A dementia and hormone-related cancer focused drug discovery and development company.

METAVONE LIMITED

ACN 101 733 920

Proposed ASX Code: MTV

For the Offer of 17,500,000 Shares at 20 cents each to raise $3,500,000 at Minimum Subscription and up to 25,000,000 Shares at 20 cents each to raise up to $5,000,000 at Full Subscription.

This Prospectus provides important information about the Company. You should read the entire document including the Application Form. If you have any questions about the Offer or the Prospectus, you should speak to your professional adviser. The Shares offered by this Prospectus should be considered highly speculative.
PROSPECTUS

This Prospectus is dated 5 September 2016 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made to ASX within 7 days after the date of this Prospectus for quotation of the Shares the subject of this Prospectus.

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by our Directors or us.

An electronic version of this Prospectus can be downloaded from our website at www.metavone.com.au. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus is only available to Australian residents. If you have received the Prospectus electronically, we will provide a paper copy and relevant Application Form free of charge.

Applications for Shares may only be made on the relevant Application Form included in or accompanying this Prospectus or in the electronic version, as downloaded in its entirety from our website.

The Offer in this Prospectus is available only to persons receiving this Prospectus within Australia, or another country where it is lawful to do so (electronically or otherwise). This Prospectus does not constitute an offer in any place where, or to any person whom, it would be unlawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice and observe any restrictions. Any failure to comply with these restrictions may violate securities laws.

You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a completed Application Form as a representation by you that there has been no breach of any laws.

EXPOSURE PERIOD

The Corporations Act prohibits us from processing Applications for 7 days after the date of lodgement of this Prospectus with ASIC. This period may be extended by ASIC for up to a further 7 days. This period is an exposure period to enable the Prospectus to be examined by market participants prior to the issue of Shares. Applications received during the exposure period will not be processed until after the expiry of the exposure period. No preference will be given to Applications received during that period. All Application Forms received during the exposure period will be treated as if they were simultaneously received on the Opening Date.

NO PROSPECTIVE FINANCIAL FORECASTS

The Directors have considered the matters outlined in ASIC Regulatory Guide 170. The Company will use the proceeds of the Offer to further research and develop its Technology. Given the Company is an early stage company which has not commercialised its Technology, reliable forecasts of any possible revenue and expenses cannot be prepared and accordingly the Directors have not included forecasts in this Prospectus.

GLOSSARY

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary in Section 12. In this Prospectus, the words “we”, “our” and “us” refer to the Company. The words “you”, or “your” refer to Applicants.

PHOTOGRAPHS

The photographs appearing in this Prospectus are for illustration purposes only and unless otherwise stated do not represent our assets.
DIRECTORS
Mr Barry Samuels (Executive Chairman)
Dr Stuart Gunzburg (Managing Director)
Dr Janet Preuss (Non-Executive Director)

COMPANY SECRETARY
Ms Bianca Taveira

REGISTERED AND BUSINESS OFFICE
159 Stirling Highway
Nedlands, Western Australia 6009
Telephone +61 8 9389 9021
Facsimile +61 8 9386 9473

LEAD MANAGER
K S Capital Pty Limited
Level 2, 22 Pitt Street
Sydney, New South Wales 2000

SOLICITORS TO THE OFFER
Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe, Western Australia 6011

PATENT ATTORNEY
FB Rice
Level 29 Allendale Square
77 St. Georges Terrace
Perth, Western Australia 6000

INVESTIGATING ACCOUNTANT
Rothsay Consulting Services Pty Ltd
Level 1, Lincoln House
4 Ventnor Avenue
West Perth, Western Australia 6005

SHARE REGISTRY
Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, Western Australia 6153
Telephone +61 8 9315 2333
Facsimile +61 8 9315 2233

WEBSITE
www.metavone.com.au
CONTENTS

1 INVESTMENT OVERVIEW ................................................................. 5
2 CHAIRMAN’S LETTER ................................................................. 13
3 DETAILS OF THE OFFER .............................................................. 15
4 COMPANY, TECHNOLOGY AND MARKET OVERVIEW ..................... 23
5 BOARD AND CORPORATE GOVERNANCE ..................................... 33
6 RISK FACTORS ............................................................................ 45
7 INTELLECTUAL PROPERTY REPORT ............................................. 49
8 INVESTIGATING ACCOUNTANT’S REPORT ...................................... 61
9 MATERIAL CONTRACTS ................................................................. 73
10 ADDITIONAL INFORMATION ....................................................... 77
11 DIRECTORS’ RESPONSIBILITY AND CONSENT ............................. 85
12 GLOSSARY .................................................................................... 86

PRIORITY OFFER APPLICATION FORM
PUBLIC OFFER APPLICATION FORM
1 INVESTMENT OVERVIEW
Who is issuing this Prospectus?

Metavone Limited – ABN 52 101 733 920 (“Metavone” or the “Company”).

What is our business model?

The Company is a drug discovery and development company focused on the development of therapeutic treatments for dementia and hormone-related cancers. The dementia and hormone-related cancer markets are globally significant and have featured large growth. The business model enables the Company to diversify the potential risks associated with solely targeting one disorder.

The Company has intellectual property rights to two patent families covering its Isoflavone Drug Technology. This Technology features a suite of 138 isoflavone compounds that the Company will seek to develop as therapeutic treatments for dementia and hormone-related cancers.

In pre-clinical testing by computer-based modelling:

(a) on all of the isoflavone compounds, more than 80% demonstrated the potential to cross the blood-brain barrier; and

(b) on a smaller sample of 45 isoflavone compounds, 20 demonstrated the ability to bind to relevant proteins and/or inhibit inflammatory processes associated with progression of dementia,

and thereby provide the potential for these compounds to be developed to treat neurological conditions including dementia, Alzheimer’s disease, Parkinson’s disease and Frontotemporal Dementia.

Pre-clinical testing has also focused on treatment of hormone-related cancers by:

(a) laboratory testing against cancer cell lines on a sample of 12 of the isoflavone compounds which resulted in 6 compounds showing pronounced activity against hormone-related cancers (such as breast, prostate and ovarian cancers) when compared to control compounds with known anti-cancer activity;

(b) further animal trials in mice on 2 of these isoflavone compounds further demonstrated that one of the compounds has a capacity to inhibit the growth of human prostate cancer; and

(c) screening by computer-based modelling on all of the isoflavone compounds for certain protein activity indicates that none of the compounds combine with the relevant protein to prevent drugs from entering cells and approximately one quarter of the compounds additionally potentially inhibit relevant protein activity (which provides the opportunity to use the compounds in combination with existing cancer treatments against cancers displaying multi-drug resistance).

The isoflavone compounds, the subject of the Isoflavone Drug Technology, when tested in pre-clinical computer-based modelling have demonstrated positive qualities for targeting therapeutic drug development (whether for dementia or hormone-related cancers) including:

(a) 135 of 138 isoflavone compounds showing a low likelihood of potential adverse toxic, mutagenic or tumourigenic activity in humans; and
Investment Overview

(b) more than 90% of the isoflavone compounds showing significant levels of absorption into the bloodstream by oral administration allowing the Company to target oral administration in a tablet form in the event of commercial development.

The testing of the isoflavone compounds for developing dementia and hormone-related cancer treatments is at a relatively early stage (being solely pre-clinical testing). Our business model is focused on further research and development of the Isoflavone Drug Technology compounds in further pre-clinical testing (whether by computer-based modelling, laboratory or animal trials) and then clinical trials in humans so as to identify and then commercially develop therapeutic dementia treatments for dementia conditions and as a dementia preventative product, as well as developing therapeutic hormone-related cancer treatments.

The Company plans to implement a cost effective laboratory testing model, which will utilise laboratories and technical personnel skilled in specific areas of testing on a contract basis. The Company will not seek to establish its own testing facilities.

The Company will look to achieve capital growth for Shareholders by further research success and development of the Isoflavone Drug Technology for dementia and hormone-related cancer treatments. The Company intends to itself conduct any early stage clinical trials and thereafter may licence or partner with third parties on a commercial basis to progress the development of isoflavone compounds. Ultimately, if the Company develops any therapeutic product to market, it will seek to enter into commercial licensing arrangements with third parties to undertake further development, and commercialisation and marketing.

As a drug discovery and development company our business model is highly dependent on achievement of technology research and development success as well as future funding, intellectual property risk, obtaining any necessary government approvals and general financial and economic factors. Risks of investing in our Shares are set out in this Section 1 (Key Risks) and Section 6.

