

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

ENTITLEMENT OPTIONS ISSUE PROSPECTUS

For the offer of a pro-rata non-renounceable entitlement issue of up to approximately 79,228,096 Entitlement Options, on the basis of 1 Entitlement Option for every 4 Shares held by Eligible Shareholders at an issue price of 1 cent per Entitlement Option, to raise up to approximately \$792,281

Offer closes at 5:00pm WST on 2 November 2021

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 Entitlement and 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 Entitlement Options offered by this Prospectus should be considered highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 1 October 2021 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 Entitlement 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 Entitlement and Acceptance Form as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder.

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. 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.

CORPORATE DIRECTORY

DIRECTORS

Dr Roger Aston (Executive Chairman)
Mr Robert Bishop (Executive Director)
Mr Sam Wright (Non-Executive Director)
Mr Neville Bassett, AM (Non-Executive Director)

COMPANY SECRETARY

Mr Sam Wright

REGISTERED OFFICE

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Claremont, Western Australia, 6010

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SOLICITORS

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Cottesloe, Western Australia, 6011

LEAD MANAGER

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SHARE REGISTRY *

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Limited
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Tel: 1300 850 505 or + 61 3 9415 4000

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.

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1. INVESTMENT OVERVIEW

| Question | Response | Where to find more information |
|---|---|--------------------------------|
| What is the Offer? | We are offering to issue Entitlement Options to Eligible Shareholders by a pro-rata non-renounceable entitlement issue. Under the Offer, Eligible Shareholders may subscribe for 1 Entitlement Option for every 4 Shares held on the Record Date. | Section 2.1 |
| What is the Issue Price for the Entitlement Options? | The Issue Price is 1 cent per Entitlement Option. | Section 2.1 |
| What are the terms of the Entitlement Options? | The Entitlement Options have an exercise price of 20 cents and an expiry date of 31 October 2023. The Company will apply for quotation of the Options on ASX. The full terms of the Entitlement Options are set out in Section 5.1. | Section 5.1 |
| Who is an Eligible Shareholder? | The Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand on the Record Date. | Section 4.1(a) |
| How many Entitlement Options will be issued? | At the date of this Prospectus, the maximum number of Entitlement Options that may be issued under the Offer is approximately 79,228,096. This may increase if existing Option holders exercise their Options before the Record Date to participate in the Offer. | Section 2.1 |
| What is the amount that will be raised under the Offer? | As at the date of this Prospectus, the maximum amount that may be raised under the Offer is approximately \$792,281 before expenses (representing the issue of 79,228,096 Entitlement Options at an Issue price of 1 cent per Entitlement Option). This may increase if existing Option holders exercise their Options before the Record Date to participate in the Offer. | 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 of approximately \$60,000. | Section 2.2 |

| Question | Response | Where to find more information | | | | | | |
|--|--|--------------------------------|-------|---|--|----------------|--|-----------|
| 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">• Increase the number of Options on issue.• Increase our cash reserves by up to approximately \$792,281 (at Full Subscription and before the expenses of the Offer). | Section 2.3 | | | | | | |
| What are the key risks of a further investment in the Company? | <p>The Offer should be considered highly speculative as the Company is developing therapeutics for cancer, neurodegenerative diseases and viral infections in humans and cancer for pet dogs and a subsidiary, Epichem, delivers synthetic and medical chemistry services to clients in the drug discovery and pharmaceutical industries. 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><tr><th>Risk Area</th><th>Risks</th></tr><tr><td>Commercialisation of key monepantel product</td><td>The Company's future success depends in part on its ability to commercialise its key product, monepantel (MPL) as a therapeutic in treating some of cancer, neurodegenerative diseases, and viral infections 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.</td></tr><tr><td>Future Funding</td><td>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</td></tr></table> | Risk Area | 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 in treating some of cancer, neurodegenerative diseases, and viral infections 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. | Future Funding | 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 | Section 3 |
| Risk Area | 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 in treating some of cancer, neurodegenerative diseases, and viral infections 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. | | | | | | | |
| Future Funding | 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 | | | | | | | |

