In addition to the above fees, the Joint Lead Managers are entitled to be reimbursed for reasonable out of pocket expenses. Interest will accrue on any amounts unpaid by the Company at a rate of 2% per annum over the Reserve Bank of Australia base rate.

The Joint Lead Managers have a 6-month first right of refusal to act as the Company's lead financial advisors, capital market advisors, placement agents, lead arrangers, book-runner or lead manager in respect of any transactions involving an acquisition or disposal (if an advisor is to be appointed), or any capital raising. Customary fees shall be paid.

8.2 Litigation

As at the Prospectus Date, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

8.3 Continuous disclosure obligations

This is a prospectus for the offer of options to subscribe for continuously quoted securities (as defined in the Corporations Act) and is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

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 the 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 the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	ASX Announcements
21/12/2022	Application for Quotation of Securities - NTI
21/12/2022	Final Director's Interest Notice
21/12/2022	Passing of a Director
19/12/2022	Commencement of Phase II/III ASD Clinical Trial
30/11/2022	Results of Meeting
30/11/2022	2022 Annual General Meeting Presentation
30/11/2022	Chairman Address to 2022 Annual General Meeting
22/11/2022	Change of Director's Interest x 2
18/11/2022	Application for quotation of securities - NTI
17/11/2022	NTI Receives HREC/TGA Approval for Phase II/III ASD Trial
07/11/2022	Secondary Trading Notice
07/11/2022	Application for Quotation of Securities - NTI
07/11/2022	Application for Quotation of Securities - NTI

04/11/2022	Becoming a Substantial Holder
31/10/2022	Notice of Annual General Meeting/Proxy Form

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <https://neurotechinternational.com/asx-announcements/>.

8.4 Directors Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers pursuant to this Prospectus; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus and following completion of the Offers is set out in the table below.

Director	Shares	Options (current)	Options (post Offers)	Performance Rights
Thomas Duthy	Nil	Nil	20,000,000 ¹	Nil
Mark Davies	9,793,017	2,000,000	2,000,000	Nil
Winton Willesee	7,132,436	2,000,000	2,000,000	Nil
Gerald Quigley	277,777	Nil	5,000,000 ²	Nil

Notes:

1. This assumes that the Company issues 20,000,000 Options to Dr Duthy as approved by Shareholders at the 2022 AGM prior to the close of the Offers.
2. This assumes that the Company issues 5,000,000 Options to Mr Quigley as approved by Shareholders at the 2022 AGM prior to the close of the Offers.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by

each non-executive Director. The current amount has been set at an amount not to exceed \$600,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to current executive and non-executive directors and includes cash fees and share based payments.

Director	Proposed Remuneration for Financial Year ending 30/06/2023	Remuneration for Financial Year ending 30/06/2022	Remuneration for Financial Year ending 30/06/2021
Thomas Duthy ¹	\$916,220	Nil	Nil
Mark Davies	\$57,500	\$40,000	\$118,613
Winton Willesee ²	\$40,000	\$40,000	\$106,274
Gerald Quigley ³	\$172,493	Nil	Nil

Notes:

1. Dr Duthy was appointed as an Executive Director on 1 September 2022. Proposed remuneration for FY2023 includes cash fees of \$100,000 plus equity-based remuneration of \$816,219 to be recognised in FY2023 in respect of the 20,000,000 Options due to be issued to Dr Duthy as approved by Shareholders at the AGM.
2. In addition to the above fees, the Company has entered into an agreement with Azalea Corporate Services Pty Ltd (**Azalea**) under which Azalea provides company secretarial, accounting and registered office services to the Company. Mr Willesee is a director and shareholder of Azalea, and Azalea is considered a related party of the Company. The Company has agreed to pay Azalea \$10,000 (plus GST) per month in respect of company secretarial and accounting services, \$1,000 (plus GST) per month in respect of registered office services, and an hourly rate of \$280 per hour (plus GST) in respect of corporate transaction services and other services that are out of scope.
3. Mr Quigley was appointed as a Non-Executive Director on 7 July 2022. Proposed remuneration for FY2023 includes cash fees of \$39,355 plus equity-based remuneration of \$132,137 to be recognised in FY2023 in respect of the 5,000,000 Options due to be issued to Mr Quigley as approved by Shareholders at the AGM.

8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) 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;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;

- (e) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with the formation or promotion of the Company, or the Offers.

Mills Oakley has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Mills Oakley \$35,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Mills Oakley has been paid fees totalling \$52,328 (excluding GST and disbursements) for legal services provided to the Company.

Peloton has acted as a joint lead manager in relation to the Placement Option Offer and the Placement. The Company has paid Peloton the cash fees set out in clause 8.1 of this Prospectus and will issue Peloton 5,000,000 New Options under the JLM Offer, in consideration for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Peloton has been paid fees totalling \$270,000 (excluding GST and disbursements) for services provided to the Company.

PAC Partners has acted as a joint lead manager in relation to the Placement Option Offer and the Placement. The Company has paid PAC Partners the cash fees set out in clause 8.1 of this Prospectus and will issue PAC Partners 5,000,000 New Options under the JLM Offer, in consideration for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PAC Partners has been paid fees totalling \$270,000 (excluding GST and disbursements) for services provided to the Company.