The funds raised from the Offer will be primarily used to further research and develop the Isoflavone Drug Technology.

Income growth in the form of dividends will only eventuate if our planned activities generate sufficient revenue and returns. There will be no dividends in the short term.

Isoflavones are naturally occurring compounds found in plants, most commonly in soy. They are essentially antioxidants with multiple functions, and they have a similar structure to the hormone estrogen.

Interest in isoflavones was initially sparked by the observation that countries where soy consumption is high tend to have low rates of hormone-related cancers (such as breast, prostate and ovarian cancer), menopausal problems, osteoporosis and dementia.

Prospectus lodged with ASIC 5 September 2016
Priority Offer Opening Date 13 September 2016
Public Offer Opening Date 13 September 2016
Priority Offer Closing Date 7 October 2016
Public Offer Closing Date 14 October 2016
Issue of Shares under Prospectus 19 October 2016
Despatch of holding statements 21 October 2016
Shares commence trading on ASX 28 October 2016

These dates are indicative only. We reserve the right to vary any of these dates, withdraw the Offer at any time before issue of the Shares and to close the Offer early or extend the Closing Date, without notice to you. You are encouraged to apply as soon as possible after The Offer opens as The Offer may close at any time without notice.
### Questions

**What are the benefits of investing in our Shares?**

- The Company has intellectual property rights to two granted patent families in respect of the Isoflavone Drug Technology. This technology encompasses a large suite of 138 isoflavone compounds.
- Pre-clinical testing of a number of these isoflavone compounds by a combination of computer-based modelling, laboratory testing and, in one case, animal (mouse) trials have demonstrated the potential to develop some of the compounds for therapeutic treatment of neurological conditions such as dementia and for hormone-related cancers such as breast, prostate and ovarian cancers.
- Funds from the Prospectus are to be predominantly used to fund further research and development of the Isoflavone Drug Technology compounds in pre-clinical testing phases.
- The strategy is to develop compounds as therapeutic treatments for dementia conditions and as a dementia preventative product as well as for hormone-related cancers. This enables the Company to diversify the potential risks (yet certainly not eliminate) associated with solely targeting one disorder.
- The two markets the Company is seeking to penetrate (the dementia market and the hormone-related cancer market) are globally significant and have featured large growth. Both dementia and hormone-related cancers are large causes of death in Australia.
- The Board and management team are skilled and experienced including in the development of technologies.

### Where to find more information

**Section 4 and 5**

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**What are the key risks of investing in our Shares?**

The key risks of investing in the Company are set out below. The list of risks is not exhaustive and further details of risks are set out in Section 6.

<table>
<thead>
<tr>
<th>Risk Area</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology development and</td>
<td>Metavone is a drug discovery and development company focused on the development of therapeutic treatments for dementia and hormone-related cancers. It has IP rights to a suite of isoflavone compounds constituting the Isoflavone Drug Technology. A significant risk is whether the Company can further identify and develop these compounds to a level where they will enter clinical trials in human patients and thereafter achieve clinical and regulatory success. A failure to achieve development and commercialisation milestones will have a significant adverse impact on the Company's business model, operating results and financial position.</td>
</tr>
<tr>
<td>Commercialisation risk</td>
<td></td>
</tr>
<tr>
<td>Future Funding Needs</td>
<td>The Company has yet to commercialise the Isoflavone Drug Technology and therefore has not as yet generated any revenue or profits. The Company will depend on the availability of investor funds if and until the Company generates cash flows from successful commercialisation of the Isoflavone Drug Technology. No assurance can be given that future funding for further development of the Isoflavone Drug Technology will be made available on acceptable terms (if at all). If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development programs as the case may be.</td>
</tr>
</tbody>
</table>

**Section 6**
<table>
<thead>
<tr>
<th>Questions</th>
<th>Response</th>
<th>Where to find more information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Area Risk</td>
<td><strong>Investment Overview</strong>&lt;br&gt;<strong>Questions Response</strong>&lt;br&gt;<strong>Where to find more information</strong>&lt;br&gt;<strong>Intellectual Property risk</strong>&lt;br&gt;The success of the Company's Isoflavone Drug Technology will depend in part on the Company's ability to maintain patents (and therefore proprietary rights) without infringing the proprietary rights of others. Two patent family applications have been granted in respect of the Isoflavone Drug Technology (see Section 7). The strength of patents involves complex legal and scientific questions and can be uncertain. There can be no assurance that patents in relation to the Isoflavone Drug Technology will afford the Company commercially significant protection of the Isoflavone Drug Technology or that competitors will not develop competing technologies that circumvents such patents.</td>
<td></td>
</tr>
<tr>
<td>Government approvals risk</td>
<td>In order to successfully commercialise theIsoflavone Drug Technology, the Company will need to obtain various government or regulatory approvals. These approvals include regulatory approval prior to commencing each stage of clinical (human) trials and regulatory approvals before the commercial sale of products. These approvals are commented upon in Section 4.7. A failure to obtain such approvals will limit the Company's ability to develop and commercialise the Isoflavone Drug Technology.</td>
<td></td>
</tr>
<tr>
<td>Licence contracts/customer engagement</td>
<td>In order to successfully commercialise the Isoflavone Drug Technology, the Company will test and develop the isoflavone compounds through pre-clinical trials and any early stage clinical trials. Thereafter, the Company may licence or partner with third parties on a commercial basis to progress the development of isoflavone compounds and, ultimately, if the Company develops any therapeutic product to market, the Company's intention is to enter into commercial licensing arrangements with third party specialists to undertake further development and commercialisation and marketing. Given the Company is at an early stage of drug development, it does not currently have any customers.</td>
<td></td>
</tr>
<tr>
<td>Dependence on key personnel</td>
<td>The Company's prospects depend in part on the ability of management to advance the Isoflavone Drug Technology of the Company. Loss of key personnel may have an adverse impact on the Company's performance.</td>
<td></td>
</tr>
<tr>
<td>What is our financial position</td>
<td>We are a drug discovery and development company. Various pre-clinical testing has been undertaken on the Isoflavone Drug Technology. Commercialisation of the Technology has not occurred and this limits the basis on which an evaluation of our prospects can be made from our operating history. We are involved in seeking to develop potential therapeutic agents to target dementia diseases and hormone-related cancers.</td>
<td><strong>Section 8</strong></td>
</tr>
</tbody>
</table>
### Questions | Response | Where to find more information
--- | --- | ---
We are not able to provide any meaningful key financial ratios such as relating to market performance, profitability or financial stability. |  |  
Our relevant financial information (including historical audited financial information) is set out in the Investigating Accountants Report in Section 8. This includes a pro-forma balance sheet that shows the effect of the Offer. |  |  
The research and development costs on the Isoflavone Drug Technology at this point have not been carried as an asset as the costs have not currently met the criteria for recognition as an intangible asset. |  |  
We intend to apply the proceeds of the Offer as outlined in Section 3. |  |  

### Who are our Directors? |  | Section 5
1. Mr Barry Samuels (Executive Chairman)  
2. Dr Stuart Gunzburg (Managing Director)  
3. Dr Janet Preuss (Non-Executive Director)  
Information about the experience and background of each Director and independence is set out in Section 5. |  |  

### What benefits are being paid to Directors and related parties? |  | Sections 3.3, 9 and 10
The Directors are paid fees for operating the Company as set out in Sections 9 and 10.6.  
Dr Stuart Gunzburg has entered into an executive service agreement with the Company under which he will be engaged as managing director as summarised in Section 9.  
Mr Barry Samuels has entered into an executive service agreement with the Company under which he will be engaged as executive chairman as summarised in Section 9.  
Two of the current Directors (Mr Barry Samuels and Dr Stuart Gunzburg) and a former Director (Dr Michael Ruane) have made unsecured loans totalling $105,000 to assist funding the Company. The outstanding sum of these loans will be repaid from the proceeds of this Offer. See Section 3.3.  
The Company has also entered into a repayment of loan deed (see Section 9.4) and an assignment of patent agreement (see Section 9.5) with Dr Ruane.  
The contracts referred to above are entered into by the Company with related parties. The independent Directors of the Company in each case considered the contract that was to be entered into was on reasonable arms length terms as far as the Company was concerned and therefore no Shareholder approval under the related party provisions of the Corporations Act was necessary. |  |  

