

Phillip Lynch

Phillip Lynch
Managing Director & Chief Executive Officer
5 May 2021

RACE ONCOLOGY LIMITED
ACN 149 318 749

PROSPECTUS

For offers of:

- (a) a bonus issue of one (1) Bonus Option for every twenty (20) Shares held by those Eligible Shareholders registered at the Record Date (**Options Offer**);
- (b) up to approximately 90,000 Bonus Options to Capital Raising Participants on the basis of one (1) Bonus Option for every twenty (20) Placement Shares subscribed for and issued under the Capital Raising (**Placement Offer**); and
- (c) up to 1,000 Shares at an issue price of \$3.00 per Share to raise up to \$3,000 (**Cleansing Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

For personal use only

IMPORTANT NOTICE

This Prospectus is dated 5 May 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered highly speculative.

This Prospectus is a transaction specific prospectus for offers of options to acquire continuously quoted securities and continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant,

financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

No offering where offering would be illegal

This Prospectus does not, and is not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such offers or to issue this Prospectus. In particular this document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia and New Zealand.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Please refer to Section 7.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at **www.raceoncology.com**. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 2 8051 3043 during office hours or by emailing the Company at **info@raceoncology.com**.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Risk Factors

Prospective investors and Shareholders should be aware that there are a number of risk factors that may influence the performance of the Company and the value of its Securities. The key risk factors of which prospective investors and Shareholders should be aware are set out in Section 6. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Prospective investors and Shareholders should consider consulting their professional advisers in relation to the issue of Securities pursuant to this Prospectus.

Taxation implications

The Directors do not consider it appropriate to give investors advice regarding the taxation consequences in relation to the issue of Securities under this Prospectus.

The Company, its officers and its advisers do not accept any responsibility or liability for any taxation consequences to investors.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the

number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 9.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact details set out in this Prospectus.

Collection, maintenance and disclosure of certain personal

information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on your application for Securities under this Prospectus, the Company may not be able to accept or process your application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are unclear in relation to any matters raised in this Prospectus or are in doubt as to how to deal with it, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser without delay. Should you have any questions in relation to the Offers or how to accept the Offers please contact the Company Secretary on +61 (0)409 328 199.

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1. CORPORATE DIRECTORY

Directors

John Cullity
Non-Executive Chairman

Phillip Lynch
Managing Director and CEO

Daniel Tillett
Executive Director and CSO

Mary Harney
Non-Executive Director

Company Secretary

Peter Webse

Registered Office

Level 36
1 Macquarie Place
SYDNEY NSW 2000

Telephone: +61 2 8051 3043

Email: info@raceoncology.com
Website: www.raceoncology.com

ASX Code

RAC

Australian legal adviser

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor*

Bentleys Audit & Corporate (WA) Pty Ltd
216 St Georges Terrace
PERTH WA 6000

Share Registry*

Automic Pty Ltd
Level, 126 Phillip Street
267 St Georges Terrace
SYDNEY NSW 2000

Telephone: +61 2 9698 5414
Facsimile: +61 2 8583 3040

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

2. INDICATIVE TIMETABLE

Action	Date
Announcement of the Capital Raising and Options Offer, lodgement of Prospectus with the ASIC and ASX and release of Appendix 3B to ASX	5 May 2021
Opening Date of the Placement Offer and the Cleansing Offer	5 May 2021
Ex date of the Options Offer	12 May 2021
Record Date of the Options Offer	7:00 pm AEST on 13 May 2021
Closing Date of the Placement Offer	7:00 pm AEST on 13 May 2021
Issue of Placement Shares and Bonus Options under the Placement Offer	14 May 2021
Closing Date of the Cleansing Offer	7:00 pm AEST on 14 May 2021
Expected date of Official Quotation of the Shares issued under the Cleansing Offer	18 May 2021
Issue of Bonus Options under the Options Offer	19 May 2021

Dates may change

The above dates are indicative only and are subject to change. The Company reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Any extension of the Closing Date of an Offer may have a consequential effect on the issue date of the respective Securities under that Offer. The Company also reserves the right not to proceed with any of the Offers at any time.

3. DETAILS OF THE OFFERS

3.1 Options Offer

The Options Offer is being made as a bonus issue of one (1) Bonus Option for every twenty (20) Shares held by Eligible Shareholders registered at the Record Date, to be issued for nil consideration. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 7,054,043 Bonus Options (subject to rounding of entitlements) will be issued pursuant to the Options Offer. No funds will be raised under the Options Offer.

The Bonus Options will be issued on the terms and conditions set out in Section 5.1.

Any Shares issued upon the future exercise of Bonus Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.2 for further information regarding the rights and liabilities attaching to Shares.

