

26 September 2023

ASX Code: MXC

LSE Code: MXC

## Dispatch of General Meeting Documents

**MGC Pharmaceuticals Ltd ('MGC Pharma' or 'the Company')** provides the following documents regarding a General Meeting of shareholders being held at 4:00pm (AWST) Wednesday, 25 October 2023, at Suite 1, 295 Rokeby Road, Subiaco Western Australia 6008.

- Notice and Access Letter
- Notice of Meeting
- Sample Proxy Form

-Ends-

**Authorised for release by the Managing Director, for further information please contact:**

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### About MGC Pharma

MGC Pharmaceuticals Ltd (LSE: MXC, ASX: MXC) is a European based pharmaceutical company, focused on developing and supplying accessible and ethically produced plant derived medicines, combining in-house research with innovative technologies, with the goal of finding or producing treatments to for unmet medical conditions.

The Company's founders and executives are key figures in the global pharmaceuticals industry and the core business strategy is to develop and supply high quality plant derived medicines for the growing demand in the medical markets in Europe, North America and Australasia.

MGC Pharma has a robust development pipeline targeting two widespread medical conditions and has further products under development.

MGC Pharma has partnered with renowned institutions and academia to optimise the development of targeted plant derived medicines, to be produced in the Company's EU-GMP Certified manufacturing facilities.

MGC Pharma has a growing patient base in Australia, the UK, Brazil and Ireland and has a global distribution footprint via an extensive network of commercial partners meaning that it is poised to supply the global market.

Follow us through our social media channels:

LinkedIn: MGC Pharmaceuticals Ltd.

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## MGC Pharmaceuticals Ltd General Meeting

The MGC Pharmaceuticals Ltd General Meeting will be held on Wednesday, 25 October 2023 at 4:00pm (AWST). You are encouraged to participate in the meeting using the following options:



### MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



Control Number: 183018

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 4:00pm (AWST) on Monday, 23 October 2023.



### ATTENDING THE MEETING IN PERSON

The meeting will be held at:  
Suite 1, 295 Rokeby Road, Subiaco, WA 6008

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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**MGC PHARMACEUTICALS LTD**  
**ACN 116 800 269**  
**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 4:00 pm (WST)  
**DATE:** 25 October 2023  
**PLACE:** Suite 1, 295 Rokeby Road  
Subiaco WA 6008

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00 pm (WST) on 23 October 2023.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

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

*"That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:*

- (a) every 1,000 Shares be consolidated into 1 Share;
- (b) every 1000 Options be consolidated into 1 Option, and otherwise adjusted in accordance with Listing Rule 7.22;
- (c) every 1000 Performance Rights be consolidated into 1 Performance Right; and
- (d) the conversion price for each Convertible Note be adjusted in accordance with the explanatory memorandum below,

*and, where this Consolidation results in a fraction of a Security being held, the Company be authorised to round that fraction up to the nearest whole number."*

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#### 2. RESOLUTION 2 – APPROVAL TO ISSUE PLACEMENT SECURITIES

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 31,000,000 Shares (on a post-Consolidation basis), together with one (1) free attaching Option for every two (2) Shares subscribed for and issued, on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution. Please see below.

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**Dated: 26 September 2023**

**By order of the Board**

**Rowan Harland  
Company Secretary**

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

### 2 – Approval to issue Shares

A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Placement participants) or an associate of that person (or those persons).

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

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

## Voting by proxy

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To vote by proxy, please complete and sign the enclosed proxy form and return by the time and in accordance with the instructions set out on the proxy form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

## Voting in person

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To vote in person, attend the Meeting at the time, date and place set out above.

## Depositary Interest holders

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### Persons Entitled to Vote

The Form of Instruction (accompanying this Notice of Meeting) must be signed by the depositary interest holder or an attorney duly authorised in writing and deposited at the office of the Depositary, Computershare Investor Services PLC, located at The Pavilions, Bridgewater Road, Bristol BS99 6ZY by 4:00 pm (UK Time) on 18 October 2023. Any Form of Instruction received after that time will not be valid for the Meeting.