### What material contracts have we entered into? |  | Section 9
We are party to a number of material contracts. They are:  
- Executive Service Agreement with Dr Stuart Gunzburg, the managing director.  
- Executive Service Agreement with Barry Samuels, the executive chairman.  
- Mandate Agreement with K S Capital Pty Limited as the Lead Manager to the Offer.  
- Repayment of Loan Deed with Dr Michael Ruane.  
- Assignment of Patent Agreement with Dr Michael Ruane.  
Summaries of the key terms of the agreements are included in Section 9. |  |  

<table>
<thead>
<tr>
<th>Questions</th>
<th>Response</th>
<th>Where to find more information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What is the Offer?</strong></td>
<td>We are inviting subscriptions for up to 25,000,000 Shares at 20 cents each to raise up to $5,000,000 at Full Subscription. The Shares to be subscribed for consist of: • A Priority Offer of up to 10,000,000 shares ($2,000,000) to existing Shareholders with a registered address in Australia or New Zealand as at the Priority Offer Record Date; and • A Public Offer.</td>
<td>Section 3.1</td>
</tr>
<tr>
<td><strong>What are the objectives of the Offer?</strong></td>
<td>• The objectives of the Offer are to: • Fund a 2-year research and development program of the Metavone’s Isoflavone Drug Technology. • Pay fees associated with patent protection. • Fund 2-year corporate administration costs. • Repay related party loans. • Provide general working capital. • Pay the costs of the Prospectus process. • List on the ASX, which will provide the Company with improved access to capital markets.</td>
<td>Section 3.2</td>
</tr>
<tr>
<td><strong>How will the funds raised under the Offer be used?</strong></td>
<td>We intend to use current funds and funds raised from the Offer as follows: • Fund a 2-year research and development program of the Metavone’s Isoflavone Drug Technology. • Pay fees associated with patent protection. • Fund 2-year corporate administration costs. • Repay related party loans. • Provide general working capital. • Pay the costs of the Prospectus process. • A budget of how funds are to be used is set out in Section 3.3. • As with any budget, new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to vary the way funds are applied.</td>
<td>Section 3.3</td>
</tr>
<tr>
<td><strong>What is the effect of the Offer on our capital structure?</strong></td>
<td>At ASX Listing, the capital structure at Full Subscription is intended to be: <strong>Shares</strong> Existing Shares 21,632,569 Shares under this Prospectus 25,000,000 Shares issued under Repayment of Loan Deed 5,532,685 Lead Manager Shares 500,000 <strong>Total Shares</strong> 52,665,254 <strong>Options</strong> Series A Options 7,500,000 Series B Options 1,250,000 <strong>Total Options</strong> 8,750,000 Please refer to Section 3.5. The capital structure at Minimum Subscription is also depicted. The terms of the Options are set out in Section 10.2. As set out in Sections 3.12 and 10.3, the Company intends to issue future Entitlements Options.</td>
<td>Sections 3.5, 10.2 and 10.3</td>
</tr>
<tr>
<td>Questions</td>
<td>Response</td>
<td>Where to find more information</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>What is the Minimum Subscription?</td>
<td>The Minimum Subscription for the Offer is 17,500,000 Shares at 20 cents per Share to raise $3,500,000, before expenses of the Offer.</td>
<td>Section 3.13</td>
</tr>
<tr>
<td>Is the Offer underwritten?</td>
<td>The Offer is not underwritten.</td>
<td>Section 3.14</td>
</tr>
<tr>
<td>What are the arrangements with brokers?</td>
<td>K S Capital Pty Limited is Lead Manager to the Offer. The material terms of the agreement with the Lead Manager and the fees payable are set out in Section 9.</td>
<td>Sections 3.15 and 9</td>
</tr>
<tr>
<td>Where will the Shares be quoted?</td>
<td>We will apply to ASX for quotation of the Shares under the trading symbol “MTV”.</td>
<td>Section 3.16</td>
</tr>
<tr>
<td>How do I apply for Shares under the Offer?</td>
<td>Applications for Shares must be made using an Application Form as follows:</td>
<td>Section 3.8</td>
</tr>
<tr>
<td></td>
<td>(a) By an existing Shareholder with a registered address in Australia or New Zealand – by using the Priority Offer Application Form; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) By all other investors – by using the Public Offer Application Form.</td>
<td></td>
</tr>
<tr>
<td>What is the minimum investment?</td>
<td>The minimum investment is $2,000 (10,000 Shares), with additional investments to be made in $200 increments (1,000 Shares).</td>
<td>Section 3.8</td>
</tr>
<tr>
<td>When will I know if my Application is successful?</td>
<td>A holding statement confirming your allocation under the Offer will be sent to you if your Application is successful.</td>
<td>Section 3.11</td>
</tr>
<tr>
<td>Will we pay a dividend?</td>
<td>Our focus will be on generating capital growth. We have no immediate intention to declare or distribute dividends. Payment of future dividends will depend on matters such as our future profitability and financial position.</td>
<td>Section 10.5</td>
</tr>
</tbody>
</table>
2

CHAIRMAN'S LETTER
Dear Investor,

On behalf of the Board I am pleased to invite you to participate in the Offer by the Company as part of the process to list on ASX.

Metavone is a drug discovery and development company focused on the development of therapeutic treatments for dementia and hormone-related cancers. It has intellectual property rights to two patents covering its Isoflavone Drug Technology featuring a significant number of isoflavone compounds.

Pre-clinical testing of a number of these isoflavone compounds by a combination of computer-based modelling, laboratory testing and, in one case, animal (mouse) trials have demonstrated the potential to develop some of the compounds as therapeutic treatment of neurological conditions such as dementia and for hormone-related cancers such as breast, prostate and ovarian cancers.

The dementia and hormone-related cancer markets are globally significant and have featured large growth. The Company's business model enables it to diversify the potential risks associated with solely targeting one disorder.

Funds from the Prospectus are to be predominantly used to fund further research and development of the Isoflavone Drug Technology compounds in pre-clinical testing phases so as to identify dementia and/or hormone-related cancer therapeutic compounds. The aim thereafter will be to seek to commence testing in human clinical trials.

With this Offer the Company is seeking to raise up to $5,000,000. The Offer includes a Priority Offer of up to 10,000,000 Shares ($2,000,000) to existing Shareholders with a registered address in Australia or New Zealand.

The Company is supported by an experienced Board of Directors. The Board and management team are led by Dr Stuart Gunzburg as managing director.

An investment in the Company involves a number of risks which are addressed in both Sections 1 and 6.

This Prospectus contains important information regarding the Company and I encourage you to read it in its entirety.

I look forward to your participation.

Yours faithfully

Mr Barry Samuels
Executive Chairman
Metavone Limited
3
DETAILS OF THE OFFER
3.1 SHARES OFFERED FOR SUBSCRIPTION

By this Prospectus the Company offers for subscription up to 25,000,000 Shares at 20 cents each to raise up to $5,000,000 at Full Subscription.

The Shares offered for subscription under this Prospectus consist of:

- A Priority Offer to existing Shareholders with a registered address in Australia or New Zealand as at the Priority Offer Record Date; and
- A Public Offer.

Priority Offer to existing Shareholders

The Company invites the Shareholders of Metavone Limited that have a registered address in Australia or New Zealand as at the Priority Offer Record Date (being the date of this Prospectus) to subscribe for up to 10,000,000 Shares ($2,000,000) in priority to the Public Offer on a first come first served basis, subject to the Director’s discretion including no Shareholder obtaining more than a 5% interest in the Company. Any excess priority applications will be considered part of the Public Offer.

All Shares issued under the Priority Offer will rank equally with all other Shares on issue or to be issued under this Prospectus.

Public Offer

The Public Offer in conjunction with the Priority Offer is for up to 25,000,000 Shares at Full Subscription. The balance of any Shares not applied for by relevant existing Shareholders under the Priority Offer will be added to the allocation of Shares for the Public Offer.

All Shares issued under the Public Offer will rank equally with all other Shares on issue or to be issued under this Prospectus.

3.2 OBJECTIVES OF THE OFFER

The objectives of the Offer are to:

- Fund a two-year research and development program of Metavone’s Isoflavone Drug Technology.
- Pay ongoing fees associated with patent protection.
- Fund two years of corporate administration costs.
- Repay related party loans.
- Provide general working capital.
- Pay the costs of the Prospectus process.
- List on the ASX, which provides the Company with improved access to capital markets.

