

26 October 2020

ASX Code: MXC

Unmarketable Parcel Share Sale Update

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MGC Pharmaceuticals Ltd (ASX: MXC, 'MGC Pharma' or 'the Company'), provides the following update on its Unmarketable Parcel Share Sale Facility ('**Facility**') for holders of parcels of fully paid ordinary shares in the Company ('**Shares**') valued at less than \$500, (each, an '**Unmarketable Parcel**', '**UMP**') as detailed in the ASX release on 22 June 2020.

The Facility sale process is well advanced however due to the large parcel of shares to be sold under the Facility combined with a share price limit of a minimum \$0.024 under the rules of the Facility, it has taken the designated broker longer than expected to complete the share sale process.

The Board is working to complete the share sale process under the Facility and distribute the funds to UMP holders as soon as practical, and operating in compliance with the rules of the Facility.

Operation and Rules of the UMP Facility

Under the rules of the Facility, the Company is not able distribute the proceeds in part during the process as this would provide an unfair outcome for some UMP shareholders. In order to manage the process under the Facility rules, the Company is required to wait until the sale of all Unmarketable Parcel shares has completed, so as to calculate the average price for Computershare to distribute respective proceeds to Unmarketable Parcel shareholders. Shares cannot be reinstated as the closing date of 7 August 2020 has passed.

All funds received through sales completed under the Facility are being held on trust by Computershare and as soon as the full parcel of Shares are sold, owed monies will be distributed via cheque or EFT payment to Unmarketable Parcel shareholders (depending on their Computershare preferences). If Unmarketable Parcel shareholders wish to check or update their payment preferences, UMP holders are able to go to www.investorcentre.com/au and log into their portfolio to review/update their preferences.

The Company is working to ensure this process is completed as promptly as possible, and to provide the best outcome for Unmarketable Parcel shareholders.

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Authorised for release by Roby Zomer, CEO & Managing Director, for further information please contact:

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