### CREST Voting

Holders of Depositary Interests in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have

appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "**CREST Voting Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 4:00 pm (UK Time) on 18 October 2023.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. Holders of Depositary Interests in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the Depositary Interest holder concerned to take (or, if the Depositary Interest holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time. In this connection, Depositary Interest holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6555 2950.***

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### **1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL**

#### **1.1 Background**

Resolution 1 seeks Shareholder approval to consolidate the Company's issued capital on the basis that:

- (a) every 1,000 Shares be consolidated into 1 Share (subject to rounding);
- (b) every 1000 Options be consolidated into 1 Option (subject to rounding), and otherwise adjusted in accordance with Listing Rule 7.22;
- (c) every 1000 Performance Rights be consolidated into 1 Performance Right (subject to rounding); and
- (d) the conversion price of each Convertible Note be adjusted as detailed in Section 1.6 below,

**(Consolidation).**

#### **1.2 Legal requirements**

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

#### **1.3 Fractional entitlements**

Not all security holders will hold that number of Securities which can be evenly divided by 1,000. Fractional entitlements will be rounded up to the nearest whole number.

#### **1.4 Taxation**

It is not considered that any taxation implications will exist for security holders arising from the Consolidation. However, security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

#### **1.5 Holding statements**

From the date that is two Business Days after the Effective Date (as set out in the timetable in Section 1.7 below), all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

## 1.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

|                                                  | Shares            | Options           | Performance Rights | Convertible Notes |
|--------------------------------------------------|-------------------|-------------------|--------------------|-------------------|
| Pre-Consolidation                                | 4,427,968,187     | 858,698,676       | 18,400,000         | 7,306,432         |
| Post Consolidation (Resolution 1) <sup>1</sup>   | 4,427,969         | 858,699           | 18,400             | 7,306,432         |
| Resolution 2 <sup>1</sup>                        | 31,000,000        | 15,500,000        | Nil                | Nil               |
| <b>Completion of all Resolutions<sup>2</sup></b> | <b>35,427,969</b> | <b>16,358,699</b> | <b>18,400</b>      | 7,306,432         |

### Notes:

1. Assuming that the Placement is fully subscribed and no Options are exercised.
2. Subject to rounding.

The effect the Consolidation will have on the terms of the Options is as set out in the tables below:

### Options – pre-Consolidation

| Terms                                            | Exercise Price | Number             |
|--------------------------------------------------|----------------|--------------------|
| Options exercisable on or before 12 April 2024   | \$0.012        | 166,035,793        |
| Options exercisable on or before 30 June 2025    | \$0.013        | 50,000,000         |
| Options exercisable on or before 1 December 2024 | GBP0.02        | 9,000,000          |
| Options exercisable on or before 31 July 2026    | \$0.003        | 181,304,269        |
| Options exercisable on or before 14 July 2026    | GBP0.0012      | 452,358,614        |
| <b>Total</b>                                     | <b>-</b>       | <b>858,698,676</b> |

### Options – post-Consolidation

| Terms                                            | Exercise Price | Number         |
|--------------------------------------------------|----------------|----------------|
| Options exercisable on or before 12 April 2024   | \$12.00        | 166,036        |
| Options exercisable on or before 30 June 2025    | \$13.00        | 50,000         |
| Options exercisable on or before 1 December 2024 | GBP2.00        | 9,000          |
| Options exercisable on or before 31 July 2026    | \$3.00         | 181,304        |
| Options exercisable on or before 14 July 2026    | GBP1.20        | 452,359        |
| <b>Total</b>                                     | <b>-</b>       | <b>858,699</b> |

The effect the Consolidation will have on the terms of the Convertible Notes is as set out below:



### Convertible Notes – pre-Consolidation

| Terms                        | Conversion Price                                                                                                                                                                                                                                                                                                                                                                                   | Number           |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Facility 1 Convertible Notes | The lower of:<br>(a) \$0.035; and<br>(b) 92% of the lowest daily VWAP of the Company's Shares selected by Mercer and specified in a conversion notice for the 10 trading days on which Shares have traded in the ordinary course of business on the ASX ending on the date immediately prior to the relevant conversion notice,<br><br>subject to the conversion price being not less than \$0.01. | 2,100,000        |
| Facility 2 Convertible Notes | The lower of:<br>(a) \$0.02; and<br>(b) 90% of the lowest daily VWAP of the Company's Shares selected by Mercer and specified in a conversion notice for the 10 trading days on which Shares have traded in the ordinary course of business on the ASX ending on the date immediately prior to the relevant conversion notice,<br><br>subject to the conversion price being not less than \$0.01.  | 5,206,432        |
| <b>Total</b>                 | -                                                                                                                                                                                                                                                                                                                                                                                                  | <b>7,306,432</b> |

