

PHARMAUST LIMITED

ACN 094 006 023

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

**For the General Meeting of Shareholders to be held on 30 June 2023
at 10:30 am (AEST)
at Level 13, 60 Castlereagh Street Sydney NSW**

Shareholders are urged to vote by lodging the Proxy Form

TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

Venue

The General Meeting of PharmAust Limited will be held at:

**Level 13
60 Castlereagh Street
Sydney NSW 2000**

**Commencing
at 10:30 am (AEST)
on 30 June 2023**

How to Vote

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

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10:30am (AEST).

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form as soon as possible and deliver the Proxy Form in accordance with the instructions on the Proxy Form. You may also submit your Proxy Form online in accordance with instructions on the Proxy Form.

Your Proxy Form must be received no later than 48 hours before the commencement of the Meeting.

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 be held at Level 13, 60 Castlereagh Street Sydney NSW on 30 June 2023 at 10:30am (AEST) 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.

RESOLUTION 1 – RATIFICATION OF ISSUE OF PLACEMENT SECURITIES TO UNRELATED PARTIES UNDER LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That the issue of 29,244,294 Placement Shares and 15,000,000 Placement Options to institutional investors on 11 May 2023 as part of a placement utilising Listing Rule 7.1 is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2 – RATIFICATION OF ISSUE OF PLACEMENT SHARES TO UNRELATED PARTIES UNDER LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That the issue of 755,706 Placement Shares to institutional investors on 11 May 2023 as part of a placement utilising Listing Rule 7.1A is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 3 - APPROVAL TO ISSUE PLACEMENT SECURITIES TO NEVILLE BASSETT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That the issue up to 500,000 Placement Shares and 250,000 Placement Options to Neville Bassett or his nominees is approved under and for the purposes of Listing Rule 10.11 and for all other purposes, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Neville Bassett and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 – APPROVAL TO ISSUE PLACEMENT SECURITIES TO SAM WRIGHT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That the issue up to 500,000 Placement Shares and 250,000 Placement Options to Sam Wright or his nominees is approved under and for the purposes of Listing Rule 10.11 and for all other purposes, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Sam Wright and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – APPROVAL TO ISSUE PLACEMENT SECURITIES TO ROBERT BISHOP

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That the issue up to 300,000 Placement Shares and 150,000 Placement Options to Robert Bishop or his nominees is approved under and for the purposes of Listing Rule 10.11 and for all other purposes, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Robert Bishop and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – RATIFICATION OF ISSUE OF ADVISER OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That the issue of 2,730,000 Adviser Options to Baker Young Ltd on 11 May 2023 under Listing Rule 7.1 is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Baker Young Ltd, a person who participated in the issue or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7 – RATIFICATION OF ISSUE OF ADVISER SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That the issue of 562,557 Shares to Spark Plus Pte Ltd on 11 May 2023 under Listing Rule 7.1 is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Spark Plus Pte Ltd, a person who participated in the issue or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 8 – AMENDMENT TO CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its existing Constitution, with effect from the close of the Meeting, to allow for the use of technology at general meetings and distribution of meeting-related documents."

There is no voting exclusion statement.

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 chair of 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 Chair of the Meeting 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 28 June 2023 at 5.00pm (AEST).
5. If using the Proxy Form, please complete, sign and return it to the Company's registered office in accordance with the instructions on that form. Voting online is available.

By order of the Board



Sam Wright
Director and Company Secretary

Dated: 25 May 2023

PHARMAUST LIMITED
ACN 094 006 023

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the 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 (RESOLUTIONS 1 TO 5)

In accordance with the Company's ASX announcement of 3 May 2023, the Company is placing a total of 31,300,000 Shares at 8 cents per Share in 2 tranches (Placement Shares) to raise \$2,504,000 before costs. The places of the Placement Shares will be issued with 1 free attaching Option (Placement Option) for every 2 Placement Shares subscribed for. The Placement Options will have an exercise price of 15 cents and an expiry date of 30 April 2026. The Placement Shares and the Placement Options together constitute the Placement.

The first tranche of the Placement Shares and Placement Options have been issued to institutional investors who are unrelated parties utilising the Company's Listing Rule 7.1 capacity (29,244,294 Shares and 15,000,000 Options and for which ratification is sought under Resolution 1) and Listing Rule 7.1A capacity (755,706 Shares for which ratification is sought under Resolution 2).