3.3 USE OF FUNDS

The Company intends to use its current funds available of approximately $50,000 cash on hand at the date of this Prospectus, and the funds raised from the Offer at Minimum Subscription and Full Subscription broadly as follows:
<table>
<thead>
<tr>
<th>Funds available</th>
<th>Minimum Subscription</th>
<th>Full Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Funds from this Offer</td>
<td>$3,500,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Total funds available</td>
<td>$3,550,000</td>
<td>$5,050,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Application of proceeds</th>
<th></th>
<th></th>
</tr>
</thead>
</table>
| Isoflavone Drug Technology research and development (two years)
|                                                   | $1,750,000           | $2,750,000        |
| Fees associated with ongoing patent protection | $150,000             | $150,000          |
| Two year corporate administration costs        | $920,000             | $920,000          |
| Repay related party loans                      | $107,000             | $107,000          |
| Costs of the Offer                             | $440,000             | $550,000          |
| General working capital                        | $183,000             | $573,000          |
| **Total**                                      | **$3,550,000**       | **$5,050,000**    |

Notes:

1. The research and development plan for the Metavone Isoflavone Drug Technology includes the screening of isoflavone compounds and then pre-clinical laboratory and animal studies on various lead compounds in order to further identify and develop dementia and/or hormone-related cancer therapeutic compounds. A research and development budget for each of the dementia and hormone-related cancer treatment development paths is set out in Section 4.7.

2. Two of the Directors (Mr Barry Samuels and Dr Stuart Gunzburg) and one former Director (Dr Michael Ruane) have made loans to assist funding the Company. Each of the loans have been made on an unsecured basis with interest at 7.5% per annum. The outstanding moneys owed under the loans at the date of this Prospectus are approximately $51,000 to Barry Samuels, $5,100 to Dr Stuart Gunzburg and $51,000 to Dr Michael Ruane.

3. The costs of the Offer include fundraising fees of 5.75% on all moneys raised (being $201,250 at Minimum Subscription and $287,500 at Full Subscription) as well as a financial advisory cash success fee (being $55,000 at Minimum Subscription and $70,000 at Full Subscription with the fee pro-rated if funds are raised between these amounts). The fundraising fees and the cash success fee is set out in Section 9.3.

4. General working capital includes operating costs and may be applied to director’s fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs. General working capital may also be used for acceleration of the development of the Isoflavone Drug Technology.

5. If greater than Minimum Subscription but less than Full Subscription is received (that is, an amount between $3,500,000 and $5,000,000), then after payment of any further costs of the Offer (of up to $110,000), the net funds are intended to firstly be applied in the sum of up to $1,000,000 to the development of the Technology (with the projected application of such funds being pro-rata to the relevant budget items for the Technology development as set out in Section 4.7) and thereafter will be applied to general working capital in the sum of approximately $390,000.

6. The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including development success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to vary the way funds are applied on this basis including as between the dementia and cancer treatment development paths of the Isoflavone Drug Technology.

### 3.4 WORKING CAPITAL

On successful completion of the Offer with at least Minimum Subscription, the Company will have enough working capital to carry out the objectives stated in this Prospectus.

### 3.5 CAPITAL STRUCTURE

At ASX listing, the capital structure of the Company at Minimum Subscription and Full Subscription is intended to be:
### Shares

<table>
<thead>
<tr>
<th>Shares</th>
<th>Minimum Subscription</th>
<th>Full Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Shares</td>
<td>21,632,569</td>
<td>21,632,569</td>
</tr>
<tr>
<td>Shares under this Prospectus¹</td>
<td>17,500,000</td>
<td>25,000,000</td>
</tr>
<tr>
<td>Shares issued under repayment of loan deed²</td>
<td>5,532,685</td>
<td>5,532,685</td>
</tr>
<tr>
<td>Lead Manager Shares³</td>
<td>350,000</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total Shares⁴</strong></td>
<td><strong>45,015,254</strong></td>
<td><strong>52,665,254</strong></td>
</tr>
</tbody>
</table>

### Options

<table>
<thead>
<tr>
<th>Options</th>
<th>Minimum Subscription</th>
<th>Full Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series A Options⁵</td>
<td>7,500,000</td>
<td>7,500,000</td>
</tr>
<tr>
<td>Series B Options (to Lead Manager)⁶</td>
<td>875,000</td>
<td>1,250,000</td>
</tr>
<tr>
<td><strong>Total Options⁷</strong></td>
<td><strong>8,375,000</strong></td>
<td><strong>8,750,000</strong></td>
</tr>
</tbody>
</table>

### Notes:

1. Shares issued under this Prospectus will rank equally with the existing Shares on issue. The key rights attaching to the Shares are summarised at Section 10.1 of this Prospectus.

2. The 5,532,685 Shares are to be issued at a deemed price of 20 cents per Share to repay and extinguish an existing loan repayable by the Company. The material terms of the repayment of loan deed are set out in Section 9.4.

3. The Shares to be issued to the Lead Manager and/or its nominees are part of a fee payable to the Lead Manager as set out in Section 9.3.

4. In the event that the ASX does not accept that payment by the Company of a purchase price of $250,000 under an assignment of patent agreement (as set out in Section 9.5) is not reimbursement of expenditure in developing the relevant patent, this part of the purchase price will need to be satisfied by the Company issuing Shares at a deemed price of 20 cents per Share. Thereby, the maximum number of Shares that could be issued in addition to the Shares depicted above is 1,250,000 Shares.

5. The Series A Options have an exercise price of 28 cents and an expiry date of 31 December 2019. The full terms of the Series A Options are set out in Section 10.2.

6. The Series B Options have an exercise price of 20 cents and an expiry date of 31 January 2020. These Series B Options are to be issued as part of a fee to the Lead Manager as set out in Section 9.3.

7. As set out in Sections 3.12 and 10.3, the Company intends to issue future Entitlement Options. Based on the Shares at ASX listing in accordance with the table above, up to 13,166,314 Entitlement Options will be issued at Full Subscription.

8. Some of the Shares and Options referred to in the table above may be subject to ASX escrow provisions restricting their ability to be transferred or pledged as set out in Section 3.7.

### 3.6 Substantial Shareholding

Shareholders who have a relevant interest in 5% or more of the Shares on issue at the date of this Prospectus and on completion of this Offer at ASX listing are set out in the table below.

<table>
<thead>
<tr>
<th>Name of Shareholder</th>
<th>Pre-Offer</th>
<th>Post-Offer (Minimum Subscription)</th>
<th>Post-Offer (Full Subscription)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shares</td>
<td>% (Undiluted)</td>
<td>Shares</td>
</tr>
<tr>
<td>Kesli Chemicals Pty Ltd</td>
<td>3,184,722</td>
<td>14.72%</td>
<td>3,184,722</td>
</tr>
<tr>
<td>Black Mountain Gold NL</td>
<td>3,051,711</td>
<td>14.11%</td>
<td>3,051,711</td>
</tr>
<tr>
<td>Sintack Pty Ltd</td>
<td>1,730,899</td>
<td>8.00%</td>
<td>1,730,899</td>
</tr>
<tr>
<td>Enta Pty Ltd</td>
<td>1,096,680</td>
<td>5.07%</td>
<td>1,096,680</td>
</tr>
</tbody>
</table>
Notes:

- This table assumes that no existing substantial Shareholder subscribes for, and receives additional Shares under the Offer. The Company will announce to ASX details of its top 20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

3.7 RESTRICTED SECURITIES

Subject to the Company being admitted to the official list of ASX, certain of our existing securities on issue prior to the Offer are likely to be classified by ASX as restricted securities and will be required to be held in escrow. These include securities issued to Directors, other related parties and promoters, seed capital investors and others prior to the Offer. If so classified, such securities will be required to be held in escrow for a period determined by ASX and will not be able to be sold, mortgaged, assigned or transferred for the escrow period without the consent of ASX.

The principles of escrow that apply to the existing securities include:

(a) Shares and Options issued to related parties (such as Directors) or promoters other than where cash was paid will be subject to escrow for a period of 24 months from the date on which official quotation of the Shares commences on ASX; and

(b) a portion of the Shares (after “cash formula” relief) that have been issued to seed capital investors (investors who subscribed prior to this Prospectus) who are not related parties or promoters and that have been issued in the last 12 months will be escrowed for a period of 12 months from the date the securities were issued.

None of the Shares offered under this Prospectus will be treated as restricted securities and will be freely transferable from their date of allotment.

The Company expects all the Shares and Options (Series B Options) to be issued to the Lead Manager and all the Series A Options issued to the Directors will be escrowed for a period of 24 months from the date on which official quotation of the Shares commences on ASX.