| Question | Response | Where to find more information |
|----------|---|---|
| | | and scale back its programs. |
| | Intellectual property risk | 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 in the treatment of cancer and neurodegenerative diseases in humans and cancer in animals and has applied for patent protection for the use of MPL in the treatment of viral infections in humans. The strength of patents, even if granted, involves complex legal and scientific questions and can be uncertain. |
| | Clinical validation and regulatory risk | The commercialisation and registration of products being developed by the Company requires regulatory approval. In Australia, the government regulator is the Therapeutic Goods Administration. 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 regulatory approval for future trials and phases as the Company progresses towards commercialisation. |
| | COVID-19 pandemic risk | <p>The COVID-19 pandemic has had a significant adverse impact on world economic conditions. Companies in Australia have not been isolated from this impact and these unstable economic conditions may continue for the foreseeable future.</p> <p>The Company's activities may be delayed or curtailed as a result of the COVID-19 pandemic or measures taken to contain it. This could include</p> |

| Question | Response | Where to find more information |
|---|--|--|
| | delays to trials being undertaken by the Company as a result of relevant lockdowns and/or disruption to supply and manufacturing chains, such as the supply to the Company of MPL tablets from India or elsewhere. | |
| | Dependence on key personnel | 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. |
| | Epichem subsidiary risk | Epichem is a wholly owned subsidiary of the Company and has been delivering synthetic and medicinal chemistry services to the drug discovery and pharmaceutical industries since 2003. It also provides custom synthesis and contract drug discovery. Epichem's success is dependent on a number of factors including the ability to retain its Chief Executive Officer, Colin La Galia, and its team of scientists, the state of the industries in which it operates, the ability to compete with competitors in other countries and the ability to obtain future contracts from customers. |
| How do I accept my Entitlement under the Offer? | <p>All Eligible Shareholders are entitled to subscribe for Entitlement 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 Entitlement and 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> | Section 4.2(a) |
| What will happen to Excluded Shareholders? | The Offer is not extended to Excluded Shareholders (any Shareholder whose registered address on the Record Date is not situated in Australia or New Zealand). | Section 4.2(b) |

| Question | Response | Where to find more information |
|---|---|--------------------------------|
| Is the Offer underwritten? | The Offer is not underwritten. | Section 4.1(c) |
| What are the Lead Manager arrangements concerning Shortfall and how will Shortfall be issued? | <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>JP Equity Partners is the Lead Manager.</p> <p>The Lead Manager has been engaged by the Mandate Agreement 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.</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 Shareholders under this Prospectus.</p> | Sections 4.4 and 4.5 |
| What is the effect of the Offer on control of the Company? | <p>The Entitlement Options have no participating rights or entitlements until exercised. It is only upon exercise of the Entitlement 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 Entitlement Options are issued under the Offer they will represent approximately 19.98% 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 on a pro-rata non-renounceable basis, the Offer should not have any material effect on the control of the Company.</p> | Section 2.6 |
| What are the key dates of the Offer? | <p>ASX announcement of Offer 1 October 2021</p> <p>Prospectus lodged with ASIC and ASX 1 October 2021</p> <p>"Ex" date (date from which existing Shares trade on ASX without the entitlement to participate in the Offer) 6 October 2021</p> <p>Record Date (to determine eligibility of Shareholders to participate in the Offer) 7 October 2021</p> | |

| Question | Response | Where to find more information |
|----------|---|--------------------------------|
| | Send Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders | 12 October 2021 |
| | Opening Date | 12 October 2021 |
| | Closing Date | 2 November 2021 |
| | Securities quoted on a deferred settlement basis | 3 November 2021 |
| | Announce results of Offer | 5 November 2021 |
| | Issue date | 9 November 2021 |
| | 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. | |

2. REASON FOR THE OFFER AND EFFECT ON THE COMPANY

2.1 Background

In recognition of the support of Shareholders, the Company is making this Offer which consists of a pro-rata non-renounceable entitlement issue to Eligible Shareholders on the basis of 1 Entitlement Option for every 4 Shares held by Eligible Shareholders on the Record Date at an issue price of 1 cent per Entitlement Option ("**Offer**").

