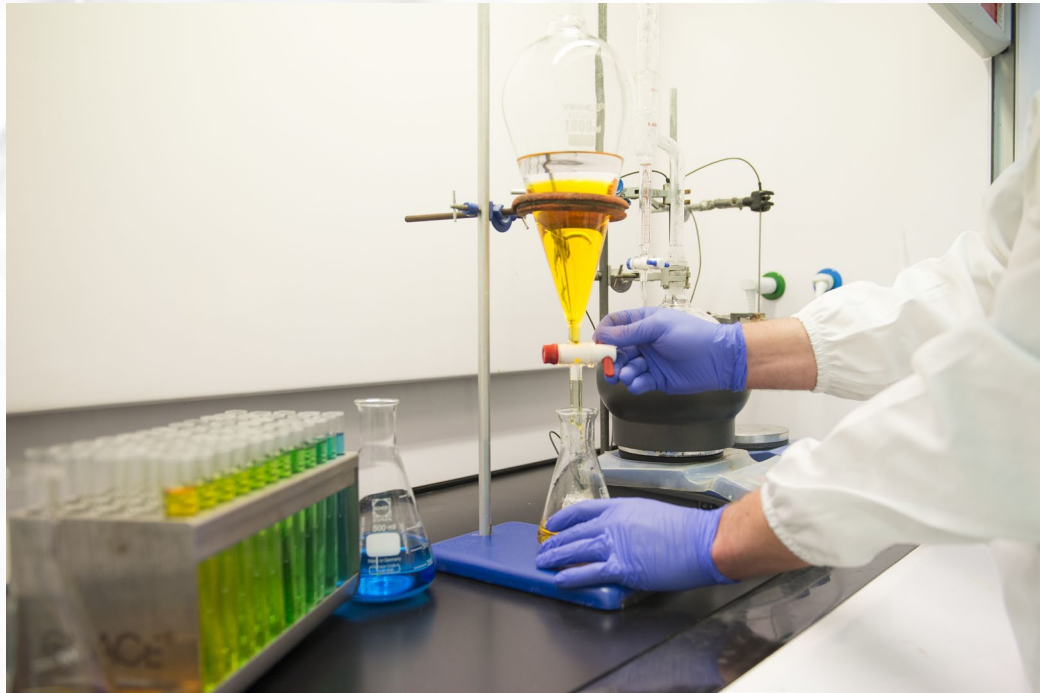
PharmAust LIMITED

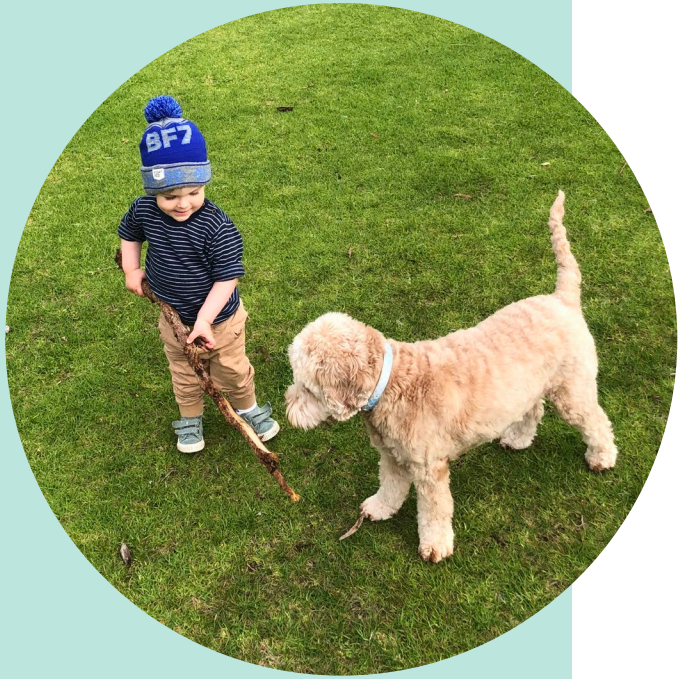
APPENDIX 4C AND QUARTERLY UPDATE

31 JULY 2023

ASX: PAA

ACN 094 006 023





HIGHLIGHTS

- PharmAust has successfully completed dosing of all patients in Cohorts 1, 2 & 3 of the MND trial
- MPL tablets have been well tolerated and all patients have elected to continue on MPL
- Five participants have now surpassed the 9-month-mark on MPL
- Phase 2 trial continues in canines with B-cell lymphoma in Australia, New Zealand and USA
- Two dogs have had a partial response (>30% decrease in cancer tumour) and ten others have enjoyed a stable disease response
- Louie the beagle surpasses one year with stable disease and continued excellent Quality of Life
- Corporate outcome targeted CY23 on the licensing or sale of MPL's vet cancer applications following commercially valuable Phase 2 outcomes
- PharmAust is well progressed with a search for a new Australian-based Chief Executive Officer
- PharmAust raised $2.4 million through an oversubscribed placement to institutional and sophisticated investors. A further $104k was raised from PAA directors subsequent to 30 June and is not included in this Appendix 4C
- 30 June 2023 available funding of approximately $3 million, enabling pursuit of various preclinical and clinical commitments

PHASE I/II MND TRIAL

- PharmAust has successfully completed dosing all patients in Cohorts 1, 2 & 3 of the MND trial
- The Principal Investigator recommended undertaking an interim analysis of preliminary biomarkers and efficacy markers
- So far, there is very encouraging data coming from the interim analysis. Each biomarker evaluated has pointed to a benefit
