

Neurotech

7 April 2021

Dear Shareholder,

GENERAL MEETING – NOTICE AND PROXY FORM

Notice is hereby given that a General Meeting ('Meeting') of Shareholders of Neurotech International Limited ('Company') will be held at Suite 41, 145 Stirling Highway, Nedlands WA 6009 at 10:30am (WST) on Friday, 7 May 2021.

Pursuant to ASIC's 'no action' position to facilitate electronic notices of meeting per the ASIC 21-061MR released on 29 March 2021, the Company has taken the decision to not dispatch physical copies of the Notice of Meeting ('Notice'). Instead, a copy of the Notice is available on the ASX Company's Announcement Platform at www2.asx.com.au (ASX:NTI).

If you have elected to receive notices by email, a copy of your personalised proxy form will be emailed to you. If you have not elected to receive notices by email, a copy of your personalised proxy form will be posted to you, together with this letter for your convenience.

The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place at the time of the Meeting. Shareholders who are unable to attend the Meeting will be able to participate by:

- (a) voting prior to the Meeting by lodging your proxy instructions by no later than 48 hours prior to the Meeting (by 10:30am (WST) on Wednesday 5 May 2021) either by:
- voting online at <https://investor.automic.com.au/#/loginsah>, or
 - lodging a proxy form by:
 - **post to:** Automic, GPO Box 5193, Sydney, NSW, 2001; or
 - **in person to:** Automic, Level 5, 126 Phillip Street, Sydney, NSW, 2000; or
 - **by email to:** meetings@automicgroup.com.au
- (b) lodging questions in advance of the Meeting by emailing the questions to Eryn Dale, Company Secretary at erlyn@azc.com.au, by no later than 3 May 2021.

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at www.neurotechinternational.com.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant, or other professional adviser.

If you have any difficulties obtaining a copy of the Notice, or for any other relevant information please contact me on +61 8 9389 3180 or erlyn@azc.com.au.

This announcement is authorised for market release by Winton Willesee, Director.

Yours sincerely,



Eryn Dale
Company Secretary
Neurotech International Limited

Neurotech International Ltd

ABN 73 610 205 402
Suite 5 CPC, 145 Stirling Highway
Nedlands, Western Australia 6009
www.neurotechinternational.com



Neurotech International Limited
ACN 610 205 402

**Notice of General Meeting,
Explanatory Statement and Proxy Form**

General Meeting to be held at

Suite 41, 145 Stirling Highway, Nedlands WA 6009

On Friday, 7 May 2021 at 10:30am (WST)

Shareholders please refer to the Important Information regarding the General Meeting on pages 1 and 2 of this Notice.

Important notice

The Notice of General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

Important Information

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Important dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	10:30 am (WST) on Wednesday, 5 May 2021
Snapshot date for eligibility to vote	5:00pm (WST) on Wednesday, 5 May 2021
General Meeting	10:30am (WST) on Friday, 7 May 2021

Important information about the holding of the General Meeting to address COVID -19 virus health and safety requirements

The Board of Directors have elected to implement certain protocols and practices to ensure the safe conduct of the General Meeting in line with general health advisory recommendation.

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at www.neurotechinternational.com.

Please note the following:

- Neurotech International Limited's General Meeting will be held at Suite 41, 145 Stirling Highway, Nedlands WA 6009, as noted on the front page of this Notice.
- There will be no presentations by the Chairman or the Chief Executive Officer.
- Voting on all Resolutions will be conducted by poll and not by show of hands.

- Shareholders are encouraged to vote by proxy.
- Shareholders are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a vote is to be exercised on each item of business, and the Chair of the Meeting must follow your instruction.
- The Chair of the Meeting will chair the Meeting from his physical location, and this will constitute a venue for the Meeting.
- Shareholders will be able to participate in the Meeting by:
 - voting their Shares prior to the Meeting by lodging the proxy form attached to this Notice by no later than 10:30am (WST) on Wednesday, 5 May 2021; and
 - lodging questions in advance of the Meeting by email to Erlyn Dale, Company Secretary at erlyn@azc.com.au, by no later than on Monday, 3 May 2021. The board of Directors will endeavour to prepare answers to these questions, where necessary they will be moderated and curated to cover common ground.

Notice of General Meeting

Notice is hereby given that a General Meeting of Neurotech International Limited ACN 610 205 402 (**Company** or **Neurotech**) will be held at **Suite 41, 145 Stirling Highway, Nedlands WA 6009** at **10:30am (WST) on Friday, 7 May 2021** for the purpose of transacting the business referred to in this Notice of General Meeting.

The Explanatory Statement that accompanies and forms part of this Notice describes the various matters to be considered.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary as set out in the Explanatory Statement.

AGENDA

Resolution 1: Ratification of issue of Placement Shares to Placement Participants

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

“That under and for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders hereby approve the issue by the Company of up to 36,363,637 Placement Shares, issued at a price of \$0.055 each to the Placement Participants utilising the Company’s placement capacity under Listing Rule 7.1A, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 2: Approval to issue Underwriting Options to Merchant Group Pty Ltd

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

“That under and for the purposes of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue by the Company of 10,000,000 Underwriting Options to Merchant Group Pty Ltd (or its nominees), exercisable at \$0.06 each on or before 31 December 2021, at an issue price of \$0.00001 each, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 3: Approval to issue Fee Options to Merchant Group Pty Ltd

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

“That under and for the purposes of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue by the Company of 10,000,000 Fee Options to Merchant Group Pty Ltd (or its nominees), exercisable at \$0.09 each on or before a date being 2 years from the date of grant, at an issue price of \$0.00001 each, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 4: Ratification of issue of Licensee Shares to Dolce Cann Global Pty Ltd

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

*“That under and for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders hereby approve the issue by the Company of 15,000,000 Shares (**Licensee Shares**), to Dolce Cann Global Pty Ltd (**Dolce**), as part-consideration pursuant to the terms of a deed of variation to the Licence, utilising the Company’s placement capacity under Listing Rule 7.1, in the manner and on the terms and conditions set out in the Explanatory Statement.”*

Resolution 5: Approval to issue Performance Rights to Dolce Cann Global Pty Ltd for the Expanded Licence

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

“That under and for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders hereby approve the issue by the Company of 15,000,000 Performance Rights to Dolce or its nominees, as part-consideration pursuant to the terms of a deed of variation to the Biotechnology Licence Deed, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 6: Approval to issue Shares to CannaPacific Pty Ltd

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

“That under and for the purposes of Listing Rule 7.1 and all other purposes, Shareholders hereby approve the issue of 2,000,000 Shares to CannaPacific Pty Ltd, or its nominee(s), as consideration for provision of cultivation and growing services for cannabis strains under a heads of agreement, in the manner and on the terms and conditions set out in the Explanatory Statement.”