As this is a bonus issue of Options, Eligible Shareholders are not required to apply for Bonus Options under the Options Offer and, accordingly, there is no application form attached to this Prospectus for the Options Offer.

The Options Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Bonus Options offered under the Options Offer.

3.2 Placement Offer

3.2.1 Background

As announced on 5 May 2021, the Company secured funding of \$5.4 million (before associated costs) by a placement of 1.8 million Shares (**Placement Shares**) to new and existing institutional and sophisticated investors at an issue price of \$3.00 per Share (**Capital Raising**). The Company has agreed to issue one (1) free attaching Bonus Option for every twenty (20) Shares subscribed for and issued under the Capital Raising.

The purpose of the Placement Offer is to make the offer of approximately 90,000 Bonus Options (subject to rounding of allocations under the Capital Raising) to the participants that subscribed for and were allocated Placement Shares under the Capital Raising (**Capital Raising Participants**).

The Placement Shares are proposed to be issued on or about 14 May 2021 and in any event prior to the Closing Date of the Cleansing Offer.

3.2.2 Details

The Placement Offer is for approximately 90,000 Bonus Options (subject to rounding of allocations under the Capital Raising) and is available for application by Capital Raising Participants only on the basis of one (1) Bonus Option for every twenty (20) Placement Shares subscribed for and allocated under the Capital Raising.

The Placement Offer will only be extended to Capital Raising Participants. Application Forms in relation to the Placement Offer will only be provided to these parties.

The Bonus Options will be issued on the terms and conditions set out in Section 5.1.

Any Shares issued upon the future exercise of Bonus Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.2 for further information regarding the rights and liabilities attaching to Shares.

No funds will be raised pursuant to the Placement Offer as the Bonus Options are being issued free attaching at a nil issue price in accordance with the terms of the Capital Raising.

Entitlements to Bonus Options under the Placement Offer are non-renounceable.

3.3 The Cleansing Offer

The Cleansing Offer is an offer of up to 1,000 Shares at an issue price of \$3.00 per Share to raise up to \$3,000 (before associated expenses).

The Cleansing Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares to be issued under the Cleansing Offer will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.2 for further information regarding the rights and liabilities attaching to Shares.

3.4 Minimum subscription

There is no minimum subscription to any of the Offers.

3.5 ASX listing

The Company will not apply for Official Quotation of the Options offered pursuant to this Prospectus.

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under this Prospectus.

3.6 Applications under the Placement Offer

Applications for Bonus Options under the Placement Offer must be made by Capital Raising Participants using the Application Form attached to or accompanying this Prospectus.

Applicants under the Placement Offer must lodge their Application Form as directed and should not send their Application Form to the share registry.

No payment is required to subscribe for Bonus Options under the Placement Offer.

All applications under the Placement Offer, once received, are irrevocable.

The Company reserves all discretions in relation to applications in the Placement Offer.

3.7 Applications under the Cleansing Offer

Applications for Shares under the Cleansing Offer must be made by investors at the direction of the Company and must be made using the Application Form attached to or accompanying this Prospectus.

Payment for the Shares under the Cleansing Offer must be made in full at the issue price of \$3.00 per Share.

Cheques should be made payable to "**Race Oncology Limited**" and crossed "**Not Negotiable**". Completed Application Forms and accompanying cheques must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date of the Cleansing Offer.

The Company reserves the right to reject or scale back any application in the Cleansing Offer. The Company's decision on the number of Shares to be allocated to an Applicant will be final.

3.8 Issue

Options Offer

Bonus Options issued pursuant to the Options Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out at Section 2.

Holding statements for the Bonus Options issued under the Options Offer will be mailed as soon as practicable after the date of issue.

Placement Offer

The issue of Bonus Options under the Placement Offer will take place as soon as practicable after the Closing Date of the Placement Offer as set out in the indicative timetable set out at Section 2.

Holding statements for the Bonus Options issued under the Placement Offer will be mailed as soon as practicable after the date of issue.

Cleansing Offer

The issue of Shares under the Cleansing Offer will take place as soon as practicable after the Closing Date of the Cleansing Offer. Application monies will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company on trust for each Applicant. Any interest earned on the application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Shares under the Cleansing Offer. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date of the Cleansing Offer. Interest will not be paid on monies refunded.

3.9 Overseas shareholders

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia and New Zealand. Shareholders who are residents in countries other than Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. If you are outside Australia and New Zealand it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus.

New Zealand

The Options Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Options Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the Options Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Options Offer. If you need to make a complaint about the Options Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Options Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

3.10 Enquiries

Any queries concerning the Offers should be directed to Peter Webse, Company Secretary, on +61 (0)409 328 199.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose and effect of the Options Offer

The primary purpose of the Options Offer is to:

- (a) reward Shareholders for supporting the Company and its ongoing development; and
- (b) provide the Company with a potential source of additional capital if Bonus Options are exercised in the future.