The Offer will raise up to \$792,281 before expenses at Full Subscription by the issue of 79,228,096 Entitlement Options. The Entitlement Options have an exercise price of 20 cents and an expiry date of 31 October 2023.

The Company will apply for quotation of the Options on ASX.

As at the date of this Prospectus, the Company has 316,912,383 Shares, 300,000 Options and 5,000,000 Performance Rights on issue. Option holders with an address in Australia or New Zealand may exercise their Options before the Record Date and participate in the Offer. In this event, the number of Entitlement Options to be issued under this Prospectus and the funds raised as a result of the Offer may increase.

2.2 Use of funds

As at the date of this Prospectus, the Company has approximately \$2,540,000 cash on hand enabling the Company to pursue its preclinical and clinical commitments in the next 12 months. The Company has not yet received any funding from the \$881,085 committed from FightMND.

The funds raised by the Offer of up to approximately \$792,281 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 Entitlement 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 Entitlement Options (see Section 2.4); and
- (b) increase our cash reserves by approximately \$792,281, before taking into account the expenses of the Offer (see Sections 2.5 and 6.6).

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:

| Shares | |
|--|--------------------|
| Existing Shares | 316,912,383 |
| Shares issued under this Offer | 0 |
| Total Shares on issue after completion of the Offer¹ | 316,912,383 |

| Options | |
|--|-------------------|
| Existing unlisted Options (exercise price 12 cents expiring 31 January 2022) | 50,000 |
| Existing unlisted Options (exercise price 15 cents expiring 30 June 2022) | 250,000 |
| Entitlement Options issued under this Offer (exercise price 20 cents expiring 31 October 2023) | 79,228,096 |
| Total Options on issue after completion of the Offer | 79,528,096 |

1. The Company also has 5,000,000 Performance Rights on issue with various vesting hurdles and expiry dates as referred to in the 2020 annual report announced on 18 September 2020 and the 2021 annual report announced on 18 August 2021. Colin La Galia, the Chief Executive Officer of Epichem, has the right to be issued with Shares from the Company as part of a bonus payment in the event that Epichem achieves various profit milestones as summarised in the 2021 annual report announced on 18 August 2021.

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 2021. The pro forma balance sheet shows the effect of the Offer as if it had been made on 30 June 2021 based on the following assumptions:

- (a) The issue of 79,228,016 Entitlement Options under the Offer at an issue price of 1 cent each to raise \$792,281.
- (b) Expenses of the Offer, being approximately \$60,000.

| | 30 June 2021 consolidated audited \$ | 30 June 2021 consolidated proforma at Full Subscription \$ |
|-----------------------------|---|---|
| Current assets | | |
| Cash and cash equivalents | 3,020,268 | 3,752,549 |
| Trade and other receivables | 241,949 | 241,949 |
| Other current assets | 86,342 | 86,342 |
| Inventory | 1,008,071 | 1,008,071 |
| Total current assets | 4,356,630 | 5,088,911 |

| | | |
|--------------------------------------|-------------------|-------------------|
| Non-current assets | | |
| Intangible assets | 3,142,089 | 3,142,089 |
| Plant and equipment | 3,454,879 | 3,454,879 |
| Total non-current assets | 6,596,968 | 6,596,968 |
| Total assets | 10,953,598 | 11,685,879 |
| Current liabilities | | |
| Trade and other payables | 559,007 | 559,007 |
| Borrowings | 38,206 | 38,206 |
| Employee benefits | 205,720 | 205,720 |
| Lease liabilities | 108,433 | 108,433 |
| Total current liabilities | 911,366 | 911,366 |
| Non-Current Liabilities | | |
| Borrowings | 0 | 0 |
| Employee benefits | 30,381 | 30,381 |
| Lease liabilities | 1,131,367 | 1,131,367 |
| Total non-current liabilities | 1,161,748 | 1,161,748 |
| Total liabilities | 2,073,114 | 2,073,114 |
| Net assets | 8,880,484 | 9,612,765 |
| Equity | | |
| Issued capital | 55,326,441 | 56,058,722 |
| Reserves | 2,093,161 | 2,093,161 |
| Accumulated losses | (48,539,118) | (48,539,118) |
| Total equity | 8,880,484 | 9,612,765 |