The Company has no voluntary escrow arrangements in place.

The Company will announce to ASX details (quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.

3.8 APPLICATION FOR SHARES

Applications for Shares must be made using an Application Form as follows:

<table>
<thead>
<tr>
<th>Offer type</th>
<th>Who should apply</th>
<th>Application Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Offer</td>
<td>Existing Shareholders with a registered address in Australia or New Zealand</td>
<td>Priority Offer Application Form</td>
</tr>
<tr>
<td>Public Offer</td>
<td>All other investors</td>
<td>Public Offer Application Form</td>
</tr>
</tbody>
</table>
Payment for the Shares must be made in full at the issue price of 20 cents per Share. Applications for Shares must be for a minimum of 10,000 Shares ($2,000) and thereafter in multiples of 1,000 Shares ($200).

All Application Forms must be completed in accordance with the detailed instructions on how they are to be completed. You may pay by cheque in Australian dollars or by BPAY in accordance with the instructions on the relevant Application Form.

If paying by cheque, the cheque must be payable to “Metavone Limited – Share Offer Account” and crossed “Not Negotiable” and the completed Application Form together with the accompanying cheque must be mailed or delivered to either of the following addresses:

By Post to: Metavone Limited
c/- Security Transfer Registrars Pty Ltd
PO Box 535 APPLECROSS WA 6953

By Delivery to: Metavone Limited
770 Canning Highway APPLECROSS WA 6153

If paying by BPAY you will need to complete an online Application Form and make payment in accordance with instructions on the Application Form.

All Priority Offer Application Forms and payment must be completed and/or received by the Priority Offer Closing Date.

All Public Offer Application Forms and payment must be completed and/or received by the Public Offer Closing Date.

The Company reserves the right to extend the Priority Offer or the Public Offer or close either early without notice. Applicants are urged to lodge their relevant Application Form as soon as possible.

A completed and lodged Application Form, together with a payment for the Application moneys, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the relevant Application Form. The Application Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

If the Application Form is not completed correctly, or if the accompanying payment of the Application moneys is for the wrong amount, it may still be treated as valid. The Directors’ decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application moneys.

No brokerage or stamp duty is payable by Applicants in respect of Applications for Shares under this Prospectus.

3.9 APPLICANTS OUTSIDE AUSTRALIA

No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia and the Prospectus does not constitute an offer in any country or place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of the Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of the Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities law. Applicants who are resident in countries other than Australia 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 to enable them to subscribe for Shares.

The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

3.10 APPLICATION MONEYS HELD ON TRUST

We will hold the Application moneys on trust for you in accordance with the Corporations Act until we issue Shares under the Prospectus or refund your Application moneys. We will retain any interest that accrues on the Application moneys, whether or not Shares are issued to you.

3.11 ALLOTMENT AND ISSUE OF SHARES

Subject to ASX granting approval for the Company to be admitted to the Official List of ASX, allotment of the Shares offered by this Prospectus will occur as soon as practicable after the Closing Date. Pending the allotment and issue of Shares or payment of any refunds under this Prospectus we will hold all Application moneys on trust for you in a separate bank account. We will retain all interest that accrues on the Application moneys we hold.
The Directors will determine the recipients of the issued Shares in their sole discretion. The Directors may reject your Application or allocate fewer Shares to you than the number applied for.

We will refund to you any Application moneys to the extent that your Application is not accepted (in full or in part) by us.

A holding statement confirming the allotment and issue of Shares will be sent to you, if your Application is successful.

3.12 ENTITLEMENTS OPTIONS ISSUE

The Company intends to undertake a non-renounceable entitlements issue of Entitlements Options to registered Shareholders at a time approximately 4 months after admission to the Official List. The Entitlements Options are intended to be offered for subscription at a price of 1 cent each and on the basis of 1 Entitlements Option for every 4 Shares held. The Entitlements Option will have an exercise price of 20 cents and an expiry date of 31 January 2020. Application will be made for the Entitlements Options to be granted quotation on ASX.

The intended full terms of the Entitlements Options are set out in Section 11.3.

3.13 MINIMUM SUBSCRIPTION

Minimum Subscription under the Offer is $3,500,000. We will not issue any Shares under this Prospectus until the Minimum Subscription is satisfied.

If the Minimum Subscription is not reached within 4 months from the date of this Prospectus, we will either repay your Application moneys or issue a supplementary prospectus or replacement prospectus. If we issue a supplementary or replacement prospectus, we will allow you one month to withdraw your Application and, if you do so, we will repay your Application moneys. No interest will be paid on these moneys.

3.14 OFFER NOT UNDERWRITTEN

The Offer is not underwritten.

3.15 LEAD MANAGER TO THE OFFER

We have entered into a mandate agreement with K S Capital Pty Limited by which K S Capital Pty Limited has been appointed as the Lead Manager to the Offer under this Prospectus. The material terms of the agreement are summarised in Section 9.3.

3.16 ASX LISTING

We will apply to ASX within 7 days after the date of this Prospectus for quotation of the Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In these circumstances, your Application will be dealt with in accordance with the Corporations Act including the return of all Application moneys without interest.

A decision by ASX to grant official quotation of the Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the Shares. ASX and its officers take no responsibility as to the contents of this Prospectus. Quotation, if granted, of the Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the Shares are dispatched.

3.17 CHESS

We will apply to participate in the security transfer system known as CHESS, operated by ASX Settlement Pty Ltd (ACN 008 504 632) (a wholly owned subsidiary of ASX) (“ASPL”) in accordance with the Listing Rules and the ASX Settlement Operating Rules.

On admission to CHESS, we will operate an electronic issuer sponsored sub-register and an electronic sub-register. The sub-registers together will make up our principal register of securities. Under CHESS you will not receive a share certificate. You will receive a holding statement setting out the number of Shares issued to you under this Prospectus. If you are broker sponsored, ASX Settlement Pty Ltd will send you a CHESS statement.
3.18 TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

3.19 ELECTRONIC PROSPECTUS

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

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.
4

COMPANY, TECHNOLOGY AND MARKET OVERVIEW
**What is an isoflavone?**

Isoflavones are naturally occurring compounds found in plants, most commonly in soy. They are essentially antioxidants with multiple functions, and they have a similar structure to the hormone estrogen.

Interest in isoflavones was initially sparked by the observation that countries where soy consumption is high tend to have low rates of hormone-related cancers (such as breast, prostate and ovarian cancer), menopausal problems, osteoporosis and dementia.

Metavone has intellectual property rights to two patent families covering its Isoflavone Drug Technology and the range of compounds contained within:

- Isoflavone metabolites patent; and
- Aryl di-substituted propenone compounds patent.

Each patent covers approximately 70 unique isoflavone compounds. These compounds comprise the Company’s Isoflavone Drug Technology. Both patents allow the exploitation of these isoflavone compounds for use in the treatment of a number of human disorders, including hormone-related cancers and dementia diseases, and specifically Alzheimer’s disease. Both patent families also allow the Company to develop these compounds to be administered to humans orally via a tablet, as a food additive, as a cream or ointment for topical administration or via intravenous, intraperitoneal, subcutaneous, intramuscular or intradermal injection.

Patent protection has been sought and granted in various jurisdictions and this is addressed in Section 7 (Intellectual Property Report). The patents cover the use of the isoflavone compounds for the treatment of various diseases and syndromes, including dementia and hormone-related cancers.

Of the two patent families for which patent protection has been sought, the first patent family (the compounds within isoflavone metabolites patent) have various patent registrations that expire in May 2020 while the second patent family (the compounds within aryl di-substituted propanone compounds patent) have various patent registrations that expire in November 2029. The Company’s strategy in respect of its granted patents is to ensure they remain in good standing and to develop further novel intellectual property which can be the subject of new patent applications.

The Company has not committed to any royalties or encumbrances in respect of the Isoflavone Drug Technology. The Company has full commercial discretion to commercialise the IP in any way it so chooses. This includes the use of the compounds developed from the Isoflavone Drug Technology for the treatment of a range of diseases and syndromes including dementia, hormone-related cancers, osteoporosis, menopausal symptoms, diabetes and coronary heart disease. Currently, the Company is targeting dementia and hormone-related cancer treatments.

### 4.2 Features of Metavone’s Isoflavones

The Isoflavone Drug Technology features a suite of 138 isoflavone compounds. As detailed below, by pre-clinical computer-based modelling to date, most of Metavone’s isoflavone compounds can be targeted for the potential to be taken as a tablet, to have a low likelihood of adverse human reaction, to be able to cross the blood-brain barrier and to be used against drug resistant cancers. Thereby, the Company is targeting to develop the isoflavone compounds both for the treatment of neurological conditions including dementia as well as for the treatment of hormone-related cancers.