No funds will be raised directly under the Options Offer as the Bonus Options are being issued for nil consideration. However, if all the Bonus Options are exercised, the Company will receive approximately \$31,743,194 in aggregate, by virtue of payment of the exercise price.

An additional purpose of the Options Offer is to remove any trading restrictions attaching to Shares issued on exercise of the Bonus Options issued under the Options Offer, given that the Bonus Options offered under the Options Offer are being issued with disclosure under this Prospectus.

The principal effect of the Options Offer, assuming all Bonus Options offered under this Prospectus are issued and no Options are exercised prior to the date of this Prospectus, will be to increase the total number of Options on issue by approximately 7,054,043 Options on completion of the Options Offer.

4.2 Purpose and effect of the Placement Offer

The purpose of the Placement Offer is to remove any trading restrictions attaching to Shares issued on exercise of the Bonus Options issued under the Placement Offer, given that the Bonus Options offered under the Placement Offer are being issued with disclosure under this Prospectus.

No funds will be raised pursuant to the Placement Offer as the Bonus Options are being issued free attaching at a nil issue price in accordance with the terms of the Capital Raising.

The principal effect of the Placement Offer will be to increase the total number of Options on issue by approximately 90,000 Options on completion of the Placement Offer.

4.3 Purpose and effect of the Cleansing Offer

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date of the Cleansing Offer (including prior to the date of this Prospectus). Accordingly, the purpose of the Cleansing Offer is not to raise capital.

All of the funds raised under the Cleansing Offer (if any) will be applied towards the expenses of the Offers. On that basis, there will be no surplus proceeds from the Cleansing Offer. Refer to Section 7.7 for further details relating to the estimated expenses of the Offers.

4.4 Effect of the Offers on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Securities offered under this Prospectus are issued and no other Options are exercised or Performance Rights vest, is set out below:

Shares

	Number
Shares currently on issue	141,080,843
Shares offered pursuant to the Options Offer	Nil
Shares offered pursuant to the Placement Offer	Nil
Shares offered pursuant to the Cleansing Offer	1,000
Total Shares on issue on completion of the Offers^{1,2}	142,881,843

Notes:

1. As set out in Section 3.2.1, the Company proposes to issue the Placement Shares on or about 14 May 2021 and in any event prior to the Closing Date of the Cleansing Offer. Accordingly, the issue of the Placement Shares has been accounted for in the above table for the purpose of determining the total number of Shares on issue on completion of the Offers.
2. This number may vary due to rounding of allocations under the Capital Raising.

Options

	Number
Options currently on issue:	
Unquoted Options exercisable at \$0.099 expiring 31/08/2021	2,293,939
Unquoted Options exercisable at \$0.23 expiring 27/11/2021	2,000,000
Unquoted Options exercisable at \$0.25 expiring 8/05/2022	100,000
Unquoted Options exercisable at \$0.12 expiring 21/01/2024	420,000
Unquoted Options exercisable at \$0.135 expiring 12/03/2024	100,000
Unquoted Options exercisable at \$0.085 expiring 31/05/2024	420,000
Unquoted Options exercisable at \$0.18 expiring 5/12/2024	840,000
Unquoted Options exercisable at \$0.275 expiring 23/01/2025	2,400,000
Unquoted Options exercisable at \$0.19 expiring 25/11/2022	2,500,000
Unquoted Options exercisable at \$0.25 expiring 25/11/2021	1,000,000
Unquoted Options exercisable at \$0.49 expiring 17/02/2024	2,400,000
Unquoted Options exercisable at \$0.45 expiring 12/03/2022	825,000
Unquoted Options exercisable at \$2.65 expiring 29/11/2025	5,600,000
Bonus Options offered pursuant to the Options Offer ¹	7,054,043
Bonus Options offered pursuant to the Placement Offer ²	90,000
Options offered pursuant to the Cleansing Offer	Nil
Total Options on issue on completion of the Offers³	28,042,982

Notes:

1. This number may vary due to rounding of entitlements under the Options Offer.
2. This number may vary due to rounding of allocations under the Capital Raising.

3. The Company has agreed to issue 500,000 Options (exercisable at \$4.90 each and expiring on the date which is 5 years from the date of issue, subject to various vesting conditions) to a new employee (or the employee's nominee) commencing employment with the Company on 1 July 2021. These Options are being issued under the Company's Incentive Option Plan and will be issued at the time the new employee commences employment. Accordingly, the issue of these Options has not been accounted for in the above table.