By order of the Board



Ms Eryn Dale
Company Secretary

1 April 2021

Voting Exclusions

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions.

The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following persons or an Associate of those persons.

Resolution	Excluded Parties
Resolution 1	The Placement Participants, being the persons to whom Placement Shares were issued.
Resolution 2	Merchant Group Pty Ltd, any nominee of Merchant Group Pty Ltd who may be granted Securities, and any person who will obtain a material benefit as a result of the proposed issue of Securities to Merchant Group Pty Ltd (except a benefit solely by reason of being a holder of Shares).
Resolution 3	Merchant Group Pty Ltd, any nominee of Merchant Group Pty Ltd who may be granted Securities, and any person who will obtain a material benefit as a result of the proposed issue of Securities to Merchant Group Pty Ltd (except a benefit solely by reason of being a holder of Shares).
Resolution 4	Dolce Cann Global Pty Ltd and its nominees.
Resolution 5	Dolce Cann Global Pty Ltd, or any nominee of Dolce Cann Global Pty Ltd, and any person who will obtain a material benefit as a result of the proposed issue of Performance Rights (except a benefit solely by reason of being a holder of Shares).
Resolution 6	CannaPacific Pty Ltd, or any nominee of CannaPacific Pty Ltd who may be granted Securities, and any person who will obtain a material benefit as a result of the proposed issue of Securities to CannaPacific Pty Ltd (except a benefit solely by reason of being a holder of Shares).

However, this does not apply to a vote cast in favour of the above Resolutions by:

- the person as proxy or attorney for a person who is entitled to vote on a Resolution, in accordance with directions given to the proxy or attorney to vote on a Resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on a Resolution, in accordance with a direction given to the chair to vote on a Resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary providing the following conditions are met:
 - 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 a Resolution; and
 - the holder votes on a Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Proxy Appointment and Voting Instructions

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received at an address below, or by fax or email by **10:30am (WST) on Wednesday, 5 May 2021**. A Proxy Form received after that time will not be valid.

By post: Automic
 GPO Box 5193
 Sydney NSW 2001

By hand: Automic
 Level 5, 126 Phillip Street
 Sydney NSW 2000

By fax: 02 8583 3040 from within Australia

 +61 2 8583 3040 from outside Australia

By email: meetings@automicgroup.com.au

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

The Company encourages Shareholders to appoint the Chairperson as your proxy. To do so, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairperson, please write the name of that person in the space provided on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairperson will be your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, you may photocopy the Proxy Form or an additional Proxy Form may be obtained by telephoning the Company on +61 8 9389 3130.

To appoint a second proxy you must, on each Proxy Form, state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Corporate Shareholders

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:

- two 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.

Corporate representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate boxes. If you do not mark any of the boxes next to a Resolution, your proxy may vote as he or she chooses. If you mark more than one box on the Resolution, your vote will be invalid.

Chairperson voting undirected proxies

If the Chairperson is your proxy, the Chairperson will cast your votes in accordance with your directions on the Proxy Form. If you do not mark any of the boxes on the Resolutions, then you expressly authorise the Chairperson to vote your undirected proxies at his/her discretion.

As at the date of this Notice of Meeting, the Chairperson intends to vote undirected proxies **FOR** each of the Resolutions. In exceptional cases the Chairperson's intentions may subsequently change and in this event, the Company will make an announcement to the market.

Voting entitlement (snapshot date)

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at **5:00pm (WST) on Wednesday, 5 May 2021**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Questions from Shareholders

Questions for the Board of Directors can be emailed to Eryln Dale, Company Secretary at erlyn@azc.com.au and must be received be submitted by no later than **Monday, 3 May 2021**.

The board of Directors will endeavour to prepare answers to these questions, where necessary they will be moderated and curated to cover common ground.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting.

Capitalised terms in this Explanatory Statement are defined in the Glossary or otherwise in the Explanatory Statement.

1. Resolution 1: Ratification of issue of Placement Shares to Placement Participants

1.1 Background

(a) Placement

On 2 March 2021, the Company announced its intention to conduct a placement to various professional and sophisticated investors, as identified by the Company (**Placement Participants**), of a total of 36,363,637 Shares at a price of \$0.055 per Share (**Placement Shares**), to raise up to \$2,000,000 (before costs) (**Placement**).

Placement Shares were issued by the Company on 15 March 2021 using its issuing capacity under Listing Rule 7.1A. Subsequent ratification of this issue by Shareholders is sought under Resolution 1.

(b) Use of funds raised under the Placement and from the expiry of Options

The total funds raised by the Placement of \$2,000,000 will be aggregated with the Company's existing funds and the anticipated funds from the underwritten exercise of its listed Options.

These new funds along with some of the existing funds will be applied;

- a) to allow the company flexibility to increase patient numbers in its upcoming Phase I/II human clinical trial which will focus on paediatric patient who suffer from autism and related disorders;
- b) to support the business model of its Mente device;
- c) to the costs of the offer (\$150,000); and
- d) to the Company's working capital.

1.2 Requirement for Shareholder approval

As described in Section 1.1(a) above, the Company has issued a total of 36,363,637 Placement Shares under the Placement to the Placement Participants using its placement capacity under Listing Rule 7.1A.

None of the Placement Participants are Related Parties of the Company.

Resolution 1 is an ordinary resolution seeking approval by Shareholders of the ratification of the issue of Placement Shares.

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 shares 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%.

Shareholders approved the increase of the Company's placement capacity under Listing Rule 7.1A, thereby increasing its limit by an extra 10%, at its annual general meeting on 30 November 2020.

An 'eligible entity' means an entity which is not included in the S&P/ASX300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

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 7.1A 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 and 7.1A.

To this end, Resolution 1 seeks Shareholder approval for the issue of Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, the issue of Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, 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 issue of Placement Shares will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

1.3 Listing Rule information requirements

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 1:

(a) Basis on which Placement Participants were identified

Placement Shares were issued to Placement Participants, being various investors identified by the Company and who are not Related Parties of the Company.

None of the Placement Participants who were issued more than 363,636 Placement Shares under the Placement (being 1% of the total number of Shares on issue prior to the Placement) were or are:

- Related Parties of the Company;
- a member of key management personnel;
- a substantial holder in the Company;
- an advisor of the Company; or
- an associate of any of the above.

(b) **The number of securities issued**

A total of 36,363,637 Placement Shares were issued to Placement Participants utilising the Company's placement capacity pursuant to Listing Rule 7.1A.

Placement Shares are fully paid ordinary Shares ranking equally with the Company's existing Shares on issue.

(c) **The date on which the securities were issued**

The Placement Shares were issued by the Company on 15 March 2021.