Listing Rule 10.11 approval is being sought by Resolutions 3, 4 and 5 to issue the second tranche of the Placement (both Placement Shares and attaching Placement Options) to 3 Directors who wish to participate in the Placement on the same terms as unrelated parties.

The net funds from the Placement are intended to be used to fund the preparation for upcoming human trials, further manufacture of additional MPL tablets for human and canine trials and for general working capital.

2. RESOLUTIONS 1 AND 2 - RATIFICATION OF PLACEMENT SECURITIES TO UNRELATED PARTIES UNDER LISTING RULES 7.1 AND 7.1A

2.1 Background

As referred to in Section 1 above, Resolutions 1 and 2 are seeking to ratify the issue of 30,000,000 Placement Shares and 15,000,000 Placement Options to unrelated parties ("Placement Securities"). The Placement Securities were issued as a one tranche placement on 11 May 2023 utilising each of Listing Rule 7.1 and Listing Rule 7.1A.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An "eligible entity" means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these

purposes and obtained approval at its 2022 annual general meeting to the additional 10% capacity under Listing Rule 7.1A.

The Company is therefore able to issue equity securities up to a combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval within the limits provided.

The Company undertook the issue of the Placement Securities by relying in part on its placement capacity under Listing Rule 7.1 and in part of its placement capacity under Listing Rule 7.1A as the issue did not fall within any of the exceptions to Listing Rule 7.1.

29,244,294 Placement Shares and 15,000,000 Placement Options were issued pursuant to the Company's Listing Rule 7.1 capacity and are the subject of Resolution 1. 755,706 Placement Shares were issued pursuant to the Company's Listing Rule 7.1A capacity, which capacity was approved by Shareholders at the annual general meeting held on 10 November 2022. These Placement Shares are the subject of Resolution 2.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 or Listing Rule 7.1A (as the case may be) and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 or 7.1A.

To this end, Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Securities.

If Resolution 1 is passed, the 29,244,294 Placement Shares and 15,000,000 Placement Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1 is not passed, the 29,244,294 Placement Shares and 15,000,000 Placement Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is passed, the 755,706 Placement Shares will be excluded in calculating the Company's additional 10% capacity in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval under Listing Rule 7.1A until 10 November 2023.

If Resolution 2 is not passed, the 755,706 Placement Shares will be included in calculating the Company's additional 10% capacity in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval under Listing Rule 7.1A until 10 November 2023.

2.2 Listing Rule 7.5

For Shareholders to approve the Issue under and for the purposes of Listing Rule 7.4, the following information is provided to Shareholders in accordance with Listing Rule 7.5:

- (a) The Placement Securities were issued to institutional investors (including sophisticated and professional investors) exempt from or outside the disclosure requirements under Chapter 6D of the Corporations Act. Baker Young Limited acted as Lead Manager to the Placement. None of the subscribers is a related party of the Company.
- (b) The Placement Securities were issued on the following basis:
 - (i) 29,244,294 Placement Shares and 15,000,000 Placement Options were issued pursuant to Listing Rule 7.1 (ratification of which is sought under Listing Rule 7.1); and
 - (ii) 755,706 Placement Shares were issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2).
- (c) The Placement Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued shares. The Placement Options have an exercise price of 15 cents and an expiry date of 30 April 2026. The full terms of the Placement Options are set out in Schedule 1.
- (d) The Placement Securities were issued on 11 May 2023.
- (e) The Placement Shares were issued at 8 cents each. The Placement Options were issued as free attaching Options.
- (f) The purpose of the issue of the Placement was to raise funds to be used as set out in Section 1 above.
- (g) The Placement Securities were issued pursuant to a corporate advisory mandate agreement, the material term of which is lead manager services will be provided to any capital raisings for a fee of 6% of the moneys raised. The corporate advisory mandate agreement is for 12 months from 27 February 2023, with the consideration for the 12 month services being the issue of 2,730,000 Adviser Options, which are the subject of Resolution 6.

3. RESOLUTIONS 3, 4 AND 5 – APPROVAL TO ISSUE PLACEMENT SECURITIES TO RELATED PARTIES

3.1 Background

Resolutions 3, 4 and 5 seek Shareholder approval so that Neville Bassett, Sam Wright and Robert Bishop, who are Directors of the Company and thereby related parties, may participate in the placement on the same terms as unrelated parties the subject of Resolutions 1 and 2.