- MPL well tolerated by all MND patients with no signs of material adverse events all patients have elected to remain on MPL treatment post Day 29
- Five patients have now surpassed the 9-month-mark on MPL without any safety issues
- PharmAust will continue with MPL dose escalation for Cohort 4 to determine the optimum dose
- PharmAust expects to proceed to Phase 2 with favourable efficacy biomarker results under the interim analysis
- Executive Chairman Dr Roger Aston said, “Patients electing to continue using Monepantel after participating in the current trial for Motor Neurone Disease, provides increased comfort on our safety data particularly when viewed against the Riluzole (current standard of care) safety data reporting a 14% rejection rate by patients for ongoing use”.

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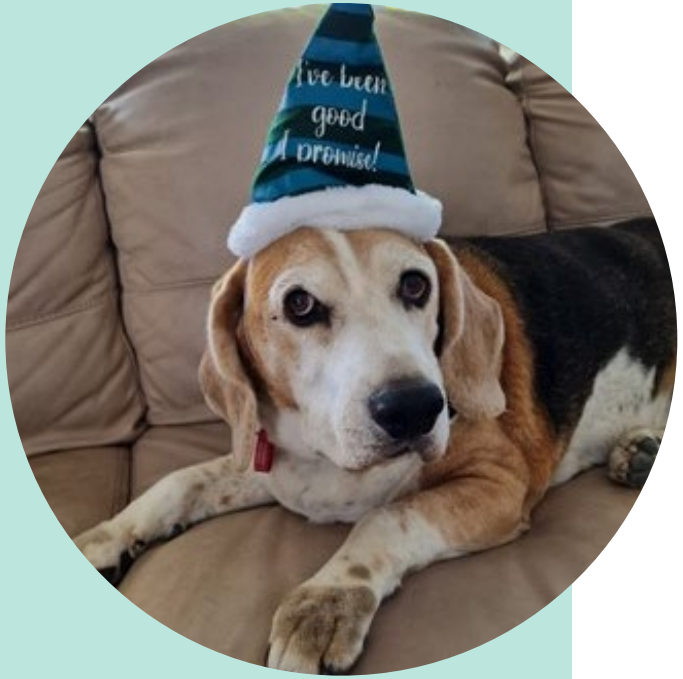
PHASE II CANINE CANCER TRIAL



- Phase 2 trial continues in canines with B-cell lymphoma in Australia, New Zealand and USA
- Two dogs have had a partial response (>30% decrease in cancer tumour) and ten others have enjoyed a stable disease response
- One patient (Louie – pictured) surpasses one year with stable disease and continued excellent Quality of Life (QoL)
- MPL/Prednisone extends survival three-fold, to a median of 150 days, while maintaining QoL
- MPL Phase 2 Trial expected to be completed Q1 FY24
- PharmAust's commercial strategy aimed at bridging the options of standard-of-care with chemotherapy is on target
- Corporate outcome targeted CY23 on the licensing or sale of MPL's vet cancer applications following commercially valuable Phase 2 outcomes