(d) **The price at which the securities were issued**

Placement Shares were issued to Placement Participants at an issue price of \$0.055 per Placement Share.

(e) **The use or intended use of the funds raised**

The Company intends to use the funds from the issue of the Placement Shares for the purposes described in Section 1.1(b).

1.4 Directors' recommendation – Resolution 1

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 as it will refresh the Company's issuing capacity under Listing Rule 7.1A and give the Company the flexibility to raise additional working capital through the offer and issue of equity securities, if and as required.

2. Resolution 2: Approval to issue Underwriting Options to Merchant Group Pty Ltd

2.1 Background

On 25 February 2021, the Company entered into an agreement with Merchant Group Pty Ltd (**Merchant**) by which Merchant Opportunities Fund (**MOF**) agreed to underwrite any shortfall from the exercise of the Company's 26,122,966 listed Options (which expired on 31 March 2021) (**Underwriting Agreement**).

The exercise price of the listed Options is \$0.06 each, accordingly, the Company will raise a total of \$1,567,378 from those Options exercised into fully paid ordinary Shares and those Options underwritten by MOF.

As consideration for underwriting services provided by Merchant and MOF pursuant to the Underwriting Agreement, the Company proposes to issue 10,000,000 Options (**Underwriting Options**) to Merchant (or its nominees) as a fee for the provision of underwriting services.

Refer to Schedule 2 for further information relating to the material terms of the Underwriting Agreement.

2.2 Requirement for Shareholder approval

Resolution 2 is an ordinary resolution seeking approval by Shareholders of the proposed issue Underwriting Options to Merchant.

Merchant is not a Related Party of the Company.

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 shares it had on issue at the start of that period.

The issue of Underwriting Options does not fall within any of these exceptions and whilst the issue of Underwriting Options may not exceed the 15% limit under 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 under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of the Underwriting Options under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 2 is passed the Company will be able to proceed with the issue of Underwriting Options, increasing the total number of Options on issue. In addition, Underwriting Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will only be able to proceed with the issue of the Underwriting Options to the extent that the Company has sufficient placement capacity under Listing Rule 7.1. If the Company does not have sufficient placement capacity to issue the Underwriting Options, the Company may need to satisfy its obligation under the Underwriting Agreement with cash, which would otherwise be directed to the Company's current clinical projects and research.

2.3 Listing Rule information requirements

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided in relation to Resolution 2 for the purposes of obtaining approval under Listing Rule 7.1.

(a) **Persons to whom the securities are to be issued**

Underwriting Options are proposed to be issued to Merchant or its nominees.

(b) **The number of securities to be issued**

The Company proposes to issue up to a total of 10,000,000 Underwriting Options

(c) **The terms of the securities**

Underwriting Options will be issued under the terms outlined in Schedule 1, which includes the exercise price of the Options being \$0.06.

The Price of the Company's Shares at the close of trading on 26 March 2021 was \$0.082 and therefore the Options are currently 'in the money'.

If Underwriting Options are exercised prior to expiry into fully paid ordinary Shares, they will rank equally with Shares on issue at that time.

(d) **Dates of issue of Underwriting Options**

If Resolution 2 is approved, the Underwriting Options are proposed to be issued within 5 Business Days after the Meeting and, in any event, within 3 (three) months after the date of the Meeting (or such later date as permitted by the Listing Rules).

(e) **Summary of material terms to the Underwriting Agreement**

Refer to Schedule 2 for a summary of the material terms to the Underwriting Agreement.

(f) **The price at which the securities will be issued**

Underwriting Options will be issued at an issue price of \$0.00001 each.

(g) **The use or intended use of the funds raised**

The Company will raise a nominal amount of \$100 from the issue of Underwriting Options, accordingly, it intends to allocate those funds to working capital purposes.

2.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2 as it will enable the Company to issue Underwriting Options to Merchant pursuant to the Underwriting Agreement and give the Company the flexibility to raise additional working capital through the offer and issue of equity securities, if and as required.

3. Resolution 3: Approval to issue Fee Options to Merchant

3.1 Background

On 25 February 2021, the Company entered into a letter agreement with Merchant by which it would provide lead management and capital raising services to the Company in respect of the Placement (**Mandate**).

In summary, the material terms of the Mandate require that the Company:

- (a) pay a management and placement fee of 6% of the total amount raised under the Placement to be satisfied by the payment of cash or shares or a combination of both; and
- (b) subject to Shareholder approval of this Resolution; issue 10,000,000 Options (**Fee Options**) to Merchant.

The Mandate contains further terms and conditions which are considered standard for an agreement of this nature.

Terms attaching to the Fee Options are set out in Schedule 1 to this Notice.

3.2 Requirement for Shareholder approval

Resolution 3 seeks Shareholder approval to issue a total of 10,000,000 Fee Options, exercisable at \$0.09 each, expiring on a date being two years following the date the Fee Options are granted.

Resolution 3 is an ordinary resolution seeking approval by Shareholders of the proposed issue of Fee Options to Merchant or its nominee(s).

None of the of the persons to whom Fee Options may be issued will be a Related Party to the Company.

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 shares it had on issue at the start of that period.

The issue of Fee Options does not fall within any of these exceptions and whilst the issue of Fee Options may not exceed the 15% limit under 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 under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of the Fee Options under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 3 is passed the Company will be able to proceed with the issue of Fee Options, increasing the total number of Options on issue. In addition, Fee Options will be excluded from

the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will only be able to proceed with the issue of the Fee Options to the extent that the Company has sufficient placement capacity under Listing Rule 7.1. If the Company does not have sufficient placement capacity to issue the Fee Options, the Company may need to satisfy its obligation under the Mandate with cash, which would otherwise be directed to the Company's current clinical projects and research.

3.3 Listing rule information requirements

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided in relation to Resolution 3:

(a) **Persons to whom the securities are to be issued**

Fee Options are to be issued to Merchant and/or its nominee(s), all of whom are not Related Parties of the Company.

(b) **The number of securities to be issued**

The Company proposes to issue up to a total of 10,000,000 Fee Options.

(c) **The terms of the securities**

Fee Options are exercisable at \$0.09 each and expiring on a date being 2 years from the proposed date of grant. Fee Options will be issued on the terms and conditions set out in Schedule 1.

If exercised prior to expiry, Fee Options will become fully paid ordinary shares that rank equally with all existing Shares then on issue.

(d) **Dates of issue of Securities**

If Resolution 3 is approved, the Securities are proposed to be issued within 5 Business Days after the Meeting and, in any event, within 3 (three) months after the date of the Meeting (or such later date as permitted by the Listing Rules).

It is intended that the issue of all Fee Options will occur on one date.

(e) **Summary of material terms of the Mandate**

Refer to Section 3.1 for a summary of the material terms of the Mandate.