2.6 Potential effect on control of the Company

The Entitlement Options have no participating rights or entitlements until exercised. It is only upon exercise of the Entitlement 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 Entitlement Options are issued under the Offer they will represent approximately 19.98% 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 on a pro-rata non-renounceable 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 for cancer, neurodegenerative diseases and viral infections in humans and cancer for pet dogs and a subsidiary, Epichem, delivers synthetic and medicinal chemistry services to clients in the drug discovery and pharmaceutical industries.

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 in treating some of cancer, neurodegenerative diseases and viral infections 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 pharmaceutical, biotechnical and chemical research and development. 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 in the treatment of cancer and neurodegenerative diseases in humans and cancer in animals and has applied for patent protection for the use of MPL in the treatment of viral infections in humans.

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, neurodegenerative diseases and viral infections in humans and cancer for 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's products and each phase of the development is regulated. In Australia the government body regulator is the Therapeutic Goods Administration ("TGA"). 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.

The Company is currently in a Phase 2 extension of its pet dog trial finalising optimal dosage for patients, has finished Phase 1 of its human cancer trial and is at pre-clinical stage for human trials for the treatment of each of motor neurone disease and COVID-19. Each of these trials is using MPL.

COVID-19 pandemic risk

The COVID-19 pandemic has had a significant adverse impact on world economic conditions. Companies in Australia have not been isolated from this impact and these unstable economic conditions may continue for the foreseeable future.

Various national and state governments have imposed restrictions on the movement of people and goods in an attempt to slow down and contain the spread of the COVID-19 virus. Social distancing measures have been implemented in many places. Various other restrictions (such as lockdowns) have been and could continue to be implemented.

The Company's activities may be delayed or curtailed as a result of the COVID-19 pandemic or measures taken to contain it. This could include delays to trials being undertaken by the Company as a result of relevant lockdowns and/or disruption to supply and manufacturing chains, such as the supply to the Company of MPL tablets from India or elsewhere.

Dependence on key personnel

The Company's success depends on the core competencies of its Directors and key management which includes the Executive Chairman, Dr Roger Aston and the Chief Scientific Officer, Dr Richard Mollard. 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.

Epichem subsidiary risks

Epichem is a wholly owned subsidiary of the Company and has been delivering synthetic and medicinal chemistry services to the drug discovery and pharmaceutical industries since 2003. It also provides custom synthesis and contract drug discovery. Epichem's success is dependent on a number of factors including the ability to retain its Chief Executive Officer, Colin La Galia, its team of scientists, the state of the industries in which it operates, the ability to compete with competitors in other countries and the ability to obtain future contracts from customers.

General contract risk

The Company and its subsidiaries operate through a series of contractual relationships with third parties through various contracts. All contracts carry risks associated with the performance by the parties of their obligations such as time commitments, achieving targets and quality of work performed.

In the future, contracts will need to be negotiated with a number of third parties including for the sales, marketing and distribution of pharmaceutical products. The Company may become reliant on suppliers, manufacturers and distributors, the loss of whose services may materially adversely affect the Company and impede the achievement of its objectives.

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 and pharmaceutical 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 Shareholders are entitled to participate in the Offer. You are an Eligible Shareholder if you are a Shareholder with a registered address in Australia or New Zealand on the Record Date. The Record Date is 5.00pm WST, 7 October 2021.

As an Eligible Shareholder you are entitled to subscribe for 1 Entitlement Option for every 4 Shares held on the Record Date at the Issue price of 1 cent per Entitlement Option.

When calculating your Entitlement, we will round up fractions to the nearest whole number.

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 Entitlement Options and underlying securities

A summary of the rights attaching to the Entitlement 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 Entitlement 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 Entitlement Options.