**Targeted to be taken orally (dementia and hormone-related cancer feature)**

Metavone’s isoflavone compounds by screening suggest that more than 90% have the potential to pass through the intestine and enter the bloodstream. These results indicate that any drug developed from the compounds could be administered orally with a tablet, rather than via invasive procedures such as an intravenous injection.
Low toxicity potential (dementia and hormone-related cancer feature)
Safety analysis performed on Metavone's isoflavone compounds, show that 135 of the 138 isoflavone compounds have a low likelihood of potential adverse reaction. The three compounds that showed potential mutagenic or tumourigenic activity will be either further examined to confirm this activity or excluded from further research.

Ability to cross the blood-brain barrier (dementia feature)
One of the biggest challenges in treating neurological conditions is that the brain is separated from the bloodstream by the blood-brain barrier. Large molecules cannot pass through this barrier, preventing the brain from becoming infected but making it difficult to treat when things go wrong. Initial screening suggests that more than 80% of Metavone's isoflavone compounds have demonstrated the potential to cross from the bloodstream into the brain. This points to the opportunity to use these compounds for the treatment of brain diseases, including dementia.

Targeted to be used against drug-resistant cancers (hormone-related cancer feature)
All Metavone's compounds have been screened to ensure they cannot combine with a substance known as p-glycoprotein, which actively prevents drugs from entering cells. In this screening none of Metavone's isoflavones compounds combine with p-glycoprotein, and approximately one quarter of the compounds have been found to potentially inhibit it. This opens up an additional opportunity to use the Company's isoflavone compounds in combination with existing cancer treatments against cancers displaying multidrug resistance. This resistance is particularly prevalent in ovarian cancer.

4.3 FIGHTING DEMENTIA

Dementia and the brain
Dementia is a neurodegenerative disease resulting in a marked decline in cognitive ability. The condition is primarily diagnosed in older adults (over 65 years of age) and global prevalence is currently high. Alzheimer's disease, the most common form of dementia, is characterised by gradual cognitive decline, particularly memory loss.

It is possible to see the terrible effects of Alzheimer's disease by studying brain tissue under a microscope. Alzheimer's patients typically have plaques in their brain that form when protein pieces called beta-amyloid clump together. The small clumps may block signalling between cells. Another substance implicated in the development of Alzheimer's is a protein known as tau. In a healthy brain, tau helps to keep molecules being transported through the brain on track. But in people with dementia, tau collapses into twisted strands called tangles.

In the early stages of dementia, before symptoms can be detected, plaques and tangles begin to form in brain areas involved in learning, memory, thinking and planning. These plaques and tangles are prime suspects in what causes cell death and tissue loss in the Alzheimer's brain. Other hallmarks of dementia include the loss of synapses, nerve cell death, inflammation and the presence of harmful chemicals such as free radicals and cytokines.
Metavone’s suite of isoflavone compounds have the potential to address several steps in the development and progression of dementia diseases.

In addition to the relevant features of the isoflavone compounds referred to in Section 4.2, initial screening in pre-clinical computer-based modelling has identified 20 isoflavone compounds with the capacity to affect various biochemical processes associated with dementia. These processes include:

- production of beta-amyloid;
- production of neurofibrillary tangles;
- enzymatic processes associated with inflammation;
- production of inflammatory intermediates; and
- generation of and influence to free radicals.

The testing further indicates that various of the compounds exhibit one or more of the following features - binding to beta-amyloid and tau proteins, binding to acetylcholinesterase (an important enzyme regulating chemical messages sent in the brain), inhibiting inflammatory enzymes, regulating oxidative enzymes and neutralising reactive oxygen species.

Some potential targets of the Isoflavone Drug Technology compounds are shown below in Table 1. The results demonstrate that the Company’s suite of compounds can target a broad range of areas rather than only one aspect of dementia development and progression.

<table>
<thead>
<tr>
<th>Isoflavone compounds</th>
<th>Target identified</th>
<th>Role in dementia</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRK 2, 3, 7 and 9</td>
<td>Lipoxygenase</td>
<td>Modulates neuro-inflammatory processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Modulation of secretase catalysed cleavage of amyloid precursor protein to beta-amyloid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Controls production of pro-oxidant mediators</td>
</tr>
<tr>
<td>HRK 3, 4</td>
<td>Estrogen receptor</td>
<td>Reduces the accumulation of beta-amyloid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Influences the rate of cognitive decline</td>
</tr>
<tr>
<td>HRK 9, 10, 11, 14</td>
<td>Microtubule-associated protein tau</td>
<td>Fundamental building block for neurofibrillary tangles</td>
</tr>
<tr>
<td>HRK 1, 18, 20</td>
<td>Protein kinases</td>
<td>Regulates Phosphorylation of protein tau to neurofibrillary tangle</td>
</tr>
<tr>
<td>HRK 19, 28</td>
<td>Beta-secretase 1</td>
<td>Cleaves amyloid precursor protein to beta-amyloid</td>
</tr>
<tr>
<td>HRK 7, 8, 9</td>
<td>Epidermal growth factor receptor</td>
<td>Modulates beta-amyloid–induced toxicity leading to memory loss</td>
</tr>
<tr>
<td>HRK 18, 20, 27, 28</td>
<td>Macrophage colony-stimulating factor 1</td>
<td>Augments beta-amyloid-induced microglial production of interleukin-1, interleukin-6 and nitric oxide</td>
</tr>
<tr>
<td>HRK 17, 19,20</td>
<td>Glucocorticoid receptor</td>
<td>Exacerbates beta-amyloid induced alterations in the hippocampus</td>
</tr>
<tr>
<td>HRK 12, 13, 14</td>
<td>Glutathione reductase</td>
<td>Alters cellular response to free radical oxidative stress</td>
</tr>
<tr>
<td>HRK 21, 140</td>
<td>Nitric oxide synthase</td>
<td>Influences the production of free radicals</td>
</tr>
</tbody>
</table>

The compounds identified from this screening process will be further examined for their ability to fight dementia with cell line and animal testing.
4.4 FIGHTING CANCER

Metavone has also undertaken preliminary scientific studies with a lead compound identified as being the most promising of the Company's isoflavone compounds. This research looked at the ability of the compound to inhibit the growth of breast, ovarian, cervical, melanoma, myeloma and prostate cancer cells in the laboratory.

Preliminary work suggests that the lead compound is able to inhibit the growth of two breast cancer cell-lines in the laboratory. In some cases, it was much more active in inhibiting tumour cell growth than the demonstrated anti-cancer flavonoid genestein.

Metavone examined a panel of twelve candidate isoflavone compounds for their ability to act against a range of cancer cells in the laboratory. Six of the compounds demonstrated significantly greater anti-cancer activity than either of the known anti-cancer agents genestein and 5-OH-0-DMA. Four compounds showed a similar level of activity to genestein and 5-OH-0-DMA, and two compounds demonstrated weaker anti-cancer activity.

Two of the isoflavone compounds were further examined against of range of hormone-related cancers at various concentrations. These two compounds (HRK126 and HRK131) demonstrated effectiveness at low concentrations, especially when compared against the known anti-cancer isoflavone genestein.

Both of these compounds were then examined for their ability to inhibit the growth of human prostate cancer in a mouse model. Isoflavone compound HRK126 produced a statistically significant reduction in tumour progression compared to the control group, with tumour growth reduced by 42% at a dose rate of 10mg/kg (milligrams per kilogram) bodyweight. At a similar dose range isoflavone compound HRK131 was proven to be largely ineffective at tumour reduction by comparison. Both compounds were reasonably well tolerated by the mice and produced minimal side effects when parentally administered.

4.5 DEMENTIA AND HORMONE-RELATED CANCER – MARKETS AND STATISTICS OVERVIEW

The Company’s aim is to successfully screen and test compounds covered by the Isoflavone Drug Technology and further the development of compounds through pre-clinical and clinical testing. The achievement of this aim is subject to a number of risks as summarised in Section 6. This Section does not represent any forecast or projection as to future revenue or profitability of the Company or penetration into markets. The Company provides an overview of the dementia and hormone-related cancer markets in Australia and/or globally so investors can gain an appreciation of the targeted markets, their size and some of the drivers for these markets.