(f) **The price at which the securities will be issued**

Fee Options will be issued at an issue price of \$0.00001 each.

(g) **The use or intended use of the funds raised**

The Company will raise a nominal amount of \$100 from the issue of Fee Options, accordingly, it intends to allocate those funds to working capital purposes.

3.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3 as it will enable the Company to issue Fee Options to Merchant for its services rendered in respect of the Placement to the Company and give the Company the flexibility to raise additional working capital through the offer and issue of equity securities, if and as required.

4. Resolution 4: Ratification of issue of Licensee Shares to Dolce Cann Global Pty Ltd

4.1 Background

Following the Company's entry into an agreement under which it has been granted an exclusive worldwide licence to utilise proprietary cannabis strains from Dolce Cann Global Pty Ltd (**Dolce**) and its associates (together, the **Vendors**) for medicinal use in treating neurological disorders including autism, epilepsy, and ADHD (**Licence**), the Company commenced clinical in-vitro cell studies to assess the neuro-protective, anti-inflammatory and neuro-modulatory activities of key cannabis strains.

For further information on the Company's clinical in-vitro cell studies, refer to the Company's announcement to ASX released on 12 December 2020 entitled "Successful Completion of In Vitro Studies" by searching ASX's announcements platform under the Company's code "NTI".

Following on from its clinical in-vitro studies, the Company executed a deed of variation (**Deed of Variation**) on 1 March 2021, to vary the terms of the original Licence to expand the Licence's permissions to include research of medicinal benefits of proprietary cannabis strains in the treatment of neurological disorders including Alzheimer's disease, Huntington's disease, Multiple Sclerosis, Transverse Myelitis, Inflammatory Brain disease, Fibromyalgia, Chronic Fatigue Syndrome, Migraine and other disorders, diseases or affliction affecting human brain function (**Expanded Licence**).

Pursuant to the terms of the Deed of Variation, as consideration for the Expanded Licence, the Company has issued 15,000,000 Shares (**Licensee Shares**) (for which ratification is sought under Resolution 4) and is obliged to issue a further 15,000,000 Shares (subject to Shareholder approval) to Dolce or its nominees within 45 business days after the Company successfully completes a small-scale clinical trial based on a neurological disorder (excluding Autism, Epilepsy or ADHD) by 1 March 2023 (**Milestone**).

The parties now propose to amend the Deed of Variation to replace the obligation to issue the second tranche of 15,000,000 Shares upon satisfaction of the Milestone with an obligation to issue 15,000,000 Performance Rights (subject to approval of Resolution 5) to Dolce or its nominees.

4.2 Requirement for Shareholder approval

The Company issued 15,000,000 Licensee Shares under the terms of the Deed of Variation to Dolce using its placement capacity under Listing Rule 7.1.

Dolce is not a related party to the Company.

Resolution 4 is an ordinary resolution seeking approval by Shareholders of the ratification of the issue of Licensee Shares.

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 shares it had on issue at the start of that period.

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 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 Rule 7.1.

To this end, Resolution 4 seeks Shareholder approval for the issue of Licensee Shares under and for the purposes of Listing Rule 7.4.

If Resolution 4 is passed, the issue of Licensee Shares 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 4 is not passed, the issue of Licensee Shares 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.

4.3 Listing Rule information requirements

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 4:

(a) **Names of the persons to whom shares were issued**

Licensee Shares were issued to Dolce's nominees (namely Martha Jane Medical Limited, Max Cap Investments Pty Ltd, Greywood Holdings Pty Ltd, Gregory Robert Hackshaw, Dutch Ink (2010) Pty Ltd and Mill Point Consulting Pty Ltd).

(b) **The number of securities issued**

A total of 15,000,000 Licensee Shares were issued to Dolce's nominees utilising the Company's placement capacity pursuant to Listing Rule 7.1.

Licensee Shares are fully paid ordinary Shares ranking equally with the Company's existing Shares on issue.

(c) **The date on which the securities were issued**

The Licensee Shares were issued by the Company on 15 March 2021.

(d) **The price at which the securities were issued**

Licensee Shares were issued as part-consideration for the Expanded Licence and accordingly were issued at a nil issue price.

(e) **The use or intended use of the funds raised**

The Company will not raise any funds from the issue of Licensee Shares to Dolce

(f) **Summary of material terms of the Deed of Variation**

Refer to Section 4.1 and the Glossary for a summary of the material terms of the Deed of Variation.

4.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4 as it will refresh the Company's issuing capacity under Listing Rule 7.1 and give the Company the flexibility to raise additional working capital through the offer and issue of equity securities, if and as required.

5. Resolution 5: Approval to issue Performance Rights to Dolce (or its nominee) for the Expanded Licence

5.1 Background

As described in Section 4.1, as part-consideration for the Expanded Licence pursuant to the terms of the Deed of Variation, the Company proposes to issue 15,000,000 Performance Rights to Dolce.

Performance Rights will vest into the same amount of fully paid ordinary Shares upon the successful completion by or on behalf of the Company of a small-scale clinical trial based on a “Neuro Disorder” (excluding autism, epilepsy or ADHD) by 1 March 2023.

For the purposes of the terms of the Performance Rights, a Neuro Disorder means Alzheimer’s disease, Huntington’s disease, multiple sclerosis, transverse myelitis, inflammatory brain disease, fibromyalgia, chronic fatigue, migraine and any other disorder, disease or affliction affecting the human brain function, but does not include autism, epilepsy or ADHD.

5.2 Requirement for Shareholder approval

Resolution 5 seeks Shareholder approval to issue a total of 15,000,000 Performance Rights to Dolce in accordance with the terms of the Deed of Variation as part-consideration for the Expanded Licence.

Resolution 5 is an ordinary resolution seeking approval by Shareholders of the proposed issue of Performance Rights to Dolce or its nominee(s).

Neither Dolce or its nominees are Related Parties to the Company.

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 shares it had on issue at the start of that period.

The issue of Performance Rights does not fall within any of these exceptions and whilst the issue of Performance Rights may not exceed the 15% limit under 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 under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of the Performance Rights under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

Additionally, as is its usual practice, ASX has imposed a requirement under Listing Rule 6.1 and Guidance Note 19 *Performance Securities*, that the Company obtain Shareholder approval to the issue of the Performance Rights.

If Resolution 5 is passed the Company will be able to proceed with the issue of Performance Rights, increasing the total number of Performance Rights on issue. In addition, Performance Rights will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will only be able to proceed with the issue of the Performance Rights to the extent that the Company has sufficient placement capacity under Listing Rule 7.1. If the Company does not have sufficient placement capacity to issue the Performance Rights, the Company’s cash reserves may be utilised for payment of the Expanded Licence instead of being applied to its current research and clinical testing.