Specifically, Resolution 3 seeks Shareholder approval so that the Company may issue up to 500,000 Shares at 8 cents per Share and 250,000 free attaching Options to Neville Bassett or his nominees. Resolution 4 seeks Shareholder approval so that the Company may issue up to 500,000 Shares at 8 cents per Share and 250,000 free attaching Options to Sam Wright or his nominees. Resolution 5 seeks Shareholder approval so that the Company may issue up to 300,000 Shares at 8 cents per Share and 150,000 free attaching Options to Robert Bishop or his nominees

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) Listing Rule 10.11.1 - a related party;
- (b) Listing Rule 10.11.2 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

- (c) Listing Rule 10.11.3 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) Listing Rule 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) Listing Rule 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue falls within Listing Rule 10.11.1 (as each of Neville Bassett, Sam Wright and Robert Bishop is a Director of the Company) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Each of Resolutions 3, 4 and 5 seek the required Shareholder approval to the issue under and for the purposes of Listing Rule 10.11.

For each of Resolutions 3, 4 and 5, if the Resolution is passed, the Company will be able to proceed with the issue.

For each of Resolutions 3, 4 and 5, if the Resolution is not passed, the Company will not be able to proceed with the Issue and the Company will not raise the sum of \$104,000 the subject of these Resolutions.

3.2 Listing Rule 10.13

For Shareholders to approve the issue of the securities under and for the purposes of Listing Rule 10.11, the following information is provided to Shareholders in accordance with Listing Rule 10.13:

- (a) The securities will be issued to Neville Bassett or his nominees (Resolution 3), Sam Wright or his nominees (Resolution 4) and Robert Bishop or his nominees (Resolution 5).
- (b) Each of Neville Bassett, Sam Wright and Robert Bishop is a Director and is therefore a related party (Listing Rule 10.11.1).
- (c) The maximum number of securities the Company will issue is 500,000 Shares and 250,000 Options to Neville Bassett (Resolution 3), 500,000 Shares and 250,000 Options to Sam Wright (Resolution 4) and 300,000 Shares and 150,000 Options to Robert Bishop (Resolution 5).
- (d) The Shares are fully paid ordinary Shares in the Company and rank equally with the Company's current issued shares. The Options have an exercise price of 15 cents and an expiry date of 30 April 2026. The full terms of the Options are set out in Schedule 1.
- (e) The securities will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (f) The Shares will be issued for 8 cents per Share and the Options will be issued for free (nil issue price).
- (g) The purpose of the issue of the securities is to raise funds to be used as set out in Section 1 above.

- (h) The issue of the securities respectively affects Neville Bassett, Sam Wright and Robert Bishop in their capacity as an investor and is not intended to remunerate or incentivise them.
- (i) The securities are not to be issued under a relevant agreement.

In each case, the Directors of the Company independent of the Director in question (Neville Bassett, Sam Wright and Robert Bishop) have resolved that the issue of the securities the subject of the respective Resolution is on reasonable arms length terms for the Company as the Director in question will be issued with Placement Shares and Placement Options on the same terms as Placement Shares and Placement Options issued to unrelated parties under an arms length placement.

4. RESOLUTION 6 – RATIFICATION OF ISSUE OF ADVISER OPTIONS

4.1 Background

On 11 May 2023 ("Issue Date") the Company issued 2,730,000 Adviser Options pursuant to a corporate advisory mandate agreement with Baker Young Limited ("Issue"). By the agreement, Baker Young Limited provides corporate advisory services as well as lead manager services to any capital raisings and thereby acted in the role as lead manager to the placement, the subject of Resolutions 1 to 5.

This Resolution seeks Shareholder approval in relation to the issue of the 2,730,000 Adviser Options.

Information about Listing Rules 7.1 and 7.4 is set out in Section 2.1 above.

The securities issued the subject of this Resolution were issued within the Company's 15% capacity in Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to the Issue under and for the purposes of Listing Rule 7.4.

If this Resolution is passed, the Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Issue Date.

4.2 Listing Rule 7.5

For Shareholders to approve the Issue under and for the purposes of Listing Rule 7.4, the following information is provided to Shareholders in accordance with Listing Rule 7.5:

- (a) The securities were issued to Baker Young Limited, which is not a related party of the Company.
- (b) The number of securities issued was 2,730,000 Adviser Options.
- (c) The Options have an exercise price of 10 cents and an expiry date of 28 February 2026. The full terms of the Options are set out in Schedule 2.