Performance Rights

	Number
Performance Rights currently on issue: Phase 2b clinical trial recruitment vesting condition and expiring 29/11/2025 ¹	118,577
Performance Rights offered pursuant to the Options Offer	Nil
Performance Rights offered pursuant to the Placement Offer	Nil
Performance Rights offered pursuant to the Cleansing Offer	Nil
Total Performance Rights on issue on completion of the Offers	118,577

Notes:

1. Please refer to the Company's Notice of Annual General Meeting dated 26 October 2020 for details of the terms and conditions of the Performance Rights on issue.

4.5 Financial effect of the Offers

The expenses of the Offers (exceeding any amount raised under the Cleansing Offer) will be met from the Company's existing cash reserves.

Accordingly, the Offers will have an effect on the Company's financial position, being the decrease in the Company's existing cash reserves.

4.6 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	Holding (%)
Daniel Tillett	13,450,000	9.53%
William James Garner	10,445,089	7.40%
Merchant Funds Management Pty Ltd as manager of the Merchant Opportunities Fund and Merchant Group Pty Ltd	8,470,000	6.00%

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

5.1 Terms and conditions of Bonus Options

The terms and conditions of the Bonus Options are set out below:

(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 \$4.50 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AEST) on 16 May 2022 (**Expiry Date**). 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 5 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 paragraph (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.

5.2 **Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either

pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend prospective investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific risks

(a) Patent Risk

The Company currently owns four US patents on the composition, use, manufacturing or other aspects of Bisantrene. There is no guarantee that the patents will be granted in other jurisdictions or that granted claims in any jurisdiction will provide adequate commercial protection for the Company's products. In addition, there is no guarantee that granted patents will not be challenged by competitors and subsequently invalidated in the courts or that the Company may not have to pay a royalty or other fee to a third party. In any of these events, the Company's prospects and value may be substantially depreciated.

(b) Manufacturing Risk

The Company is relying on its ability to successfully undertake GMP manufacturing of Bisantrene by a third party and preparation of clinical trial product for a proposed bridging study in the US. Each of these steps, and other unanticipated steps that may be required, involves risks and could lead to delays, unanticipated costs, or even insurmountable obstacles.

(c) IND Risk

In order to initiate the Named Patient Program (**NPP**) and progress the clinical development of Bisantrene, the Company is relying on its ability to gain US Food and Drug Administration (**FDA**) allowance for an Investigational New Drug (**IND**) application and further to have the FDA agree to the application of the 505(b)(2) route of approval. There is no guarantee that the FDA will allow the IND, agree to the 505(b)(2) route, or not demand additional testing or trials prior to approval, which could add costs, risks and delays to the project.

(d) Clinical Risk

While Bisantrene has already been tested in numerous clinical studies and compared with most pharmaceutical programs represents low clinical risk, there is the risk that the FDA may demand studies other than the

proposed bridging study. Even if the bridging study proceeds there is the risk that the study will not produce the desired results to support ongoing development and marketing approval in the US or elsewhere. In such an event the Company may have to repeat the study or undertake further development, in which case there would be costs and delays in the program.

It is likely that after the bridging study, if successful, the Company will have to undertake at least one further clinical study before being able to submit for marketing approval in the US for Acute myeloid leukemia (**AML**). The size, scope, length and cost of such a study is currently unknown and can only be determined through negotiations with the FDA, which have not yet occurred. The cost of any study ultimately undertaken may be beyond the Company's funding capacity, in which case additional funding may be required; and/or the length of the study may be such that it appreciably delays revenues for the Company that would otherwise accrue from the marketing of Bisantrone.

(e) **Regulatory Risk**

The Company's long term plans and prospects rely on gaining general marketing approval for Bisantrone, initially by the FDA and subsequently by the European Medicines Agency (**EMA**) in Europe and similar authorities elsewhere. There is no guarantee that Bisantrone will ever gain any such approvals or under terms that optimise the commercial prospects for the product.

(f) **Insurance Coverage Risk**

The Company faces various risks in connection with its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company will maintain its insurance coverage for its employees (as required by law in Australia) as well as insurance coverage for management liability, corporate liability, product liability, employment practices liability, crime protection and statutory liability. However, the Company does not maintain insurance against various other liabilities. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, its financial position may be adversely affected.

(g) **Key Personnel Risk**

The success of the Company will depend on its ability to continue to have access to the services of highly qualified scientific, technical and managerial personnel. Competition for such staff is intense. Further, some intellectual property and developed know-how resides in its scientific staff or others under contract. The loss of key staff could have a material adverse effect on the Company.

(h) **Commercial Risk**

The pharmaceutical industry is highly competitive. There is a risk competitors may develop similar products to Bisantrone, or medical personnel may prefer the products of the Company's competitors, or that a competitor's product may cause the Company's products to become obsolete. There is also a risk the Company's competitors have, or may attain, more resources than the Company, including financial, technical and sales resources. This would allow these competitors to aggressively

pursue strategies to capture greater levels of market share than the Company.

