

PHARMAUST LIMITED
ACN 094 006 023

**NOTICE OF GENERAL MEETING
AND
EXPLANATORY STATEMENT**

For the General Meeting to be held
on Tuesday 26th May 2015 at 12:00 pm/noon (Eastern Standard Time) at

Blue Ocean Equities
Level 39, Aurora Place, 88 Phillip Street
Sydney, New South Wales, 2000

This is an important document. Please read it carefully.

If you are unable to attend the Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.

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TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

Venue

The General Meeting of the Company will be held at:

Blue Ocean Equities
Level 39, Aurora Place, 88 Phillip Street
Sydney, New South Wales, 2000

Commencing
12:00 pm/noon (EST)
Tuesday 26th May 2015

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, please attend the Meeting on the date and at the place set out above. The Meeting will commence at 12:00 pm/noon (EST) on Tuesday 26th May 2015.

Voting by Proxy

To vote by proxy, please complete and sign the enclosed proxy form and return by:

- hand to the Company's office at Suite 7, 29 The Avenue, Nedlands, WA, 6009;
- post to PO Box 661, Nedlands, WA, 6009;
- email to sam@pharmaust.com or
- fax to facsimile number +61 8 9389 1464,

so that it is received not later than 12:00 pm/noon (EST) on Sunday 24th May 2015.

PHARMAUST LIMITED
ACN 094 006 023
NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of the Shareholders of PharmAust Limited will held at Blue Ocean Equities, Level 39, Aurora Place, 88 Phillip Street, Sydney, New South Wales, 2000, at 12:00 pm/noon on Tuesday 26th May 2015 (EST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

ORDINARY BUSINESS

RESOLUTION 1 – RATIFICATION OF TRANCHE ONE PLACEMENT SHARES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 216,000,000 Shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: The Company seeks approval to ratify the Shares issued as tranche one of the Placement and refresh the Company's 15% placement capacity under ASX Listing Rule 7.1.

Voting exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 2 - ISSUE OF TRANCHE TWO PLACEMENT SHARES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 184,000,000 Shares in the Company at an issue price of \$0.00785 each to unrelated parties on the terms set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: The Company wishes to complete tranche two of the Placement. Shareholder approval is required because the number of Shares to be issued exceeds the Company's 15% placement capacity under ASX Listing Rule 7.1.

Voting exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed and any associates of such persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Chairman will vote undirected proxies on, and in favour of, all of the proposed Resolutions.
4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is Friday 22nd May 2015 at 4.00 pm (EST).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By order of the Board



Mr Sam Wright
Non-Executive Director and Company Secretary

Dated: 20th April 2015

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. BACKGROUND TO PLACEMENT

On 16 March 2015, the Company announced that it would raise approximately \$3.14 million in a placement to sophisticated and professional investors through the issue of 400,000,000 Shares at \$0.00785 per Share ("Placement").

216,000,000 tranche one shares have been issued to unrelated party investors under the Company's 15% placing capacity (and for which ratification is sought under Resolution 1). Resolution 2 seek approval to issue the remaining 184,000,000 tranche two Shares to unrelated party investors.

2. RESOLUTION 1 - RATIFICATION OF TRANCHE ONE PLACEMENT SHARES

Resolution 1 seeks Shareholder approval in relation to the issue of 216,000,000 Shares issued as tranche one of the Placement.

Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of shareholders.

The Shares issued the subject of this Resolution were issued within the Company's 15% placement capacity.

Listing Rule 7.4 provides that an issue of securities made without the approval under Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach Listing Rule 7.1 (that is, the issue was within the Company's 15% capacity) and shareholders subsequently approve it. The Company now seeks Shareholder approval to ratify the Shares issued and refresh the Company's 15% capacity.

In accordance with Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The number of securities issued was 216,000,000 Shares.
- (b) The Shares were issued at an issue price of \$0.00785 per Share.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (d) The Shares were issued to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act including to clients of Blue Ocean Equities. None of the subscribers is a related party of the Company.
- (e) The Company intends to use the funds raised from the Placement to accelerate the completion of Phase I/II clinical trial at the Royal Adelaide Hospital, initiate a Phase II trial to investigate the use of PPL-1 in conjunction with chemotherapy "Standard of Care" in patients with cancer, fit out of new laboratory for Epicchem to enhance revenues and for general working capital.