The Company will target the development of isoflavone compounds covered by its granted patents. These compounds will be tested for their ability to target and treat various aspects of the neurological conditions associated with dementia diseases and the development and progression of hormone-related cancers. The Company expects that in the next decade there will be an increase in the number of people suffering from both of these diseases. Additionally, the Company has identified that there are currently limited therapeutic agents to significantly influence the progression of these diseases.

Dementia Statistics

Dementia is the single greatest cause of disability in older Australians. Alzheimer’s Australia estimates there are more than 350,000 Australians living with dementia, with the disease affecting three in ten people over the age of 85 and almost one in ten people over 65. It is the second leading cause of death and there is no cure.

Globally, dementia – including Alzheimer’s disease, Parkinson’s disease and fronto-temporal lobe dementia – affects more than 46 million people. Please refer to the world map below indicating people living with dementia in each world region in 2015.

Approximately 10 million new cases of dementia were diagnosed in 2015 alone, according to Alzheimer’s Disease International.

Dementia diseases also have a huge economic impact. The total estimated worldwide cost of dementia is currently estimated at in excess of US$800 billion.

In Australia, people over the age of 65 represent the fastest growing age group in the country. If preventative treatment were targeted only at this age group, Australian Bureau of Statistics data from 2014 suggests the potential market is 3.5 million people. Globally, the World Bank estimates 8% of the planet’s 7.4 billion people are over the age of 65.
Dementia Treatments

There are currently five drugs registered for use in the treatment of dementia, particularly Alzheimer’s disease. Four of these drugs target the same neurological pathway. None of the drugs affect the underlying cause of dementia; they only treat symptoms associated with the disease and slow the steady decline of neurocognitive function in patients by nine to 12 months. Despite this, global sales of drugs to treat Alzheimer’s disease totalled US$4.9 billion in 2013.

Cancer Statistics

Worldwide there are approximately 14 million cases of cancer diagnosed annually. Approximately eight million people will die from their cancer this year. Increases in deaths are expected due to the growth and aging of the population, as well as reductions in childhood mortality and deaths from infectious diseases in developing countries. The importance of hormone-related cancers (prostate, breast and ovarian cancers) is highlighted in the accompanying figure of “Estimated new cancer cases worldwide for leading cancer sites, 2012.”

The Company’s Isoflavone Drug Technology targets the treatment of hormone-related cancers being breast, prostate and ovarian cancers. These hormone-related cancers account for nearly a quarter of newly diagnosed cases of cancer. Breast cancer is still the leading cause of cancer-related death in both developed and developing economies, while prostate cancer is the second most frequently diagnosed cancer in men.

The economic impact of premature death and disability from cancer worldwide was US$1.4 trillion in 2011. The lost years of life and productivity caused by cancer represent the single largest drain on the global economy, compared to other causes of death, including HIV and infectious diseases. Companies that develop effective therapies for cancer will have a significant impact on society. The global market for cancer drugs has hit $100 billion in annual sales.

Cancer Treatments

Most current cancer treatments rely on the destruction of rapidly growing tumour cells either through the use of radiation or chemotherapy and are often ineffective. Current research is focusing on the development of therapies that, instead of poisoning cells, are effective against many types of cancer, produce few side effects and are suitable for long-term use. Significantly, they should be able to work well in combination with existing therapies, thereby increasing the ability to treat a variety of cancer types and overcoming the problem of drug resistance commonly seen with treatment using a single chemotherapeutic agent. The Company will seek to develop its Isoflavone Drug Technology consistently with the increasing focus on therapies that are effective, have few side effects, are suitable for long-term use and work well with existing therapies.

4.6 METAVONE’S ISOFLAVONE DRUG TECHNOLOGY RESEARCH AND DEVELOPMENT

Flavonoid research

Isoflavones are a subset of a larger group of plant compounds known as flavonoids, which occur naturally in fruit, vegetables and chocolate, as well as beverages like wine and tea. Flavonoids have antioxidant and anti-inflammatory properties, and have generated special interest because of their close chemical resemblance to the hormone estrogen. These estrogenic flavonoids are predominantly found in legumes and the family of plants that includes the tea plant.

Interest in flavonoids has also been sparked by the observation that Asian countries, where soy consumption is high, have historically had lower rates of cardiovascular disease, menopausal symptoms, breast cancer (and other hormone-related cancers), diabetes and obesity than Western populations. This has fuelled the belief that the consumption of flavonoids in soy reduces the risk of disease.

Flavonoids and dementia

There are several studies suggesting a diet rich in isoflavones can improve cognition and memory. One Japanese study found that a diet containing a high proportion of soybean and soybean products was associated with reduced risk of dementia. Dietary soy isoflavones
have been shown to have beneficial effects on cognitive, learning and memory tasks in rodents, improving spatial memory in aged male rats and working memory in aged female rats. Another study suggested isoflavone supplements can improve cognitive function in postmenopausal women. Flavonoids derived from grape seed extract have also been shown to reduce the tangling of tau protein in mouse models of Alzheimer’s disease.

**Flavonoids and cancer**

Flavonoids are one of the most promising natural anti-cancer products that have been studied. Unlike the traditional chemosynthetic drugs, which are non-specific in their activity, some flavonoids have been shown to be capable of selectively targeting cancer cells by blocking enzyme systems or processes essential to the growth and function of cancer cells. All forms of cancer are thought to be susceptible to the influence of flavonoids, particularly breast, uterine, ovarian, testicular, large bowel, endometrial and prostate cancers, as well as leukaemia.

Flavonoids are ubiquitous in plant foods and drinks, and as such rarely have any side effects, do not break down easily and are readily absorbed by the intestine.

Metavone’s development program is currently in the pre-clinical phase. It is expected to take approximately two years to progress promising isoflavone compounds through the completion of this phase in the lead up to (subject to pre-clinical success) regulatory review and testing in clinical trials in humans.

The Company plans to implement a cost effective laboratory testing model, which will utilise laboratories and technical personnel skilled in specific areas of testing on a contract basis. Metavone will not seek to establish its own testing facilities. The two year budget costs below assume such testing on a contract basis.

**Compound synthesis**

Metavone’s isoflavone compounds are relatively simple to make. The chemistry for their synthesis is well established and is common in contract chemical laboratories. These compounds can be synthesized quickly and in relatively large amounts, which is important for their cost effective production for pre-clinical testing, and larger scale production should initial testing prove successful.

It is Metavone’s intention to contract the synthesis of test compounds to contract chemical synthesis organisations. This will be limited to a selection of isoflavone compounds that have shown the greatest potential in pre-clinical studies.

**Compound testing**

The Company will develop the Isoflavone Drug Technology compounds through the pre-clinical testing phase with the aim to identify a number of compounds that have the potential to be tested in clinical trials in humans. The Company has developed a strategy of progressing the development of the compounds as both dementia and hormone-related cancer therapeutic agents so as to diversify the potential risk associated with solely targeting one disorder. The benefits of this strategy also include the identification of the isoflavone compound activities that have the potential to target activity common to both diseases.

**Dementia treatment**

Metavone has identified two potential avenues for the treatment of dementia diseases; active treatment of the underlying causes of dementia for people who have already received a diagnosis and preventative treatment for the reduction of the potential causes of dementia disease.

Active treatment will target the following pathologies associated with dementia diseases:

- Prevention of processes involved in the formation of beta-amyloid plaques
- Prevention of hyper-phosphorylation of tau protein
- Prevention and/or modulation of the inflammatory process
- Reduction of inflammatory mediators
- Reduction of impact of free radicals

Preventative treatment for dementia will focus primarily on preventing the formation and neutralisation of free radicals, and reducing inflammatory processes and mediators. Isoflavone Drug Technology

*Normal and Alzheimer’s Brain MRIs*

A composite image showing a normal coronal (frontal) cross-sectional MRI image of the brain (in purple) with a superimposed coronal MRI image of a brain with advanced Alzheimer’s disease (in green). The diseased brain shows severe generalized atrophy (shrinkage) of brain tissue with an accentuated loss of tissue involving the temporal lobes.
developed for this treatment regime will target middle-aged people, those with a family history of dementia or patients who have suffered from repeated head trauma. Ideally treatment will begin well before any cognitive decline has been identified.

