

**14 October 2021**

Oma Murad  
Adviser, Listing Compliance (Perth)  
Australian Securities Exchange  
Level 40, Central Park  
152 St Georges Terrace  
Perth WA 6000  
BY EMAIL: oma.murad@asx.com.au

Dear Ms Murad

### **Neurotech International Limited (ASX: NTI) – QUERY LETTER**

We refer to your letter dated 13 October 2021 querying the current trading halt in relation to the material IP (patent) update in **Neurotech International Limited (ASX: NTI)** ('Company').

In response to your questions outlined in the letter, using your numbering, we provide the following information:

1. Yes.
2. The Company lodged two provisional patent applications which are directed to:
  - The uniqueness of the NTI-164 strain – composition profile with low THC (<0.3%) and a unique combination of 'rarer' minor cannabinoids, and;
  - The application, formulation and use of the strain in relation to the treatment of a range of neuro-inflammatory disorders both on its own and in conjunction with select treatment options - 'combination treatment therapies'.

(together, the **Provisional Patent Applications**)

The Company considers the Provisional Patent Applications filed to be material to the Company, on the basis that:

- The information gathered for the Company's maiden Provisional Patent Applications in respect of our unique cannabis strains was derived from over 15 months of research, pre-clinical trials and after significant cash and human capital investment by the Company.
- The Provisional Patent Applications are directed to, what NTI believes is, a particularly unique technology in the context of the medical cannabis sector (as opposed to the wider Life Science sector). Australian companies currently offer CBD and/or CBD/THC containing products. The product that NTI is developing is particularly unique for Australia and represents a significant advancement of the medical cannabis sector in that NTI's/Dolce strains contain a bouquet of minor cannabinoids with negligible THC (the high inducing drug) which offer an "entourage effect" resulting in a different response in humans than traditional CBD and/or CBD/THC. NTI believes that its technology offers a significant leap forward in the advancement of the sector. The filing of NTI's Provisional

Patent Applications is evidence of what NTI believes is a significant milestone being reached. NTI is developing products which are at the cutting edge of global medical cannabis research and development.

- Patent applications are highly regarded by commercial partners, and therefore represent a material milestone for the Company in its commercialisation strategy, particularly given that patent applications are often a prerequisite for commercial partners to progress to formal commercialisation agreements. As the Company has now achieved this material milestone, it will now look to engage with potential commercial partners and explore opportunities to license its unique cannabis strains and pursue a revised commercialisation pathway for its existing Mente technology in combination therapies with its cannabis strains.
- The Company considers that the Provisional Patent Applications have the capacity to influence the buying and selling decisions of investors and are likely to cause a material change in the price or value of the Company's shares.

3. N/A.

4. As indicated in the release, the Provisional Patent Applications are "provisional".

5. The Provisional Patent Applications:

- a) Do not confer any enforceable rights on NTI with respect to the invention that is the subject of the Provisional Patent Applications, but do confer the right to further pursue protection for NTI's technology;
- b) Do not have any material impact on any existing material agreements between NTI and any third parties, however the Company considers that the Provisional Patent Applications are necessary to enable the Company to attract commercial partners and enter into future material agreements; and
- c) Do not currently represent an asset that is reflected on NTI's balance sheet as research and development expenditure incurred to date has been expensed, however the Company's expenditure on the Provisional Patent Applications is significant, and such expenditure has been incurred with the expectation that the Company will recognise and realise significant intellectual property assets in the future.

6. Before a decision is received on the granting of any patents that derive from the Provisional Patent Applications, the Company's patent applications will go through various examination and review processes that can take several years. In the meantime, however, NTI expects that it will be able to enter into commercial licensing agreements on the basis of its pending Provisional Patent Applications.

7. The Company is not in a position to provide a reliable indication on when or whether the Provisional Patent Applications or any patent applications that derive from the Provisional Patent Applications will mature into granted patents.

8. The Company intends to update the market if the Provisional Patent Applications lapse or more specifically if any patent applications that derive from the Provisional Patent Applications are rejected.

The Company also intends to update the market on each material stage of the patent process that is reached by the Provisional Patent Applications or any patent applications that derive from the Provisional Patent Applications, however the Company would not expect to provide an update to the market on its communications with international or national patent offices with respect to its views on the patentability of the invention until such communications are complete and final.

9. NTI confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

10. The above responses have been authorised and approved by the Board of directors.

Please do not hesitate to contact me if further information is required.