5.3 Listing Rule information requirements

In accordance with the disclosure requirements of Listing Rule 7.3 and Guidance Note 19, the following information is provided in relation to Resolution 5.

(a) **Names of parties to whom the Performance Rights are to be issued and the number of Performance Rights to be issued.**

Performance Rights are proposed to be issued to Dolce (or its nominees) as part-consideration under the Deed of Variation for the Expanded Licence.

(b) **Number and class of equity securities to be issued by the Company**

The Company proposes to issue 15,000,000 Performance Rights to Dolce or its nominees.

Performance Rights are being issued as the Company is conducting research into the potential medicinal benefits of cannabis strains over which it has acquired the Licence. Upon the successful completion of a small-scale clinical trial, Performance Rights will vest and the Company, subject to Shareholder approval of this Resolution, will issue the equivalent Shares to Dolce or its nominees.

Dolce and the other Vendors are the owners of the proprietary cannabis strains to which the Company has acquired a Licence to exploit for its research purposes as described above in Section 4.1.

If the vesting condition is satisfied and the Performance Rights vest and convert into 15,000,000 Shares, the dilutionary effect to Shareholders will be 2.34% assuming no further Shares are issued. Accordingly, the Company considers the impact to its capital structure to be minimal.

(c) **Terms of Performance Rights**

Refer to Schedule 3 for the terms and conditions attaching to the Performance Rights.

Performance Rights will not vest into fully paid ordinary Shares in the Company unless and until the vesting condition attached to the Performance Rights are satisfied.

The Company confirms that the terms of the Performance Rights are consistent with the base requirements for performance securities as set out in section 9 of Guidance Note 19.

Based on the last sale price of the Company's Shares as at 19 March 2021 (being \$0.06), the issue of 15,000,000 Shares upon the vesting of Performance Rights equates to a value of \$900,000.

The Company considers the proposed issue of 15,000,000 Performance Rights and the equivalent value by the subsequent issue of Shares, upon satisfaction of the vesting condition, as appropriate and equitable given the terms of the Expanded Licence and the potential benefit to the Company and its business if clinical trials of the medicinal benefits of cannabis strains are promising.

(d) **The date Performance Rights will be issued**

Subject to the Company obtaining Shareholder approval, it is anticipated that Performance Rights will be issued to Dolce or its nominees shortly following the Meeting, or in any event within 3 months following the date of the Meeting.

(e) **Price of the issue of Performance Rights**

Performance Rights will be issued for a nil cash issue price.

(f) **Purpose of the issue and use of funds raised**

Performance Rights are being issued as part-consideration for the Expanded Licence under the Deed of Variation, accordingly, no funds will be raised from the issue of Performance Rights.

(g) **Summary of material terms to the Deed of Variation**

Refer to Section 4.1 for a summary of the material terms to the Deed of Variation.

For further information of the terms of the Licence varied by the Deed of Variation, refer to the Company's Notice of General Meeting released to ASX on 28 July 2020 and available for download on ASX's website www.asx.com.au by searching announcements under the Company's code "NTI".

5.4 Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of the issue of Performance Rights to Dolce as it will enable the Company to satisfy its obligations under the Deed of Variation to pay the consideration for the Expanded Licence.

6. Resolution 6: Approval to issue Shares to CannaPacific Pty Ltd

6.1 Background

The Company and Dolce have entered into an agreement with CannaPacific Pty Ltd (**CannaPacific**) whereby CannaPacific will cultivate and grow certain cannabis strains in CannaPacific's Office of Drug Control's licensed facility in New South Wales (**HOA**).

Refer to the Company's announcement to ASX released on 9 March 2021 entitled "Strategic Cultivation Partnership with CannaPacific" by searching ASX's announcements platform under the Company's code "NTI".

Under the HOA, the parties agree to work together to cultivate and grow identified cannabis strains as well as investigate the potential to develop both nutraceutical and pharmaceutical cannabis products.

As consideration for providing cultivation and growing services under the HOA, the Company proposes to issue 2,000,000 Shares to CannaPacific Pty Ltd, subject to obtaining Shareholder approval for this Resolution 6.

Refer to Section 6.2 below for a summary of the material terms of the HOA.

6.2 Summary of material terms to the HOA

Pursuant to the terms of the HOA, the Company and Dolce will permit CannaPacific to cultivate and grow certain cannabis strains with the intention to work together to investigate the potential to develop both nutraceutical and pharmaceutical cannabis products (**Transaction**).

The following is a summary of the material terms of the HOA and Transaction:

- (a) **(issue of Shares): The Company is to issue to CannaPacific:**
 - (i) 1,000,000 Shares upon CannaPacific's receipt from the Office of Drug Control of a permit to produce the Company's cannabis strains for clinical trials; and
 - (ii) A further 1,000,000 Shares upon delivery to the Company and Dolce of the first harvest of dried flower, within 5 business days of the delivery, or by 1 August 2021 or whichever occurs first.
- (b) **(Cultivation and growing):** The parties agree that CannaPacific will maintain genetic stock, cultivate and produce up to 10 strains on behalf of the Company at CannaPacific's licenced facility. Cultivation of strains will be limited to those areas as approved by the parties.
- (c) **(Storage and waste):** The parties agree that CannaPacific will harvest, dry and store cultivated flower in the vault for a maximum of 4 weeks and dispose of any waste at an agreed price.
- (d) **(Management fee):** The Company will pay CannaPacific a grower management fee of \$2,000 per week (excluding GST) plus any third-party costs.

- (e) **(Permits):** The Parties agree that any permit variation and/or new permit application will incur an administration fee of \$2,000 plus the cost of variation as set down by the Office of Drug Control.
- (f) **(Future agreements):** The parties agree to negotiate a longer-term strategic agreement prior to 30 June 2021.
- (g) **(Conditions precedent):** Implementation of the Transaction will be subject to the following conditions precedent:
 - (i) completion by NTI and Dolce to their satisfaction (in their sole discretion) of all necessary due diligence investigations in respect of CannaPacific within 30 days of the date of the HOA;
 - (ii) completion by CannaPacific to their satisfaction (in their sole discretion) of all necessary due diligence investigations in respect of NTI and Dolce within 30 days of the date of the HOA;
 - (iii) execution by the parties of formal agreements as may be necessary; and
 - (iv) receipt of all necessary government, regulatory, shareholder and third-party approvals, in respect of the Transaction.
- (h) The HOA contains warranties, assurances and further provisions which are considered standard for an agreement of this kind.

6.3 Requirement for Shareholder approval

Resolution 6 is an ordinary resolution seeking approval by Shareholders of the proposed issue of Shares to CannaPacific.

CannaPacific is not a Related Party of the Company.