- (d) The Options were issued on 11 May 2023.
- (e) The Options were issued for no cash consideration and there is no issue price.
- (f) The purpose of the issue of the Options is it represents the consideration for the agreement of Baker Young Limited to provide corporate advisory services (separate to any lead manager capital raising services) to the Company for a period of 12 months from 27 February 2023.
- (g) The securities were issued under a corporate advisory mandate agreement, the material term of which is Baker Young Limited will provide corporate advisory services for a period of 12 months from 27 February 2023 in consideration of the issue of the Corporate Adviser Options (the subject of this Resolution) as well as acting as lead manager to any capital raisings for which it will be paid a 6% cash fee for unrelated parties and a 3% cash fee for directors and management.

5. RESOLUTION 7 – RATIFICATION OF ISSUE OF ADVISER SHARES

5.1 Background

On 11 May 2023 ("Issue Date") the Company issued 562,557 Adviser Shares to Spark Plus Pte Ltd as consideration for corporate advisory services focused on Singapore and Hong Kong ("Issue").

This Resolution seeks Shareholder approval in relation to the issue of the 562,557 Adviser Shares.

Information about Listing Rules 7.1 and 7.4 is set out in Section 2.1 above.

The securities issued the subject of this Resolution were issued within the Company's 15% capacity in Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to the Issue under and for the purposes of Listing Rule 7.4.

If this Resolution is passed, the Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Issue Date.

5.2 Listing Rule 7.5

For Shareholders to approve the Issue under and for the purposes of Listing Rule 7.4, the following information is provided to Shareholders in accordance with Listing Rule 7.5:

- (a) The securities were issued to Spark Plus Pte Ltd, which is not a related party of the Company.
- (b) The number of securities issued was 562,557 Adviser Shares.

- (c) The Adviser Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued shares except that they are subject to 6 months voluntary escrow.
- (d) The Adviser Shares were issued on 11 May 2023.
- (e) The Shares were issued for no cash consideration and at a deemed issue price of 10 cents per Share.
- (f) The purpose of the issue of the Shares is it represents the consideration for the agreement of Spark Plus Pte Ltd to provide non-exclusive corporate adviser services for 6 months from 3 March 2023 with a focus on roadshow services in Singapore and Hong Kong.
- (g) The securities were issued under a corporate advisory services agreement, the material terms of which are Spark Plus Pte Ltd is to provide 6 months corporate adviser services on a non-exclusive basis from 31 March 2023. The focus is on roadshow services in Singapore and Hong Kong. The fee of US\$5,000 per month for 6 months is payable by the issue of Shares at a deemed issue price of 10 cents per Share and will be the subject of voluntary escrow for 6 months. The Shares have been issued and are the Adviser Shares the subject of this Resolution.

6. RESOLUTION 8 – AMENDMENT TO THE CONSTITUTION

6.1 Background

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by a special resolution of Shareholders.

This Resolution seeks the approval of Shareholders to amend the Company's Constitution by making the amendments set out in Section 6.3 below.

A copy of the amended constitution as marked up is available for review by Shareholders at the office of the Company. A copy of the amended constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

6.2 Proposed amendment

This Resolution proposes to amend the Constitution to account for recent developments in law and general corporate practice for ASX-listed companies to use virtual meeting technology to hold meetings of Shareholders.

The *Corporations Amendment (Meetings and Documents) Act 2022* amends the Corporations Act to allow for meetings of members to be held physically, as a hybrid or, if expressly permitted by the entity's constitution, virtually (provided that members, as a whole, are given a reasonable opportunity to participate in the meeting).

The Company's current Constitution does not permit the Company to hold wholly virtual general meetings. The Company would like to amend its Constitution to ensure that the Company will be able to take advantage of the increased flexibility and accessibility that the virtual meetings provision offer in respect of general meetings.

Virtual meetings are those which are held entirely online utilising audio or audio and visual communication technology.