4.2 How to accept the Offer

(a) Action required by Eligible Shareholders

Your Entitlement is shown on the Entitlement and 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® in accordance with the instructions on the Entitlement and Acceptance Form. Given COVID-19 and resultant delays, payments in cash or cheque will not be accepted.

If you pay by BPAY®, please follow the procedure set out in the Entitlement and Acceptance Form. You do not have to send us a completed Entitlement and Acceptance Form if you pay by BPAY®. 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 Entitlement and Acceptance Form, for the number of Entitlement Options represented by the payment.

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

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

(b) Shareholders outside Australia and New Zealand (Excluded Shareholders)

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

Eligible Shareholders holding Shares 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 Entitlement 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 Entitlement and 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. Shareholders 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 Entitlement Options are not being offered or sold to the public within New Zealand other than to existing Shareholders 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 Entitlement Options**

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

Pending the issue of Entitlement 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 Entitlement Options by ASX**

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

If any Entitlement 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 Entitlement Options and the Application Money in respect of those Entitlement 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 Entitlement 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

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

JP Equity Partners 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.

The 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.

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 Shareholders under this Prospectus.

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

5. RIGHTS ATTACHING TO ENTITLEMENT OPTIONS AND UNDERLYING SECURITIES

5.1 Rights attaching to Entitlement Options

The terms of the issue of the Entitlement Options are:

- (a) The Options will be issued for a subscription price of 1 cent each.
- (b) Each Option entitles the holder to one Share (fully paid ordinary share).
- (c) The exercise price of the Options is 20 cents.
- (d) The Options are exercisable at any time prior to 5.00 pm WST on 31 October 2023 (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 Entitlement 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 Entitlement 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 18 August 2021. Since then, we have made the following announcements to ASX, shown in the table below.

| Date | Description of Announcement |
|------------|--|
| 18/08/2021 | Appendix 4G & Corporate Governance Statement |
| 24/08/2021 | Application for quotation of securities – PAA |
| 24/08/2021 | Change of Director's Interest Notice |
| 31/08/2021 | Epichem Completes Final Loan Repayment to Export Finance Australia |
| 07/09/2021 | Broker Briefing Investor Webinar |
| 09/09/2021 | Broker Briefing Presentation Tech & Biotech Investor Webinar |
| 17/09/2021 | Letter to shareholders re AGM |
| 17/09/2021 | Notice of Annual General Meeting/Proxy Form |

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:

| | Price | Date |
|---------|------------|-----------------------------------|
| Highest | 10.5 cents | 27 July 2021 |
| Lowest | 8.3 cents | 21 August and 1 September 2021 |
| Latest | 9 cents | 30 September 2021 |

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 at set out in the table below. Interests include those held directly and indirectly.

The Directors will be entitled to participate in the Offer and have each advised the Company they intend to subscribe for their Entitlement. The table below includes the Entitlement Options that these Directors may subscribe for under the Offer.

| Director | Shares | Entitlement Options |
|-----------------|------------|---------------------|
| Roger Aston | 15,044,815 | 3,761,204 |
| Robert Bishop | 9,211,060 | 2,302,765 |
| Sam Wright | 3,500,000 | 875,000 |
| Neville Bassett | 7,000 | 1,750 |

(c) **Remuneration of Directors**

Dr Roger Aston as Executive Chairman is paid \$260,000 per annum plus statutory superannuation. In the 2 years prior to the date of this Prospectus, Dr Aston has received cash remuneration totalling \$569,400.

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 \$273,750.

Mr Sam Wright is paid a Director's fee of \$36,000 per annum plus statutory superannuation 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 \$270,200.

Mr Neville Bassett is paid a Director's fee of \$40,000 per annum plus statutory superannuation. In the 2 years prior to the date of this Prospectus, Mr Bassett has received cash remuneration totalling approximately \$60,000.

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 \$16,600 by the Company.