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 shares it had on issue at the start of that period.

The issue of Shares to CannaPacific does not fall within any of these exceptions and whilst the issue of Shares to CannaPacific may not exceed the 15% limit under 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 under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of Shares to CannaPacific under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 6 is passed the Company will be able to proceed with the issue of Shares, increasing the total number of Shares on issue. In addition, Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will only be able to proceed with the issue of the Shares to CannaPacific to the extent that the Company has sufficient placement capacity under Listing Rule 7.1. If the Company does not have sufficient placement capacity to issue the Shares to CannaPacific, the Company would be required to use its cash reserves that would otherwise be better directed to the Company's current projects and research.

6.4 Listing Rule information requirements

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided in relation to Resolution 6 for the purposes of obtaining approval under Listing Rule 7.1.

(a) **Persons to whom the securities are to be issued**

Shares are proposed to be issued to CannaPacific or its nominees.

(b) **The number of securities to be issued**

The Company proposes to issue up to a total of 2,000,000 Shares.

(c) **The terms of the securities**

Shares proposed to be issued to CannaPacific will be fully paid ordinary shares in the Company which will rank equally with Shares on issue.

(d) **Dates of issue of Shares**

If Resolution 6 is approved, Shares are proposed to be issued shortly following the Meeting, otherwise within 3 months after the date of the Meeting (or such later date as permitted by the Listing Rules).

(e) **The price at which the securities will be issued**

Shares to CannaPacific will be issued for no cash consideration.

(f) **The use or intended use of the funds raised**

The purpose of the issue of Shares is to satisfy the Company's obligations under the HOA, accordingly, no funds will be raised by the issue of Shares.

(g) **Summary of material terms to the HOA**

Refer to Section 6.2 for a summary of the material terms to the HOA.

6.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6 as it will enable the Company to issue Shares to CannaPacific pursuant to the HOA and give the Company the flexibility to raise additional working capital through the offer and issue of equity securities, if and as required.

Glossary of terms

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Associate	Has the meaning given to that term in the Listing Rules.
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange operated by ASX Limited, as the context requires.
Board	The Board of Directors of the Company.
Business Day	Has the meaning given to that term in the Listing Rules.
CannaPacific	CannaPacific Pty Ltd (ACN 621 268 586).
Chairperson	The chair of the General Meeting.
Company	Neurotech International Limited (ACN 610 205 402).
Constitution	The constitution of the Company.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Deed of Variation	A deed of variation between the Company and Dolce, executed on 1 March 2021 to vary the terms of the Licence and a further deed of variation between the Company and Dolce (to agree that Tranche 2 of the consideration is to be issued by way of Performance Rights rather than Shares) which is anticipated to be executed in or around April 2021.
Director	A director of the Company.
Dolce	Dolce Cann Global Pty Ltd (ACN 633 882 121).
Expanded Licence	Has the meaning given to that term in Section 4.1
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
Fee Option	Options proposed to be issued to Merchant in satisfaction of a fee for managing the Placement.
General Meeting or Meeting	The general meeting of Shareholders or any adjournment thereof, convened by the Notice.
HOA	The heads of agreement between the Company and CannaPacific.
Licence	Has the meaning given to that term in 4.1.
Licensee Shares	Shares proposed to be issued to Dolce or its nominees as part-consideration for the Expanded Licence.
Listing Rules	The listing rules of ASX, as amended from time to time.
Mandate	The lead manager mandate between the Company and Merchant to manage the Placement.
Merchant	Merchant Group Pty Ltd (ACN 154 832 327)
MOF	Merchant Opportunities Fund (ARSN 111 456 387).
Notice or Notice of General Meeting	The notice of general meeting which accompanies this Explanatory Statement.
Option	An option to acquire a Share.
Option Holder	The holder of an Option.
Performance Rights	The rights to be issued Shares on terms set out in Schedule 3, to be issued to Dolce as part-consideration for the Expanded License.

Placement	The placement of 36,363,637 Shares to Placement Participants identified by the Directors.
Placement Participant	A person to whom Placement Shares have been issued or are to be issued under the Placement Offer.
Placement Share	A Share issued under the Placement.
Proxy Form	The proxy form accompanying the Notice.
Related Party	Has the meaning given to that term in the Listing Rules.
Resolution	A resolution set out in the Notice.
Section	A section of the Explanatory Statement.
Securities	The securities of the Company within the meaning of section 761A of the Corporations Act and includes a Share and an Option.
Share	A fully paid ordinary share in the Company.
Shareholder	The holder of a Share in the Company.
Underwriting Agreement	An agreement between the Company and Merchant for MOF to underwrite the shortfall to the Company's listed Options which expired on 31 March 2021
Underwriting Option	An Options proposed to be issued to Merchant or its nominees as a fee for underwriting the exercise of Options.
Vendors	The vendors of the Licence to the Company, being Dolce, Dolce Cann Pty Ltd (ACN 633 882 014) and Patrick Steve Calabria.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule 1 - Terms of Options

The terms and conditions of the Underwriting Options and Fee Options are as follows:

1. **Entitlement**

Each Option entitles the holder (**Option Holder**) to subscribe for 1 (one) Share.

2. **Exercise price**

The exercise price of each Option (**Exercise Price**) is as follows:

- (a) Underwriting Options are exercisable at \$0.06 each; and
- (b) Fee Options are exercisable at \$0.09 each.

3. **Expiry date**

Each Option not exercised by 5.00pm (WST) on:

- (a) in respect of Underwriting Options, 31 December 2021; and
 - (b) in respect of Fee Options, the date being 2 years following the date of issue,
- (**Expiry Date**) will automatically lapse and terminate.

4. **Certificate or holding statement**

The Company must give the Option Holder a certificate or holding statement stating:

- (a) the number of Options granted to the Option Holder;
- (b) the Exercise Price of the Options; and
- (c) the date of grant of the Options.

5. **Restrictions on dealing and transfer**

The Options may be transferred subject to any restrictions on transfer under the Corporations Act or the Listing Rules.

6. **Quotation of Options**

The Company will not apply for quotation of any Options on ASX or any other stock exchange.

7. **New issues**

An Option Holder is not entitled to participate in any new issue to the holders of securities in the Company unless they have exercised their Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

8. **Bonus issues**

If the Company makes a bonus issue of Shares or other securities to holders of Shares (**Shareholders**) (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Option before the record date for determining entitlements to the issue.

9. **Pro rata issues**

If the Company makes a pro rata issue of Shares (except a bonus issue) to Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, the Exercise Price of each Option will be reduced in accordance with Listing Rule 6.22.2.

10. **Reorganisation**

- (a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (b) Any calculations or adjustments which are required to be made will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (c) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Option.