8.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, any person named in the Prospectus with their consent as a Proposed Director, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Mills Oakley has given its written consent to being named as the solicitors to the Company in this Prospectus. Mills Oakley has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Peloton and PAC Partners have given their written consent to being named as joint lead managers to the Company in this Prospectus. Peloton and PAC Partners have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

8.7 Estimated Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$66,831 as follows:

Expense	\$
ASIC Fees	\$3,206
ASX Fees	\$18,625
Legal Fees	\$35,000
Miscellaneous, printing and other expenses	\$10,000
Total	\$66,831

8.8 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please phone the Company on (08) 9389 3130 or email cosec@neurotechinternational.com and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

8.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Security certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.10 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Securityholder, facilitate distribution payments and corporate communications to you as a Securityholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

9. DIRECTORS STATEMENT

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Mark Davies
Non-Executive Chairman
For and on behalf of
Neurotech International Limited

10. GLOSSARY

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

2022 AGM	The Company's Annual General Meeting held on 30 November 2022.
A\$ or \$	Australian dollars.
Applicant	A person who applies for Securities under this Prospectus.
Application	A valid application for Placement Options offered under this Prospectus.
Application Form	The application forms that accompany this Prospectus, comprising the Placement Option Offer Application Form, the JLM Offer Application Form, or an application form for the Cleansing Offer (as applicable).
ASIC	The Australian Securities & Investments Commission.
ASX	ASX Limited (ACN 008 624 691) trading as the 'Australian Securities Exchange'.
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Rules	The settlement rules of ASX Settlement.
Board	The board of Directors of the Company.
Business Day	Has the meaning given to that term in the Listing Rules.
CHESS	Clearing House Electronic Sub-register System operated by ASX Settlement.
CHESS Statement or Holding Statement	A statement of shares registered in a CHESS account.
Cleansing Offer	The offer under this Prospectus of up to 1,000 Shares at an issue price of \$0.08 per Share to raise up to \$80 (before costs).
Closing Date	The closing date of the Offers as set out in the timetable at Section 2 or such other time and date as determined by the Directors subject to the Corporations Act and Listing Rules.
Company or Neurotech	Neurotech International Limited (ACN 610 205 402).
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company as at the Prospectus Date.
GST	Goods and services tax.
JLM Offer	The offer of 10,000,000 New Options to the Joint Lead Managers under this Prospectus.
JLM Options	The 10,000,000 New Options offered under the JLM Offer.
JLM Offer Application	The application form that accompanies this Prospectus with

Form	respect to the JLM Offer.
Joint Lead Managers	Peloton and PAC Partners and a Joint Lead Manager means any one of them.
JLM Mandate	Has the meaning given to that term in Section 8.1.
Listing Rules	The official listing rules of ASX.
New Option	An Option offered under this Prospectus, exercisable at \$0.135 per Option and expiring on the date that is two years from the date of issue, and otherwise on the terms and conditions set out in Section 7.1].
Notice of AGM	means the Company's Notice of Annual General Meeting sent to Shareholders on 31 October 2022.
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Offers	The Placement Option Offer, the JLM Offer and the Cleansing Offer.
Official Quotation	The admission of Securities to the official list of ASX.
Opening Date	The opening date of the Offers as set out in the timetable at Section 2.
Option	An option to acquire a Share.
Option Offers	The Placement Option Offer and the JLM Offer.
PAC Partners	PAC Partners Securities Pty Ltd (ACN 623 653 912).
Peloton	Peloton Capital Pty Ltd (ACN 149 540 018).
Placement	The placement of up to 90,000,000 Shares to institutional, professional and sophisticated investors at an issue price of \$0.10 per Shares to raise up to \$9,000,000, as announced by the Company on 28 October 2022.
Placement Participants	The persons who were issued Shares under the Placement.
Placement Options	The 45,000,000 New Options offered under this Prospectus to the Placement Participants
Placement Option Offer	The offer of up to 45,000,000 New Options to Placement Participants (or their nominees) to subscribe for one (1) New Option at an issue price of nil, for every two (2) Shares issued under the Placement, and otherwise on the terms set out in this Prospectus.
Placement Option Offer Application Form	The application form that accompanies this Prospectus with respect to the Placement Option Offer.
Placement Participant	An investor that participated in the Placement.
Privacy Act	<i>Privacy Act 1988 (Cth)</i> .
Prospectus	This document, including the Application Forms.
Prospectus Date	The date of lodgement of this Prospectus with ASIC, being

22 December 2022.

Related Corporate	Bodies	Has the meaning given to that term in the Corporations Act.
Related Party		Has the meaning given to that term in the Listing Rules.
Section		A section of this Prospectus.
Securities		Has the meaning given to that term in section 761A of the Corporations Act and includes a Share and an Option.
Securities Registry		The Company's securities registry, Security Transfer Australia Pty Ltd (ACN 008 894 488).
Share		A fully paid ordinary share in the capital of the Company.
Securityholder		The holder of a Security.
Shareholder		The holder of a Share.
WST		Western Standard Time, being the time in Perth, Western Australia.