The Company does not have prior experience in marketing novel pharmaceuticals. Following commercialisation of its products (if any), the Company will need to develop this capacity internally or engage third-parties to assist with advertising and marketing. In the event the Company is unable to generate sufficient marketing of its products, there is a risk that the Company will not receive sufficient revenue to sustain its business.

The timing of market introduction of the Company's products or of competitor's products may be an important competitive factor, particularly if clinical demand changes. Accordingly, the Company considers efficient development of its products, completion of safety and efficacy studies and approval processes (which are outside of the Company's control) and the manufacture and supply of commercial quantities of its products to the market to be important competitive factors.

(i) **Future Market Acceptance Risk**

Ultimately Bisantrene needs to find acceptance in a competitive pharmaceutical market. Market acceptance depends on many factors, including obtaining access to relevant markets, convincing potential consumers and partners of the attractiveness of Bisantrene and the ability to manufacture Bisantrene to a sufficient quality and quantity at an acceptable cost. These and other factors may cause Bisantrene to not gain market acceptance and will negatively affect the financial performance and profitability of the Company.

(j) **Future Funding Requirements and Ability to Access Debt and Equity Markets**

The Company's capital requirements depend on numerous factors and the Company may require additional debt or equity financing in the future to maintain or grow its business in addition to funding secured under the Capital Raising, depending on the Company's ability to generate income from its operations.

There can be no assurance that the Company will be able to secure additional capital from debt or equity financing on favourable terms or at all.

If the Company is unable to raise additional capital if and when required, this could delay, suspend or reduce the scope of the Company's business operations (including scaling back development activities) and could have a material adverse effect on the Company's operating and financial performance.

Any additional equity financing may result in dilution for some or all Shareholders, and debt financing, if available, may involve restrictive covenants which limit operations and business strategy.

(k) **Novel Pharmaceutical Activity Risk**

The utility of Bisantrene is partially based on a novel biochemical activity only recently identified which makes it difficult to predict the time and costs of development and obtaining required regulatory approvals. There

is a risk that the Company's products will not obtain required regulatory approval or achieve commercialisation within a specific period of time, if at all. There is a risk that, due to the novel activity underpinning Bisantrone's efficacy, the Company may experience delays or unexpected costs.

(l) **Unexpected Toxicity Risk**

There is a risk Bisantrone, although effective as an anti-cancer agent, must be administered at such high dosages that result in human toxicity. There is also a risk the long-term exposure to the Company's products may result in unforeseen issues, including human and animal health issues and environmental contamination, resulting in the Company being required to make good any damage, susceptible to potential consumer and other claims and a loss of the Company's reputation.

(m) **Reliance on Third Parties Risk**

The Company has engaged third parties (including in collaboration partnerships) to assist with the research and development of Bisantrone. Accordingly, some of the success of the Company may depend on the performance of these third parties which may in turn delay the development of Bisantrone. There is also a risk that studies required to obtain regulatory approval will be delayed due to third party performance. The engagement of these third parties will likely involve the payment of fees which may reduce the profit margins of the Company. There is also a risk that the relevant third parties may terminate their engagement with the Company.

There is a risk the Company's existing or future collaboration partnerships may break down or the Company may become involved in a dispute with one or more of its collaborative partners. This could result in the Company having difficulty in obtaining data from research undertaken under collaboration partnerships. The Company is also dependent, in part, on collaboration partners providing accurate information. There is a risk the Company will determine to pursue or not to pursue a course of action based on inaccurate, incomplete or conflicting information provided by one or more of its collaborative partners.

The Company may in future engage third parties to manufacture its product. The engagement of third parties to assist in manufacture, in addition to the collaboration partnerships entered into by the Company, may require the Company to share its proprietary information (including trade secrets) with these third parties. Although these agreements typically contain provisions restricting the publication of data relating to the Company's proprietary information (and the proprietary information itself) and other protection measures, there is a risk the third party may breach confidentiality or may inadvertently publish data or results that contain the Company's proprietary information.

6.3 Industry specific risks

(a) **Technological Change and Competition**

The pharmaceutical and biotechnology industries are characterised by intense competition and rapid and significant technical change. The Company's competitors are worldwide and include major pharmaceutical, biopharmaceutical and chemical companies,

universities and other research institutions. It is possible these competitors may pursue similar or different approaches that may be likened to the Company's present or future approach.

The Company may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share. Such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect the Company's future business, operating results and financial position.