11. **Exercise of Options**

- (a) To exercise Options, the Option Holder must give the Company or its securities registry, at the same time (**Exercise Date**):
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Options being exercised and Shares to be issued;
 - (ii) payment of the Exercise Price for the Options the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) the Certificate, or documentary evidence satisfactory to the Board that the Certificate was lost or destroyed.
- (b) The Option Holder may only exercise Options in multiples of 1,000 Options unless the Option Holder is exercising all of the Options held by the Option Holder or holds less than 1,000 Options.
- (c) A notice of exercise in relation to any Options only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice, in cleared funds.
- (d) Options will be deemed to have been exercised on the date the exercise notice is lodged with the Board.

12. **Re-issue of certificate or holding statement**

If the Option Holder exercises less than the total number of Options registered in the Option Holder's name:

- (a) the Option Holder must surrender their Option certificate (if any); and
- (b) the Company must cancel the Option certificate (if any) and issue the Option Holder a new Option certificate or holding statement stating the remaining number of Options held by the Option Holder.

13. **Issue of Shares on exercise of Options**

- (a) Within 15 Business Days after the Exercise Date, the Company will:
- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (b) Subject to the Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.

14. **Governing law**

These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Schedule 2 – Terms of Underwriting Agreement

1. Fees

In accordance with the provisions of the Underwriting Agreement, the Company must pay and or issue Merchant the following:

- (a) an underwriting fee of 6% of the underwritten amount, being \$92,042.68 to be satisfied in cash or shares; and
- (b) subject to the Company obtaining Shareholder approval of Resolution 2, 10,000,000 Underwriting Options, exercisable at \$0.06 each on or before 31 December 2021.

2. Termination events

Merchant may, until the date Shares from exercised Options are allotted, terminate the Underwriting Agreement by notice to the Company without cost or liability to Merchant if it becomes aware of the happening of any of the following events:

- (a) **(Indices fall)** the S&P ASX 200 Index is at any time after the date of this agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this agreement and remains there for 3 consecutive trading days;
- (b) **(suspension of banking services)** a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or securities settlement or clearance services in any of those countries;
- (c) **(market conditions)** any material adverse change or disruption to the existing financial markets, political or economic conditions of any of Australia, New Zealand, United Kingdom, Canada and United States of America, or to the international financial markets, or any change in national or international political, financial or economic conditions, the effect of which, in any such case, is to make it, in the reasonable opinion of the Underwriter, impracticable to market the Shortfall Shares or to enforce contracts to issue and allot the Shortfall Shares;
- (d) **(change of law)** there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a Government Agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that a law or regulation will or may be introduced or policy adopted (as the case may be) which does or is likely to prohibit or regulate the Business Activity of the Issuer or the Issuer, the Issue, capital issues generally in Australia, or stock markets generally in Australia;
- (e) **(regulatory requirements)** the Issuer or an entity in the Issuer contravenes its constitution, the Corporations Act or any other applicable law or regulation, or the Listing Rules or the Market Rules, and the contravention, if remediable, is not promptly and completely remedied to the reasonable satisfaction of the Underwriter;
- (f) **(ASIC actions)** any of the following actions is taken:
 - (i) **(investigation)** an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Issue or ASIC commences or directs any investigation or hearing under Part 3 Division 1 of the ASIC Act in relation to the Issue; or
 - (ii) **(examination)** ASIC commences an examination of any person or requires any person to produce documents in connection with the Issue under sections 19 or 30, 31, 32A or 33 of the ASIC Act;
- (g) **(offence by director)** a director of the Issuer is charged with an indictable offence;

- (h) **(disqualification of director)** a director of the Issuer is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act;
- (i) **(breach of this agreement)** the Issuer fails to perform or observe any of its material obligations under this agreement and that failure is not remedied to the satisfaction of the Underwriter;
- (j) **(Issuer breach of warranty)** a representation or warranty made or given or deemed to have been made or given by the Issuer under this agreement proving to have been untrue or incorrect in any material respect and the matters rendering the representation or warranty untrue in such respect are not remedied to the satisfaction of the Underwriter;
- (k) **(undisclosed Security Interest over Issuer's assets)** the Issuer grants a Security Interest in, or agrees to grant a Security Interest in, the whole or a substantial part, of its business or property;
- (l) **(Issuer insolvency)** an Insolvency Event occurs with respect to the Issuer;
- (m) **(unauthorised alterations)** the Issuer issues shares or reduces, buys back, consolidates or otherwise alters its share capital or its Constitution in any respect without the prior written consent of the Underwriter;
- (n) **(Timetable not met)** any date in the Timetable is not met for more than five (5) Business Days otherwise than as the direct result of actions taken by the Underwriter (unless those actions were requested by the Issuer) or the actions of the Issuer (where those actions were taken with the prior consent of the Underwriter);
- (o) **(forward looking statements)** any statement made by the Issuer prior to the Allotment Date which relates to future matters is or becomes, in the reasonable opinion of the Underwriter, incapable of being met;
- (p) **(legal proceedings)** material legal proceedings are commenced by a person other than the Underwriter against an entity in the Issuer or any director of the Issuer in their capacity as a director of the Issuer;
- (q) **(judgment and execution)** a judgment for more than \$250,000.00 is obtained against the Issuer or an entity in the Issuer, or any process, such as distress, attachment or execution, for an amount over \$250,000.00 is issued against, levied or enforced upon any assets of the Issuer or an entity in the Issuer and is not paid, set aside or satisfied within ten (10) Business Days;
- (r) **(regulatory action)** any Governmental Agency commences any public action against the Issuer or any of its directors or announces that it intends to take any such action;
- (s) **(Shortfall Notice and Compliance Certificate)** the Shortfall Notice or Compliance Certificate is not furnished by the Issuer or a statement in the Shortfall Notice or Compliance Certificate is untrue or incorrect in a material respect;
- (t) **(misleading statements generally)** any information supplied by or on behalf of the Issuer to the Underwriter in relation to the Issuer or the Issue is materially misleading or deceptive or there is a material omission from it;
- (u) **(corrective action)** corrective action is in the reasonable opinion of the Underwriter required to be taken under the Corporations Act, and the Issuer fails to take that action to the reasonable satisfaction of the Underwriter;
- (v) **(unauthorised statement)** the Issuer issues a public statement concerning the Issue, which has not been approved by the Underwriter, such approval not to be unreasonably withheld, unless permitted by this agreement;