JP Equity Partners is the Lead Manager to the Offer. The Lead Manager fee is 6% plus GST on the funds raised by it by the placement of Shortfall by it. See Section 4.4. In the past 2 years, JP Equity Partners has been paid fees (excluding GST) of approximately \$228,272 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.

| Item of Expenditure (exclusive of GST) | Cost |
|--|-----------------|
| Legal Fees | \$15,000 |
| Printing, share registry, postage, miscellaneous | \$14,560 |
| ASIC lodgement fee for this Prospectus | \$3,206 |
| ASX fee for Entitlement Options ¹ | \$27,234 |
| Total | \$60,000 |

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 it by the placement of Shortfall by it.

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.

JP Equity Holdings Pty Ltd trading as JP Equity Partners has consented to JP Equity Partners being named as Lead Manager to the Offer.

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: 1 October 2021

A handwritten signature in blue ink, appearing to read 'RA', is written over a horizontal dotted line.

Signed for and on behalf of
PharmAust Limited
by Dr Roger Aston
Executive Chairman

8. GLOSSARY

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

| | |
|--|--|
| Applicant | A person who submits an Entitlement and Acceptance Form. |
| Application | An application for Entitlement Options under the Offer. |
| Application Money | The Issue Price multiplied by the total number of Entitlement Options applied for by an Applicant under an Entitlement and Acceptance Form. |
| ASIC | Australian Securities and Investments Commission. |
| ASX | ASX Limited (ACN 008 624 691) and the Australian Securities Exchange it operates. |
| Board | The Board of Directors. |
| Closing Date | The time and date at which the Offer expires, being 5.00pm WST, 2 November 2021 subject to the Company varying this date. |
| Company or PAA | PharmAust Limited (ACN 094 006 023). |
| Company Group | The Company and subsidiaries. |
| Constitution | The constitution of the Company. |
| Corporations Act | The Corporations Act 2001 (Cth) |
| Director | A director of the Company for the time being. |
| Eligible Shareholder | Shareholders with a registered address in Australia or New Zealand at the Record Date. |
| Entitlement | The entitlement to subscribe for Entitlement Options under the Offer. |
| Entitlement and Acceptance Form | The entitlement and acceptance form attached to or accompanying this Prospectus, personalised for each Eligible Shareholder, which allows each Eligible Shareholder to accept the Offer. |
| Entitlement Options | The Options to be issued under this Prospectus on the terms set out in Section 5.1. |
| Epichem | Epichem Pty Ltd (ACN 106 769 902) |
| Excluded Shareholder | A Shareholder whose registered address is not in Australia or New Zealand. |
| Full Subscription | The maximum amount to be raised under the Offer being the sum of \$792,281 assuming no existing Options are exercised. |

| | |
|---|---|
| Issue Price | 1 cent per Entitlement Option. |
| JP Equity Partners or Lead Manager | JP Equity Holdings Pty Ltd (ACN 626 933 364) (AFSL 512,529) |
| Listing Rules | The official listing rules of ASX. |
| Mandate Agreement | The mandate agreement between the Company and the Broker by which the Broker is engaged to place the Shortfall. |
| MPL | Monepantel. |
| Offer | The pro-rata non-renounceable offer of Entitlement Options under this Prospectus on the basis of 1 Entitlement Option for every 4 Shares held by Eligible Shareholders on the Record Date at an issue price of 1 cent per Entitlement Option. |
| Official List | The official list of the ASX. |
| Option | An option to acquire a Share. |
| Performance Rights | A right which entitles the holder to be issued with one Share subject to the satisfaction of any service and performance conditions. |
| Prospectus | This prospectus. |
| Record Date | The time and date for determining an Eligible Shareholder's entitlement in the Offer, being 5.00pm WST, 7 October 2021. |
| Share | A fully paid ordinary share in the issued capital of the Company. |
| Shareholder | Registered holder of Shares. |
| Shortfall | Entitlement Options not applied for under the Offer before the Closing Date. |
| TGA | Therapeutic Goods Administration of Australia. |
| WST | Western Standard Time. |
| \$ or A\$ | means Australian dollars unless otherwise stated. |