6.3 Amendments to the Constitution

It is proposed that the Constitution be amended by deleting Rule 6.7 of the Constitution in its entirety and replacing with the following:

"6.7 **Use of technology at General Meetings**

- (a) *To the extent permitted under the Corporations Act, Listing Rules and any other applicable law, a general meeting may be convened using virtual technology only, or at two or more venues, provided that the form of technology used provides all Members entitled to attend the meeting, as a whole, a reasonable opportunity to participate in the meeting without being physically present in the same place.*
- (b) *The provisions of this Constitution relating to general meetings apply, so far as they can and with any necessary changes to ensure compliance with the Corporations Act, Listing Rules and any other applicable law, to general meetings held using that technology.*

Where a general meeting is held using virtual technology only or at two or more venues using any form of technology:

- (i) *a Member participating in the meeting is taken to be present in person at the meeting;*
- (ii) *any documents required or permitted to be tabled at the meeting will be taken to have been tabled at the meeting if the document is given, or made available, to the persons entitled to attend the meeting (whether physically or using technology) before or during the meeting; and*
- (iii) *the meeting is taken to be held at the physical venue set out in the notice of meeting, or at the registered office of the Company if the meeting is held using virtual technology only.*

6.7A **Communication of meeting documents**

To the extent permitted under the Corporations Act, Listing Rules and any other applicable law, any document that is required or permitted to be given to a Member that relates to a Members' Meeting (including, but not limited to, the notice of meeting) may be distributed:

- (a) *by means of electronic communication; or*
- (b) *by giving the Member (by means of an electronic communication or otherwise) sufficient information to allow the person to access the document electronically."*

6.4 Board recommendation

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders eligible to vote.

The Board recommends that Shareholders vote in favour of this Resolution.

PHARMAUST LIMITED
ACN 094 006 023

GLOSSARY

In this Explanatory Statement, the following expressions have the following meanings:

"Adviser Options" means Options issued to Baker Young Limited with an exercise price of 10 cents and an expiry date of 28 February 2026, the full terms of which are set out in Schedule 2.

"Adviser Shares" means Shares issued to Spark Plus Pte Ltd for advisory services.

"AEST" means Australian Eastern Standard Time.

"ASX" means the ASX Limited (ABN 98 008 624 691).

"ASX Listing Rules" or **"Listing Rules"** means the listing rules of the ASX.

"Board" means the Board of Directors of the Company.

"Company" or **"PAA"** means PharmAust Limited (ACN 094 006 023).

"Corporations Act" means Corporations Act 2001 (Cth) of Australia.

"Directors" means the Directors of the Company from time to time.

"equity securities" has the same meaning as in the Listing Rules.

"Explanatory Statement" means this explanatory statement.

"General Meeting" or **"Meeting"** means this Meeting.

"Notice" or **"Notice of Meeting"** means the notice of meeting that accompanies this Explanatory Statement.

"Option" means an option to subscribe for a Share.

"Placement" means the placement announced on 3 May 2023 and the subject of Resolutions 1 to 5.

"Placement Options" means Options with an exercise price of 15 cents and an expiry date of 30 April 2026, the full terms of which are set out in Schedule 1.

"Placement Shares" means the Shares issued and to be issued the subject to the Placement.

"Resolution" means a resolution contained in the Notice.

"Share" means a fully paid ordinary Share in the Company.

"Shareholder" means a registered holder of a Share in the Company.

"Trading Day" has the same meaning as in the Listing Rules.

"WST" or **"Western Standard Time"** means Western Standard Time, Perth, Western Australia.

SCHEDULE 1

TERMS OF PLACEMENT OPTIONS (RESOLUTIONS 1, 3, 4 AND 5)

The terms of the Options are:

1. Each Option entitles the holder to one Share upon exercise of the Option.
2. The exercise price of the Options is 15 cents.
3. The Options are exercisable at any time prior to 5.00 pm WST on 30 April 2026 (Expiry Date).
4. The Options are freely transferable. The Options are not intended to be quoted.
5. 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.
6. 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 in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
7. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency 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. However, the Company will ensure that the Option holder will be notified of a proposed issue after the issue is announced. This will give an Option holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
8. 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.
9. 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 Option holder are to be changed in a manner consistent with the Listing Rules.

SCHEDULE 2

TERMS OF ADVISER OPTIONS (RESOLUTION 6)

The terms of the Options are:

1. Each Option entitles the holder to one Share upon exercise of the Option.
2. The exercise price of the Options is 10 cents.
3. The Options are exercisable at any time prior to 5.00 pm WST on 28 February 2026 (Expiry Date).
4. The Options are freely transferable. The Options are not intended to be quoted.
5. 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.
6. 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 in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
7. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency 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. However, the Company will ensure that the Option holder will be notified of a proposed issue after the issue is announced. This will give an Option holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
8. 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.
9. 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 Option holder are to be changed in a manner consistent with the Listing Rules.