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RESOLUTION 2 – ISSUE OF TRANCHE TWO PLACEMENT SHARES

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 184,000,000 Shares as tranche two of the Placement. None of the subscribers will be related parties of the Company.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. The number of Shares to be issued under tranche two of the Placement exceeds the Company's 15% placement capacity and so, the Company seeks Shareholder approval to issue the Shares.

In accordance with Listing Rule 7.3, the following information is provided to Shareholders:

- (a) The maximum number of Shares to be issued is 184,000,000.
- (b) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the Shares will be issued on one date.
- (c) The issue price is \$0.00785 per Share.
- (d) The Shares will be issued to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act including to clients of Blue Ocean Equities. None of the subscribers will be related party of the Company.
- (e) The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) The Company intends to use the funds raised from the Placement to accelerate the completion of Phase I/II clinical trial at the Royal Adelaide Hospital, initiate a Phase II trial to investigate the use of PPL-1 in conjunction with chemotherapy "Standard of Care" in patients with cancer, fit out of new laboratory for Epicchem to enhance revenues and for general working capital.

ENQUIRIES

Shareholders may contact Sam Wright on (+ 61 8) 9386 4787 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

ASX	ASX Limited (ACN 008 624 691).
ASX Listing Rules or Listing Rules	the listing rules of the ASX.
Board	the Board of Directors of the Company.
Chairman	the chairman of the Meeting.
Company	PharmAust Limited (ACN 094 006 023).
Corporations Act	Corporations Act 2001 (Cth).
Directors	Directors of the Company from time to time.
EST	Eastern Standard Time.
Explanatory Statement	this Explanatory Statement.
General Meeting and Meeting	the meeting convened by this Notice.
Notice	notice of meeting that accompanies this Explanatory Statement.
Placement	the placement by the Company of a total of 400,000,000 Shares in two tranches as announced on 16 March 2015.
Resolution	a resolution referred to in the Notice.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a registered holder of Shares in the Company.
\$	Australian dollars unless otherwise stated.

PHARMAUST LIMITED
ACN 094 006 023

PROXY FORM

**APPOINTMENT OF PROXY
PHARMAUST LIMITED
ACN 094 006 023**

I/We

being a Member of PharmAust Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of Proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at Blue Ocean Equities, Level 39, Aurora Place, 88 Phillip Street, Sydney, New South Wales, 2000 on Tuesday 26th May 2015 at 12:00 pm/noon (EST) and at any adjournment thereof.

The Chair intends to vote any undirected proxies in favour of all Resolutions. If the Chair of the Meeting is your proxy (or becomes your proxy by default) and you do not mark a voting box for any of the items of business then by signing and returning this Proxy Form you will be expressly authorising the Chair to exercise your proxy in respect of the relevant items. If you appoint the Chair of the Meeting as your proxy you can direct him/her to vote for or against or to abstain

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of tranche one Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of tranche two Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Please return this Proxy Form to the Company Secretary, PharmAust Limited, Suite 7, 29 The Avenue, Nedlands, WA, 6009 or PO Box 661, Nedlands, WA, 6009 or by fax to 08 9389 1464 or by email to sam@pharmaust.com by 12:00 pm/noon (EST) on Sunday 24th May 2015 .

Signed this _____ day of _____ 2015.

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Secretary

Sole Director and Sole Secretary

PHARMAUST LIMITED

ACN 094 006 023

Instructions for Completing Appointment of Proxy Form

1. In accordance with section 249L of the Corporations Act, a Shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of Shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a Company may execute a document without using its common seal if the document is signed by:
 - 2 Directors of the Company;
 - a Director and a Company Secretary of the Company; or
 - for a proprietary Company that has a sole Director who is also the sole Company Secretary – that Director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole Company Secretary of the Company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.

In accordance with section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: Suite 7, 29 The Avenue, Nedlands, WA, 6009
Postal address: PO Box 661, Nedlands, WA, 6009
Email address: sam@pharmaust.com
Fax Number: (08) 9389 1464

by at least 48 hours prior to the time of commencement of the Meeting.