### Convertible Notes – post-Consolidation

| Terms                        | Conversion Price                                                                                                                                                                                                                                                                                                                                                                                    | Number    |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Facility 1 Convertible Notes | The lower of:<br>(a) \$35.00; and<br>(b) 92% of the lowest daily VWAP of the Company's Shares selected by Mercer and specified in a conversion notice for the 10 trading days on which Shares have traded in the ordinary course of business on the ASX ending on the date immediately prior to the relevant conversion notice,<br><br>subject to the conversion price being not less than \$10.00. | 2,100,000 |
| Facility 2 Convertible Notes | The lower of:<br>(a) \$20.00; and<br>(b) 90% of the lowest daily VWAP of the Company's Shares selected by Mercer and specified in a conversion notice for the 10 trading days on which Shares have traded in the ordinary course of business on the ASX ending on the                                                                                                                               | 5,206,432 |

|              |                                                                                                                        |                  |
|--------------|------------------------------------------------------------------------------------------------------------------------|------------------|
|              | date immediately prior to the relevant conversion notice, subject to the conversion price being not less than \$10.00. |                  |
| <b>Total</b> | -                                                                                                                      | <b>7,306,432</b> |

## 1.7 Indicative timetable\*

If Resolution 1 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the Listing Rules):

| Action                                                                                                                                                                                                   | Date                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Company sends out the Notice of Meeting                                                                                                                                                                  | Tuesday, 26 September 2023 |
| Shareholders pass Resolution 1 to approve the Consolidation.                                                                                                                                             | Wednesday, 25 October 2023 |
| Company announces Effective Date of Consolidation.                                                                                                                                                       | Wednesday, 25 October 2023 |
| Effective Date of Consolidation                                                                                                                                                                          | Thursday, 26 October 2023  |
| Last day for pre-Consolidation trading                                                                                                                                                                   | Friday, 27 October 2023    |
| Post-Consolidation trading commences on a deferred settlement basis                                                                                                                                      | Monday, 30 October 2023    |
| Record date                                                                                                                                                                                              | Tuesday, 31 October 2023   |
| Last day for Company to register transfers on a pre-Consolidation basis                                                                                                                                  | Tuesday, 31 October 2023   |
| First day for the Company to update its register and send holding statements to security holders reflecting the change in the number of Securities they hold.                                            | Wednesday, 1 November 2023 |
| Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of Securities they hold and to notify ASX that this has occurred. | Tuesday, 7 November 2023   |

## 2. RESOLUTION 2 – APPROVAL TO ISSUE PLACEMENT SECURITIES

### 2.1 General

The Company is proposing to issue up to 31,000,000 Shares (on a post-Consolidation basis) (**Placement Shares**) at an issue price equal to 80% discount to the volume weighted average price per Share (on a post-Consolidation basis) traded on the ASX during the seven (7) trading days immediately preceding the Meeting (**Issue Price**). Investors who subscribe for Placement Shares will also receive one (1) free attaching Option for every two (2) Shares subscribed for and issued (on the terms and conditions set out in Schedule 1).

The Placement Shares and Options are proposed to be issued to unrelated investors identified by the Company that are exempt from the disclosure requirements in section 708 of the Corporations Act. The investors will not be associates of one another for the purposes of section 606 of the Corporations Act.

In addition, the Company notes that regardless of the prevailing Issue Price, it will not accept subscriptions for Placement Shares to raise an amount in excess of \$12,400,000.

## 2.2 ASX Listing Rule 7.1

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 proposed issue of the Placement Shares and free attaching Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

## 2.3 Use of Funds

The table below sets out the Company's intended use of funds raised by the issue of the Placement Shares, assuming that the Company raises a maximum of AU\$12,400,000 from the issue.