PET DOG PHASE 2 TRIAL: TREATMENT NAÏVE B CELL LYMPHOMA

CURRENT STATUS OF ENTIRE STUDY ENROLLED DOGS (DAY 28 EVALUATION)

REQUIRE 6 OF A FURTHER 7 DOGS WITH SD AT D28 TO MEET BAYESIAN OUTCOMES FOR SUCCESSFUL PHASE 2 TRIAL

Study outcome	Dogs with Monepantel blood results	Dogs without Monepantel blood results	Total # Dogs
Partial Response	2	0	12
Stable Disease	10	0	
Progressive Disease#	19	2+~	21
Completed but waiting for blood results before assignment		4~	4
On study		2	2
			39

NOTE: * Maximum dogs to enrol is 46 (A further 7 dogs can be enrolled)
NOTE: + Dogs without blood results complete assigned to PD (x2) where the results will not change the stated outcome
NOTE: ~ 8 dogs will receive blood results by end Aug 2023. (This will include the 2 dogs currently on study)
NOTE: # Dog (005-001) moved into PD group due to change in accepted MPLS plasma concentration

Dogs not included
6 dogs removed from the study due to lack of compliance with tablet administration instruction
1 dog removed due to being T Cell lymphoma
1 dog removed due to death on Day 4
6 dogs with plasma MPLS < target level (4.5 uM)

RECIST DEFINITIONS
PR = > 30% tumour reduction
SD = <30 % tumour reduction and not >20% tumour increase

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UPDATE ON INTERNATIONAL CEO SEARCH

As PharmAust moves to more advanced trial milestones, the Board of Directors have commenced a search for a new Australian-based Chief Executive Officer.

Executive search firm Williams Hall are well progressed with the search for an external candidate to fill the role, and the Board expects to announce the new CEO in the near future.

The Board is seeking a CEO with strong knowledge in FDA certification and global licensing agreements as PAA advances medium-term milestones. The chosen individual will display proven abilities in regular contact and communication with the investment community.

PHARMAUST RAISES $2.5M VIA PLACEMENT

- PharmAust raises $2.5 million through an oversubscribed placement to institutional and sophisticated investors
- A total of $2.4 million was placed to institutional and sophisticated investors while directors of the Company subscribed for an additional $0.104 million, which was approved by shareholders
- The strategic Placement included a German and a Singaporean fund management institution. Remaining shares from the Placement went to Australian sophisticated investors including existing eligible shareholders
- PharmAust Executive Chairman Dr Roger Aston said “We are delighted with the outcome to the Placement, which has secured interest from new investors who recognise the value in the company. Proceeds will be used to fund the preparation for upcoming human trials, further manufacture of additional MPL tablets for human and canine trials and to strengthen working capital.”

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PR & MARKETING

During the Quarter, representatives from PharmAust attended a number of conferences including Vet Health Global 2023 in Canada, BIO Korea International Convention in Seoul and the Bioshares Biotech Summit 2023 in Hobart.

Epichem was selected as one of three Western Australian companies to attend BIO Korea 2023 and participate in the Australian Biotech Mission. The government sponsorship included registration and participation fees, one-on-one meetings and VIP participation in networking events.

APPENDIX 4C
QUARTERLY CASH FLOW REPORT

PharmAust's cash position at 30 June2023 was $2.7 million with total available funding for future operating activities of $3.0 million. The company is adequately funded to continue its current activities and will continue to demonstrate appropriate fiscal management.

FightMND grant instalment of $0.119 million from the completion of the 12-month GMP Stability Study was received in July as was $0.104 million raised from PAA directors and both amounts are not included in this Appendix 4C.

During the quarter, payments for Research and Development of $0.476 million represented costs involved with the development of the Company's primary drug candidate, Monepantel (MPL).