(b) **Intellectual Property**

Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value from the outcomes of pharmaceutical research and development. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

The granting of a patent does not guarantee that the rights of others are not infringed nor that competitors will not develop competing intellectual property that circumvents such patents. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Because the patent position of pharmaceutical companies can be highly uncertain and frequently involves complex legal and scientific evaluation, neither the breadth of claims allowed in pharmaceutical patents nor their enforceability can be predicted. There can be no assurance that any patents the Company or Universities may own or control or licence now and in the future will afford the Company commercially significant protection of the intellectual property, nor that any of the projects that may arise from the intellectual property will have commercial applications.

Although the Company is not aware of any third party interests in relation to the intellectual property rights of the intellectual property, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological and medical discoveries, and if any disputes arise, they could adversely affect the Company.

Although the Company will implement all reasonable endeavours to protect its intellectual property, there can be no assurance that these measures have been, or will be sufficient.

(c) **Product and Trial Liability Insurance**

The testing and marketing of human health care products entail an inherent risk of allegations of product liability. The Company will ensure it has insurance in place in respect of its scope of operations. There cannot be any assurance that claims will not be directed at the Company, its contractors or partners or that product liability insurance will be available either at all, or at reasonable cost, as and when the Company or its partners commercialise any of the Company's developments.

(d) **Product Liability and Uninsured Risks**

Through its intended business, the Company is exposed to potential product liability risks which are inherent in the research and development, manufacturing marketing and use of its products or products developed with future co-development alliance partners. It will be necessary to secure insurance to help manage such risks. The Company may not be able to maintain insurance for product or service liability on reasonable terms in the future and, in addition, the Company's insurance may not be sufficient to cover large claims, or the insurer could disclaim coverage on claims.

Although the Company endeavours to work to rigorous standards there is still the potential for the products to contain defects which may result in system failures. These defects or problems could result in the loss of or delay in generating revenue, loss of market share, failure to achieve market acceptance, diversion of development resources, injury to the Company's reputation or increased insurance costs.

If the Company fails to meet its clients' expectations, the Company's reputation could suffer and it could be liable for damages.

Further, the Company is exposed to the risk of catastrophic loss to necessary laboratory equipment, computer equipment or other facilities which would have a serious impact on the Company's operations. The Company gives no assurance that all such risks will be adequately managed through its insurance policies to ensure that catastrophic loss does not have an adverse effect on its performance.

(e) **Research and Development**

The Company can make no representation that any of its research or development will be successful, that the development milestones will be achieved, or that the result will be products that are commercially exploitable.

There are many risks inherent in the development of biotechnology and pharmaceutical products, particularly where the commercialisation of the products is subject to technical, clinical and regulatory risk. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons.

(f) **International Agreements**

The Company has entered into contractual relations with parties domiciled in foreign jurisdictions. There is scope for changes in contract law, property law and intellectual property in developing foreign jurisdictions beyond the control of the Company and may affect the Company's ability to carry on its business, including the enforceability of its contractual arrangements.

(g) **Unforeseen Expenditure Risk**

Expenditure may need to be incurred that has not been taken into account by the Company in its budgets or otherwise. Although the Company is not aware of any such unforeseen expenditure requirements, if such unforeseen expenditure requirements arise, this may adversely affect the operations and financial performance of the Company.

6.4 General risks

(a) General Economic Conditions

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, as well as on its ability to fund its activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

(b) COVID-19

The outbreak of the coronavirus disease (SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), coronavirus disease 2019 or COVID 19, including any future resurgence or evolutions or mutations thereof or any related or associated epidemic, pandemic or disease outbreak) (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The market price of Shares may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

In addition, the effects of COVID-19 on the market price of the Shares and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may result in dilution for some or all Shareholders.

(c) Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and pharmaceuticals, biotechnology and life sciences stocks in particular. Neither the Company nor the Directors warrant the future

performance of the Company or any return on an investment in the Company.

In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.

(d) **Dilution**

In the future, the Company may elect to issue Shares or engage in capital raisings to fund operations and growth, investments or acquisitions that the Company may decide to undertake, to repay debt or for any other reason the Board may determine at the relevant time.

While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholder interests may be diluted as a result of such issues of Shares or other securities.

(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Taxation and Taxation Changes**

Taxation law is complex and frequently changing, both prospectively and retrospectively. Changes in taxation laws (including employment tax, GST, stamp duty and the ability to claim offsets) and changes in the way taxation laws are interpreted or administered, create a degree of uncertainty and may impact the tax liabilities or future financial results of the Company. In particular, both the level and basis of taxation may change.

An investment in Shares involves tax considerations which may differ for each Shareholder. Each prospective investor is encouraged to seek professional taxation and financial advice in connection with any investment in the Company and the consequences of acquiring and disposing of Shares.