These funds are expected to be expended over the 18 months following the completion of the placement.

|                                                                                                                                                     | Estimated Timeframe for expenditure | AU\$      | % of funds raised |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------|-------------------|
| CannEpiI®                                                                                                                                           | up to 18 months                     | 4,120,000 | 33.23%            |
| Completion of phase II clinical trials (with Ingenu)                                                                                                |                                     | 3,850,000 |                   |
| Investigational New Drug Application (Food and Drug Administration) and Marketing Authorisation Submissions (European Medicines Agency) with Ingenu |                                     | 270,000   |                   |
| CimetrA®                                                                                                                                            | up to 18 months                     | 3,810,000 | 30.73%            |
| Completion of phase II clinical trails (with Ingenu)                                                                                                |                                     | 970,000   |                   |
| Large animal study                                                                                                                                  |                                     | 850,000   |                   |
| Initial human study                                                                                                                                 |                                     | 900,000   |                   |
| In house clinical team - cost of employment                                                                                                         |                                     | 800,000   |                   |
| Investigational New Drug Application (Food and Drug Administration) with Ingenu                                                                     |                                     | 290,000   |                   |
| Marketing                                                                                                                                           | up to 18 months                     | 1,910,000 | 15.40%            |
| Marketing liaison managers                                                                                                                          |                                     | 457,000   |                   |
| Product related activities                                                                                                                          |                                     | 553,000   |                   |
| Conference costs                                                                                                                                    |                                     | 617,000   |                   |
| Marketing agency                                                                                                                                    |                                     | 283,000   |                   |

|                                                                                                                 |                 |                   |                |
|-----------------------------------------------------------------------------------------------------------------|-----------------|-------------------|----------------|
| Working capital                                                                                                 | up to 18 months | 1,960,000         | 15.80%         |
| Operational net costs                                                                                           |                 | 646,800           |                |
| Board & Director Costs                                                                                          |                 | 400,000           |                |
| Corporate Costs                                                                                                 |                 | 400,000           |                |
| Admin costs                                                                                                     |                 | 513,200           |                |
| Costs of the Placement                                                                                          | Up to 6 months  | 600,000           | 4.84%          |
| ASX / ASIC fees                                                                                                 |                 | 50,000            |                |
| Legal fees (including costs associated with preparation of a prospectus for quotation of the Shares on the LSE) |                 | 400,000           |                |
| Share registry                                                                                                  |                 | 150,000           |                |
| <b>Total</b>                                                                                                    |                 | <b>12,400,000</b> | <b>100.00%</b> |

The above table is a statement of current intentions as of the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

It is noted that the amount raised may fluctuate based on the final Issue Price, which is directly correlated to the Company's Share price in the 7 trading days prior to the Meeting. As at close of trading on 20 September 2023, the Company's Share price was AU\$0.002 (or AU\$2 on a post-Consolidation basis). The below table demonstrates the effects of such fluctuations at various prices:

| VWAP (Post-Consolidation basis) | VWAP Discount (80% of VWAP) | Maximum Funds Raised | Placement Shares issued (assuming the placement is fully subscribed) | Free attaching Options – exercise price equal to 125% of the Issue Price of the Placement Shares |
|---------------------------------|-----------------------------|----------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| AS\$0.50                        | AU\$0.1                     | AU\$3,100,000        | 31,000,000                                                           | 15,500,000                                                                                       |
| AU\$1.00                        | AU\$0.20                    | AU\$6,200,000        | 31,000,000                                                           | 15,500,000                                                                                       |
| AU\$2.00                        | AU\$0.40                    | AU\$12,400,000       | 31,000,000                                                           | 15,500,000                                                                                       |
| AU\$3.00                        | AU\$0.60                    | AU\$12,400,000       | 20,666,666                                                           | 10,333,333                                                                                       |
| AU\$4.00                        | AU\$0.80                    | AU\$12,400,000       | 15,500,000                                                           | 7,750,000                                                                                        |
| AU\$5.00                        | AU\$1.00                    | AU\$12,400,000       | 12,400,000                                                           | 6,200,000                                                                                        |

In the event that less than the full AU\$12,400,000 is raised the Company intends to pay all costs associated with the future placement and any accrued and/or fixed working capital expenses, with the remainder of the line items to be reduced proportionate to their percentage allocations in the above table.