- (w) **(prescribed occurrence)** an event specified in subsection 652C(1) or subsection 652C(2) of the Corporations Act occurs, as if the references to “target” were references to the Issuer, other than as envisaged by this agreement;
- (x) **(finance default)** an event of default or a potential event of default occurs in any banking accommodation or financing facility of the Issuer;
- (y) (material adverse change) there is a material adverse change in assets, liabilities, financial position or performance, profits, losses or prospects of the Issuer, from those respectively disclosed to ASX, or a change in the nature of the business of the Issuer from that disclosed to ASX, including but not limited to:
 - (i) **(prospects)** any change in the earnings, future prospects or forecasts of the Issuer or an entity in the Issuer;
 - (ii) **(nature of business)** any change in the nature of the business conducted by the Issuer or an entity in the Issuer;
 - (iii) **(asset disposal)** any disposal by the Issuer or agreement by the Issuer to dispose of the whole, or a substantial part, of its business or property;
 - (iv) **(insolvency)** the insolvency or voluntary winding up of the Issuer or an entity in the Issuer or the appointment of any receiver, receiver and manager, liquidator or other external administrator; and
 - (v) **(financial position)** any significant change in the assets, liabilities, financial position or performance, profits and losses of the Issuer from those respectively disclosed in the Issuer’s most recently published financial or other information;
- (z) **(adverse publicity)** any adverse or negative publicity or findings of any kind against either the Issuer or any of its directors or officers; or
- (aa) **(hostilities)** the outbreak of hostilities not at present existing or a major escalation in existing hostilities (in any such case whether war has been declared or not) or the occurrence of political or civil unrest involving any of Australia, New Zealand, the Islamic Republic of Iran, the Democratic People’s Republic of Korea, the Republic of South Africa, Saudi Arabia, United Kingdom, Canada and United States of America or an act of terrorism is perpetrated on Australia, New Zealand, United Kingdom, Canada or the United States or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world.

Schedule 3 – Terms of Performance Rights

1. Grant

- (a) The Company will offer performance rights (**Performance Rights**) on and subject to these terms and conditions.
- (b) The grant of the Performance Rights is subject to the approval of Shareholders at a general meeting.

2. Vesting and Entitlement to Shares

- (a) The Performance Rights automatically vest and convert into shares upon satisfaction of the following condition (**Vesting Condition**):
 - (i) successful completion by or on behalf the Company of a small-scale clinical trial based on a Neuro Disorder (excluding autism, epilepsy or ADHD) by 1 March 2023 (**Vesting Deadline Date**).
- (b) For the purposes of these terms, **Neuro Disorder** means Alzheimer's disease, Huntington's disease, multiple sclerosis, transverse myelitis, inflammatory brain disease, fibromyalgia, chronic fatigue, migraine and any other disorder, disease or affliction affecting the human brain function, but does not include autism, epilepsy or ADHD.
- (c) Performance Rights may vest in accordance with paragraph 10.
- (d) Each vested Performance Rights entitles the Holder to be issued with one Share (**Entitlement**).

3. Expiry

Unvested Performance Rights will automatically expire if at midnight on the Vesting Deadline Date.

4. Transfer and encumbrances

- (a) A Performance Right is not transferrable.
- (b) A Holder must not grant or permit any security interest or other encumbrances over a Performance Right.

5. Quotation of Performance Rights

The Company will not apply for quotation of Performance Right.

6. New issues

A Holder is not entitled to participate in any new issue to Shareholders of securities in the Company unless the Holder's Performance Rights (or any of them) have vested and the Entitlement has been issued before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares.

7. Participation in entitlement issues and bonus issues

A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to Shareholders, such as a bonus issue or an entitlement issue.

8. Reorganisation

- (a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Holder in relation to the Performance Rights held by the Holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (b) Any calculations or adjustments which are required to be made in relation to paragraph 8(a) will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Holder.
- (c) The Company must, within a reasonable period of a reorganisation paragraph 8(a) occurring, give to the Holder notice of any change to the number of Shares which the Holder is entitled to receive under the Entitlement for the Performance Rights.

9. Issue of Shares pursuant to Entitlement

- (a) Within 15 Business Days after the date on which Performance Rights vest (**Vesting Date**), the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the Entitlement;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the Entitlement.
- (b) Subject to the Constitution, all Shares issued to satisfy the Entitlement will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
- (c) Subject to the Constitution, all Shares issued pursuant to the Entitlement will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
- (d) The Company's obligations to the Holder in relation to Performance Rights are discharged and satisfied in full upon issuing the Shares pursuant to the Entitlement.

10. Vesting on change of control

In the event that:

- (a) a person, or a group of associated persons, becoming entitled to sufficient Shares to give that person or persons the ability, in a general meeting, to replace all or a majority of the Board;
- (b) a takeover bid under Chapter 6 of the Corporations Act is made in respect of the Company under which acceptances have been received for more than 50% of the Company's shares on issue and the bid is declared unconditional by the bidder; or
- (c) a Court grants orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies (including under Part 5.1 of the Corporations Act,

prior to the Vesting Condition being satisfied, then all of the Performance Rights will automatically vest on the date an event specified in paragraphs (a), (b) and (c) above occurs.

11. Deferral of vesting

If the vesting of the Performance Rights (or any part thereof) would result in any person being in contravention of section 606(1) of the Corporations Act (**Takeover Restriction**) then:

- (a) the vesting of those Performance Rights (or any part thereof) will be deferred until such later time or times that the vesting would not result in a contravention of the Takeover Restriction;
- (b) a Holder may give written notification to the Company if they consider that the vesting of those Performance Rights (or any part thereof) may result in the contravention of the Takeover Restriction, failing which the Company may assume the vesting of those Performance Rights will not result in any person being in contravention of the Takeover Restriction; and
- (c) the Company may (but is not obliged to) by written notice to a Holder, request a Holder to provide the written notice referred to in paragraph 11(b) within 7 days if the Company considers that the vesting of those Performance Rights (or any part thereof) may result in a contravention of the Takeover Restriction. If the Holder does not give notification to the Company within 7 days that they consider the vesting of the Performance Rights (or part thereof) may result in the contravention of the Takeover Restriction, then the Company may assume that the vesting of the Performance Rights (or part thereof) will not result in any person being in contravention of the Takeover Restriction.

12. Other rights attaching to Performance Rights

The Performance Rights;

- (a) do not confer any right to vote, except as otherwise required by law;
- (b) do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors;
- (c) do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
- (d) do not confer any right to participate in the surplus profit or assets of the entity upon winding up.

13. Amendments required by ASX

These terms may be amended as necessary by the Company's Board of Directors in order to comply with the ASX Listing Rules (if applicable), or any directions of ASX (if applicable) regarding the terms, provided that, subject to compliance with the ASX Listing Rules, the economic and other rights of the Holder are not diminished or terminated following such amendment.

14. Governing law

These terms and the rights and obligations of the Holder are governed by the laws of Western Australia. The Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia in this respect.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.30am (WST) on Wednesday, 5 May 2021**, being not later than **48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home>. Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