Yours Faithfully,



**Erlyn Dale**  
Company Secretary



13 October 2021

Ms Erlyn Dale  
Company Secretary  
Neurotech International Limited

By email: [erlyn@azc.com.au](mailto:erlyn@azc.com.au)

Dear Ms Dale

**Neurotech International Limited ('NTI'): Query Letter**

ASX refers to:

- A. NTI's request for a trading halt under ASX Listing Rule 17.1 on 12 October 2021.
- B. NTI's announcement titled "Provisional Patent Lodgements" lodged on the ASX market announcements platform ('**MAP**') on 13 October 2021 (the '**Announcement**'), which disclosed that NTI has filed its first strategic provisional patent applications with IP Australia (the '**Patent Application Information**'). NTI marked the Announcement as 'price-sensitive' when submitting it for release.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. Guidance Note 8, published by ASX with respect to each listed entity's obligations under Listing Rule 3.1, which provides (relevantly):
  - *"Entities should not use an announcement under Listing Rule 3.1 as a guise to publish material that is really promotional, political or tendentious in nature rather than being information that a reasonable person would expect to have a material effect on the price or value of its securities."* (at section 4.15).
  - *"The concept of "materiality" in terms of its capacity to influence a person whether to acquire or dispose of shares must refer to information which is non-trivial at least. It is insufficient that the information "may" or "might" influence a decision: it is "would" or "would be likely" that is required to be shown ..." (at section 4.2, n 20).*
- E. The *Code of Best Practice for Reporting by Life Science Companies* (2<sup>nd</sup> edition)<sup>1</sup> published by ASX and AusBiotech (the '**Code**'), which provides:

***"The fact that a patent application has been filed is seldom material, it is generally only after grant that a patent right becomes a material asset, which should be disclosed. If information relating to patent filings or progress on patent applications is made, however, communication to the market should be balanced and informative. Particular care needs to be taken to ensure that investors are not given a misleading impression of the breadth of protection afforded by a patent, the likelihood of grant of a patent or the ability of the company to enforce its patent rights."***

The Code goes on to define a "patent application" as:

***"Patent application***

***There are two types of patent applications: provisional and non-provisional. A non-provisional application establishes the filing date and initiates the examination process. A non-provisional utility patent application must include a specification, including a claim or claims; drawings, when***

<sup>1</sup> [https://www.asx.com.au/documents/research/Code\\_of\\_Best\\_Practice\\_for\\_Reporting\\_by\\_Life\\_Science\\_Companies.pdf](https://www.asx.com.au/documents/research/Code_of_Best_Practice_for_Reporting_by_Life_Science_Companies.pdf)

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*necessary; an oath or declaration; and the prescribed filing fee. A provisional patent application allows filing without a formal patent claim, oath or declaration, or any information disclosure (prior art) statement. It provides the means to establish an early effective filing date and automatically becomes abandoned after one year. It also allows the term “patent pending” to be applied.”*

### **Request for information**

Having regard to these and the above matters, ASX asks NTI to respond separately to each of the following questions and requests for information:

1. Does NTI think the Patent Application Information is information which it was required to give to ASX under Listing Rule 3.1?
2. If the answer to question 1 is “yes”, then, having regard to the guidance (including the Code) extracted above, please explain why.
3. If the answer to question 1 is “no”, please explain why NTI sought to release the Announcement on MAP.
4. Is the patent application ‘provisional’ or ‘non-provisional’ in the sense used by the Code?
5. Does the patent application:
  - a. confer any enforceable rights on NTI with respect to the invention that is the subject of the patent;
  - b. have any material impact on any material agreements between NTI and any third parties; and
  - c. represent an asset that is reflected on NTI’s balance sheet.
6. What further steps must be undertaken before a decision is received on whether the patent will be granted?
7. Is NTI in a position to say when it expects a decision to be received on whether the patent will be granted?
8. Does NTI intend to update the market (and please explain why in each case):
  - a. with respect to each stage of the application process, including on the content of each communication from the patent office with respect to its views on the patentability of the invention;
  - b. if the application lapses; and
  - c. if the application is rejected.
9. Please confirm that NTI is complying with the Listing Rules and, in particular, Listing Rule 3.1.
10. Please confirm that NTI’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of NTI with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12:00 PM AWST Thursday, 14 October 2021**. Please note, your response will be released at the same time as the Announcement.

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Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

**Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to NTI's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that NTI's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

**Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

**Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

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**Oma Murad**  
Listings Compliance (Perth)