## **2.4 Technical information required by Listing Rule 14.1A**

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Placement Shares and free attaching Options. In addition, the issue of the Placement 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 1 is not passed, the Company will not be able to proceed with the issue of the Placement Shares and free attaching Options. In addition, if Resolution 1 is not passed and the Company is not otherwise able to obtain bridging finance to cover its immediate working capital costs, there will be a material uncertainty as to the Company's ability to continue as a going concern.

Resolution 1 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Shares and free attaching Options.

## **2.5 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the Placement Shares and free attaching Options will be issued to unrelated professional investors, sophisticated investors and/or other investors that are exempt from the disclosure requirements in section 708 of the Corporations Act, who will be identified by the Directors. The recipients will be identified through a bookbuild process, which will involve the Directors and/or a Company appointed broker(s) seeking expressions of interest to participate in the capital raising from non-related parties of the Company.

None of the recipients of the Placement Shares and attaching Options will be:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company.
- (b) the maximum number of Placement Shares to be issued is 31,000,000. As the free attaching Options will be issued on a 1 for 2 basis, as such, the maximum number of Options to be issued is 15,500,000. In addition, the Company will not accept subscriptions for Placement Shares to raise in excess of AU\$12,400,000. The Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The terms and conditions of the Options are set out in Schedule 1;
- (c) the Placement Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Shares and Options will occur on the same date;

- (d) the issue price of the Placement Shares will be equal to the volume weighted average price per Share traded on the ASX (on a post-Consolidation basis) during the seven (7) trading days immediately preceding the Meeting, with an eighty percent (80%) discount, per Placement Share. The Company will not receive any other consideration for the issue of the Placement Shares. The Options are being issued free attaching, on the basis of 1 Option for every 2 Placement Shares subscribed for and issued;
- (e) the purpose of the issue is to raise capital, which the Company intends to apply as detailed in section 2.3 above;
- (f) the Placement Shares and Options are being issued to professional and sophisticated investors identified by the Directors under standard subscription agreements. These agreements will be on customary terms, whereby the investor will subscribe for an agreed number of Placement Shares (together with attaching Options), which will be issued to the investor on an agreed future subscription date within three months of the date of the Meeting, subject to (1) receipt of shareholder approval pursuant to this Resolution and (2) payment of the corresponding subscription funds by the investor; and
- (g) the Placement Shares and Options are not being issued under, or to fund, a reverse takeover.

## **2.6 Dilution**

Assuming the maximum number of Placement Shares are issued and no other Shares are issued, the number of Shares on issue would increase from 4,427,968 (being the number of Shares on issue as at the date of this Notice on a post-Consolidation basis) to 35,427,968 and the shareholding of existing Shareholders would be diluted by 87.5%. If all attaching Options are exercised, an additional 15,500,000 Shares would be issued, which would have a further dilutive effect on existing Shareholders.

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## GLOSSARY

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**AU\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Company** means MGC Pharmaceuticals Ltd (ACN 116 800 269).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Listing Rules** means the Listing Rules of ASX.

**Mercer** means Mercer Street Global Opportunity Fund, LLC.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 - TERMS AND CONDITIONS OF OPTIONS THE SUBJECT OF RESOLUTION 2

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be equal to 125% of the Issue Price (as defined in Section 2.1 of this Notice) (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire (**Expiry Date**) at the earlier of:

- (i) 5:00 pm (WST) on the date that is five (5) years from the date of issue; and
- (ii) 15 Business Days following a period in which the Company's 30-day volume weighted average Share price (calculated across 30 consecutive trading days on which the Company's Shares actually traded) reaching at least 1000% higher than the Issue Price (as defined in Section 2.1 of this Notice).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five 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.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, 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.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.


(k) **Change in exercise price**


An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## Need assistance?

 **Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **4:00pm (AWST) on Monday, 23 October 2023.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 183018**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of MGC Pharmaceuticals Ltd hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of MGC Pharmaceuticals Ltd to be held at Suite 1, 295 Rokeby Road, Subiaco, WA 6008 on Wednesday, 25 October 2023 at 4:00pm (AWST) and at any adjournment or postponement of that meeting.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

|                                                     | For                      | Against                  | Abstain                  |
|-----------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Resolution 1 Consolidation of Capital               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 Approval to Issue Placement Securities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

### Update your communication details *(Optional)*

Mobile Number  Email Address  By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