(g) **Litigation and Other Proceedings**

The Company is exposed to potential legal and other claims or disputes in the course of its business, including (without limitation) intellectual property disputes, contractual disputes and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation.

Any costs involved in defending or settling legal and other claims or disputes that may arise, or where a claim or dispute is proven, could be costly and may impact adversely on the Company's operations, financial

performance and financial position and/or cause damage to its reputation.

6.5 Speculative Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors and Eligible Shareholders should consider that an investment in the Company is highly speculative.

The Securities offered under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital or the price at which the Shares may trade on the ASX.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings.

7.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Issue Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in paragraph (c)(i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in paragraph (c)(i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
05/05/2021	Race investor briefing and updated presentation
05/05/2021	Placement closes oversubscribed – Bonus Option issue launched
03/05/2021	Trading Halt
28/04/2021	Race Initiates Heart Safety Preclinical Study for Bisantrene
27/04/2021	Quarterly Activity Report & Appendix 4C
26/04/2021	Change in substantial holding
23/04/2021	Cleansing Notice
23/04/2021	Appendix 2A
20/04/2021	Race appoints Dr David Fuller Chief Medical Officer
16/04/2021	City of Hope Professor Juanjun Chen joins Race's SAB
15/04/2021	Second independent study shows Bisantrene inhibits FTO
07/04/2021	Cleansing Notice
07/04/2021	Appendix 2A
01/04/2021	Cleansing Notice
01/04/2021	Appendix 2A
31/03/2021	Race Strategic Update March 2021
30/03/2021	Race Initiates Extramedullary AML Preclinical Study
25/03/2021	Race Initiates FTO Directed Kidney Cancer Preclinical Study
19/03/2021	Race Initiates FTO Melanoma Preclinical Study
15/03/2021	Change in substantial holding
12/03/2021	Change in substantial holding
12/03/2021	S&P DJI Announces March 2021 Quarterly Rebalance
12/03/2021	Appendix 3Y – Mary Harney
11/03/2021	Appendix 3Y – Dr Daniel Tillett

Date	Description of Announcement
11/03/2021	Change in substantial holding
10/03/2021	Cleansing Notice
10/03/2021	Appendix 2A
09/03/2021	Compelling Preclinical Breast Cancer Results
04/03/2021	Change in substantial holding
25/02/2021	Appendix 4D & Half-Year Financial Statements
23/02/2021	Change in substantial holding
23/02/2021	Positive Early Preclinical Ovarian Cancer Results
19/02/2021	Cleansing Notice
19/02/2021	Appendix 2A
19/02/2021	Race to recruit new Chief Medical Officer
08/02/2021	Initial Director's Interest Notice
08/02/2021	Mary Harney appointed Non-Executive Director of Race
27/01/2021	Quarterly Activity Report & Appendix 4C
22/12/2020	Cleansing Notice
22/12/2020	Appendix 2A
17/12/2020	Race receives \$387,000 R&D tax incentive refund
16/12/2020	Race released 2020 AGM presentation video
10/12/2020	Cleansing Notice
10/12/2020	Appendix 2A
10/12/2020	Final Director's Interest Notice
10/12/2020	Prof Andersson resigns from Board to focus on CMO role
01/12/2020	Change in substantial holding
30/11/2020	Appendix 3Y-Prof Borje Andersson
30/11/2020	Appendix 3Y-Daniel Tillett
30/11/2020	Appendix 3Y-Phillip Lynch
30/11/2020	Appendix 3Gs
30/11/2020	Replacement Constitution
30/11/2020	Results of Meeting
30/11/2020	Race AGM presentation and strategic update
26/11/2020	Breast Cancer Clinical Trial Program Initiated
24/11/2020	Impressive Preclinical Bisantrene Breast Cancer Results
16/11/2020	Cleansing Notice
16/11/2020	Appendix 2A-Exercise of Options
10/11/2020	Bisantrene data published in European Journal of Haematology
05/11/2020	Phase II Bisantrene trial data to be presented at ASH 2020

Date	Description of Announcement
29/10/2020	Quarterly Activity Report & Appendix 4C
29/10/2020	Annual Report to Shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.raceoncology.com.