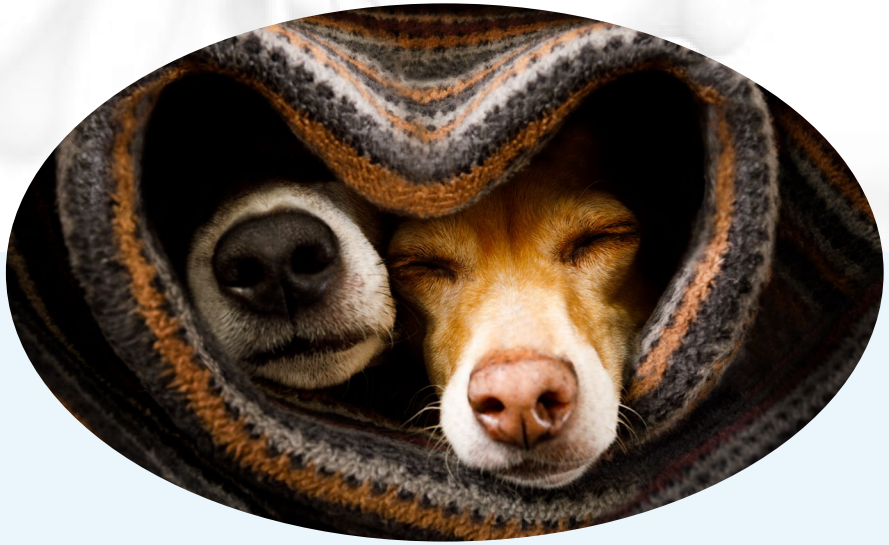
Payments for Product Manufacturing and Operating Costs represent wholly owned subsidiary Epichem Pty Ltd's expenditure allocated to manufacturing and operating.

Payments for Staff Costs represent salaries for laboratory, administration, sales and general management.

Payments for Administration and Corporate Costs represent general costs associated with running the Company, including ASX fees, share registry, legal fees, rent, etc.

The aggregate amount of payments to related parties and their associates included in the current quarter Cash flows from operating activities were $0.148 million comprising Directors' fees, salaries and superannuation.

Cash outflows for the quarter were in line with management expectations. Please refer to the attached Appendix 4C for further details on cash flows for the quarter.



THIS ANNOUNCEMENT IS AUTHORISED BY THE BOARD

ENQUIRIES:
ANUSHA AUBERT, INVESTOR RELATIONS
INVESTORENQUIRIES@PHARMAUST.COM

PharmAust LIMITED

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
PharmAust Limited	
ABN	**Quarter ended ("current quarter")**
35 094 006 023	June 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	703	3,216
1.2	Payments for		
	(a) research and development	(476)	(1,333)
	(b) product manufacturing and operating costs	(138)	(1,044)
	(c) advertising and marketing	(62)	(166)
	(d) leased assets	(69	(136)
	(e) staff costs	(404)	(2,193)
	(f) administration and corporate costs	(250)	(760)
1.3	Dividends received (see note 3)		
1.4	Interest received	7	11
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		681
1.8	Other (GST)	2	91
1.9	**Net cash from / (used in) operating activities**	**(685)**	**(1,633)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(83)	(83)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(83)**	**(83)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,400	2,400
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(79)	(79)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		(223)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**2,231**	**2,008**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,258	2,427
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(685)	(1,633)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(83)	(83)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,231	2,008
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**2,721**	**2,721**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	732	335
5.2	Call deposits	1,989	923
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,721**	**1,258**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	148
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Director's Salaries & Superannuation

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	302	
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	302	

7.5	**Unused financing facilities available at quarter end**	302

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The available loan facility is with Innovation Structured Finance Co., LLC serviced via Radium Capital and is an advance on 80% of the Company's R&D Tax Incentive (RDTI) for the for the period 1 July 2022 – 31 January 2023. The interest rate for the loan facility is 15% per annum. Repayment is timed to coincide with receipt of PharmAust's 2023FY RDTI refund. No funds have been drawndown.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(685)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,721
8.3	Unused finance facilities available at quarter end (item 7.5)	302
8.4	Total available funding (item 8.2 + item 8.3)	3,023
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	4.4

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

31 July 2023

Date: .....

By the board

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.