7.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	Price	Date
Highest	\$4.23	9 March 2021
Lowest	\$2.00	4 February 2021
Last	\$3.07	30 April 2021

7.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

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Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective entitlement under the Options Offer, is set out in the table below:

Director	Shares	Options	Entitlement under the Options Offer
John Cullity ¹	3,787,878	4,893,939	189,394
Phillip Lynch ²	419,149	2,000,000	20,957
Daniel Tillett ³	13,450,000	4,500,000	672,500
Mary Harney ⁴	8,000	Nil	400

Notes:

1. Dr Cullity's relevant interest in securities comprises an indirect interest in 3,787,878 Shares, 2,000,000 Options exercisable at \$0.23 and expiring 27/11/2021 (subject to vesting conditions), 1,893,939 Options exercisable at \$0.099 and expiring 31/08/2021 and 1,000,000 Options exercisable at \$0.25 and expiring 25/11/2021 held respectively by Craganorig Holdings, LLC and Biosynergy Partners Pty Ltd.
2. Mr Lynch's relevant interest in securities comprises a direct interest in 2,000,000 Options exercisable at \$2.65 and expiring 29/11/2025 (subject to vesting conditions) and an indirect interest in 419,149 Shares held by Lynch Eventide Holdings Pty Ltd <Lynch Family A/C>.
3. Dr Tillett's relevant interest in securities comprises a direct interest in 13,450,000 Shares, 2,500,000 Options exercisable at \$0.19 and expiring 25/11/2022 and 2,000,000 Options exercisable at \$2.65 and expiring 29/11/2025 (subject to vesting conditions).
4. Ms Harney's relevant interest in securities comprises an indirect interest in 8,000 Shares held by Ms Mary Cecilia Harney <MAA Super Fund A/C>.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Directors and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed annual remuneration for the financial year ending 30 June 2021:

Director	Previous Financial Year (FY2020) ¹	Current Financial Year (FY2021) ¹
John Cullity	\$161,584	\$104,949
Phillip Lynch ²	\$4,000	\$697,376
Daniel Tillett	\$147,001	\$738,376
Mary Harney ³	Nil	\$12,045
William Garner ⁴	\$163,041	\$16,000
Chris Ntoumenopoulos ⁵	\$102,208	\$16,000
Borje Andersson ⁶	\$161,223	\$907,198
Peter Molloy ⁷	\$556,820	Nil

Notes:

1. Includes any share-based payments.
2. Mr Lynch was appointed on 1 June 2020.
3. Ms Harney was appointed on 8 February 2021.
4. Dr Garner resigned on 28 October 2020.
5. Mr Ntoumenopoulos resigned on 28 October 2020.
6. Prof Andersson resigned on 9 December 2020.
7. Dr Molloy resigned on 20 May 2020.

7.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or

(f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offers.

Steinepreis Paganin has acted as the Australian legal advisor to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$167,368.49 (excluding GST and disbursements) for legal services provided to the Company.

7.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.7 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$55,128 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	\$3,206
ASX fees	\$1,922
Legal fees	\$20,000
Share registry	\$15,000
Printing, distribution and other expenses	\$15,000

	\$
Total	\$55,128

As noted at Section 4.5, the expenses of the Offers (exceeding any amount raised under the Cleansing Offer) will be met from the Company's existing cash reserves.

7.8 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

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8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Phillip Lynch
Managing Director and Chief Executive Officer
For and on behalf of
RACE ONCOLOGY LIMITED

9. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

Applicant means a Capital Raising Participant who applies for Bonus Options pursuant to the Placement Offer or an investor who applies for Shares pursuant to the Cleansing Offer, as the content requires.

Application Form means the application form attached to or accompanying this Prospectus for each of the Placement Offer and the Cleansing Offer, or either one of them, as the context requires.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors as constituted from time to time.

Bonus Option means an Option issued on the terms and conditions set out in Section 5.1.

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.

Capital Raising has the meaning given to that term at Section 3.2.1, being the capital raising undertaken by the Company as announced on 5 May 2021.

Capital Raising Participants has the meaning given to that term at Section 3.2.1, being the participants in the Capital Raising.

Cleansing Offer means the offer of Shares referred to in Section 3.3.

Closing Date means the closing date specified in the indicative timetable set out in Section 2 (subject to the Company reserving the right to extend the Closing Date of any of the Offers or close any of the Offers early, as applicable).

Company means Race Oncology Limited (ACN 149 318 749).

Constitution means the constitution of the Company.

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

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date whose registered address is situated in Australia or New Zealand.

Issue Date means the issue date of the Bonus Options under the Options Offer as specified in the indicative timetable set out in Section 2.

Offers means together the Options Offer, the Placement Offer and the Cleansing Offer.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share, including a Bonus Option.

Optionholder means a holder of an Option.

Options Offer means the non-renounceable bonus issue of Bonus Options referred to in Section 3.1.

Performance Right means a right to acquire a Share, subject to satisfaction of any vesting conditions.

Placement Offer means the offer of Bonus Options to Capital Raising Participants referred to in Section 3.2.

Placement Shares has the meaning given to that term at Section 3.2.1, being the Shares to be issued to Capital Raising Participants pursuant to the Capital Raising.

Prospectus means this prospectus.

Record Date means the record date specified in the indicative timetable set out in Section 2.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.