**Cancer treatment**

Metavone will further study the anti-cancer activity of several of its isoflavone compounds. Of particular interest will be the role these compounds play in specifically halting the cancer cell cycle and inducing apoptosis (cell suicide). This is because isoflavones have a demonstrated ability to induce the caspase group of enzymes, which are critically involved in the apoptosis process. Metavone has already started studying the influence of its compounds on this group of enzymes and their capacity to induce cancer cell suicide. Caspase enzymes also have a significant role in the inflammatory process and neuronal cell death commonly seen in Alzheimer’s disease.

### 4.7 RESEARCH AND DEVELOPMENT TIMELINE

The next stage of research to be conducted in Metavone’s dementia program includes:

- In silico analysis (computer-based modelling)
- Chemical synthesis (laboratory testing and analysis)
- Examination of compounds for their capacity to act as anti-oxidants and anti-inflammatories, and inhibit processes associated with dementia such as beta-amyloid polymerization, tau protein phosphorylation and cytokine production.
- Animal testing to assess the ability of compounds to reduce or halt the progression of cognitive decline, inflammation, neuron loss, and the reduction or cessation of pathological changes to the brain caused by amyloid and tau proteins.

Metavone has developed this program to be completed within two years of listing of the Company on the ASX.

The next stage of research to be conducted in Metavone’s cancer program includes:

- Examination of isoflavone compounds for their ability to influence the caspase and cell cycles in the progression of hormone-related cancers.
- Animal testing to assess the ability of candidate isoflavone compounds to inhibit, halt or reduce the growth of hormone-related cancers.

Metavone has developed this program to be completed within two years of listing of the Company on the ASX with the aim near the end of the two year period to, subject to pre-clinical success, commencing a regulatory application for starting a Phase I clinical (human) trial.

**Research and development timeline and budgets**

Metavone will seek to progress lead candidate isoflavone compounds through all phases of pre-clinical testing with projected completion on or about two years of ASX listing. Subject to pre-clinical success, the Company’s strategy is then to seek to gain regulatory approval for Phase I clinical (human) trials to ensure the compounds have no adverse effects in humans. Metavone intends to itself conduct any early stage clinical trials and thereafter may seek either a licensing or partnering arrangement with third parties on a commercial basis to progress the isoflavone compounds. Ultimately, if the Company develops any therapeutic product to market, the Company’s intention is to enter into commercial licensing arrangements with third party specialists to undertake further development and commercialisation and marketing.
PROPOSED TIMEFRAME OF MTV RESEARCH PROGRAM

Set out below are budgets for the research and development of the Isoflavone Drug Technology for a period of 2 years. The research and development is separately characterised as between dementia studies and hormone-related cancer studies.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Year 1 $</th>
<th>Year 2 $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dementia Studies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-clinical “In silico” analysis (computer-based modelling)</td>
<td>30,000</td>
<td>0</td>
<td>30,000</td>
</tr>
<tr>
<td>Isoflavone compound synthesis</td>
<td>65,000</td>
<td>105,000</td>
<td>170,000</td>
</tr>
<tr>
<td>Identification of lead compounds for further studies</td>
<td>40,000</td>
<td>0</td>
<td>40,000</td>
</tr>
<tr>
<td>Pre-clinical “in vitro” studies (laboratory trials)</td>
<td>300,000</td>
<td>330,000</td>
<td>630,000</td>
</tr>
<tr>
<td>Pre-clinical “in vivo” (animal studies)</td>
<td>0</td>
<td>370,000</td>
<td>370,000</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>435,000</td>
<td>805,000</td>
<td>1,240,000</td>
</tr>
<tr>
<td><strong>Hormone-Related Cancer Studies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Isoflavone compound synthesis</td>
<td>35,000</td>
<td>55,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Identification of lead compounds for further studies</td>
<td>20,000</td>
<td>0</td>
<td>20,000</td>
</tr>
<tr>
<td>Pre-clinical “in vitro” studies (laboratory trials)</td>
<td>90,000</td>
<td>100,000</td>
<td>190,000</td>
</tr>
<tr>
<td>Pre-clinical “in vivo” (animal studies)</td>
<td>30,000</td>
<td>150,000</td>
<td>180,000</td>
</tr>
<tr>
<td>Commencement of regulatory application for starting a Phase I clinical (human) trial</td>
<td>0</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>175,000</td>
<td>335,000</td>
<td>510,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>610,000</td>
<td>1,140,000</td>
<td>1,750,000</td>
</tr>
</tbody>
</table>

Notes:

1. If greater than Minimum Subscription but less than Full Subscription is received (that is, an amount between $3,500,000 and $5,000,000), then after payment of the further costs of the Offer (of up to $110,000), the net funds are intended to first be applied in the sum of up to $1,000,000 to the development of the Technology pro-rata to the items above. Therefore, any such further net funds will lead to a “scale-up” of the research and development activities of the Company for both the dementia treatment and the cancer treatment paths in the next 2 years.

2. The Company will seek to access any research and development tax incentive funding from the Australian Commonwealth Government to assist funding the dementia and hormone-related cancer studies. Currently, a research and development tax incentive scheme provides a refundable tax offset for certain eligible research and development activities for an entity whose aggregated turnover is less than $20 million. Any such funding by way of receiving a refundable tax offset is intended to be applied pro-rata to the items above. Any such funding is uncertain and has therefore not been included in the budgets above.

3. The above budgets are a statement of current intention at the date of this Prospectus. As with any budget, intervening events (including development success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to vary the way funds are applied on this basis including as between the dementia and cancer treatment development paths of the Isoflavone Drug Technology.

Regulatory approval

In order to successfully commercialise the Isoflavone Drug Technology, the Company will need to obtain various government or regulatory approvals. These approvals include regulatory approval prior to commencing each stage of clinical (human) trials and regulatory approvals before the commercial sale or distribution of a drug.

Clinical trials have three phases with regulatory approval being required before the commencement of each of these phases. Phase I clinical trials focus on ensuring the safety of drug compounds when used on humans, Phase II clinical trials focus on evaluating the effectiveness of a drug compound and determining common short-term side effects and risks and Phase III clinical trials focus on obtaining additional information about the effectiveness of clinical outcomes and evaluating the overall risk-benefit ratio in a diverse sample of patients and across different countries.
Prior to a drug compound being developed to market and sell or distribute, regulatory approval is required to ensure that claims made about a drug compound are true, fair and appropriate for the type of disease to be treated. One of the requirements is that a drug compound needs to be labelled for its specific use and registered with the regulatory body.

In Australia, the regulatory agency is the Therapeutic Goods Administration, in the US it is the Food and Drug Administration and in Europe it is the European Medicines Agency.

4.8 OTHER ASSETS

The Company owns 4,000,000 fully paid ordinary shares ("MEB Shares") in Medibio Limited, which is listed on ASX and trades under the code "MEB". The MEB Shares were issued as consideration for the sale of a secondary technology by the Company (which relates to the diagnosis of depression and other mental health disorders). The MEB Shares are subject to voluntary escrow until April 2017.
5
BOARD AND CORPORATE GOVERNANCE
5.1 DIRECTORS

The Company is managed by the Board of Directors who represent the key management of the Company. The Board comprises three Directors.

Profiles of the Directors are detailed below.

Mr Barry Samuels MBA (Executive Chairman)

Mr Samuels has been a director of Metavone Limited since 2002.

Mr Samuels has been managing director of Money Resources Pty Ltd since 1987 which is a private boutique lending company. He is also chairman of Manganese Holding Pte Ltd, a Hong Kong commodity trading company.

Mr Samuels was a non-executive director of Jetsettravelworld Limited (now Helloworld Limited) from April 2002 until the merger with Qantas Holidays in September 2007. He was also managing director of Financial Resources Limited from December 1994 until March 2006.

Mr Samuels has an MBA from Monash University.

Dr Stuart Gunzburg (Managing Director)

Dr Gunzburg has an extensive background in medical research having completed his PhD at The University of Western Australia and subsequently holding positions at Cornell University in New York and the Hebrew University in Jerusalem.

Dr Gunzburg completed his MBA at The University of Western Australia majoring in finance. He has worked in the capital markets as a health and biotechnology analyst and investment advisor. He has been involved in a number of start up ventures covering a diverse range of applications including anti-cancer drug development, renewable fuel production, waste management system developments and technology applications in the explosives industry.

Dr Janet Preuss (Non-Executive Director)

Dr Janet Preuss has a scientific research background with business and company director skills.

Dr Preuss has experience in the commercialisation of technology, particularly in the biotechnology sector, and has worked in academia, government and private, public and not for profit organisations and at various levels, including at a Board and executive management level industry.

Dr Preuss’ qualifications include a PhD in Pharmacology, and business qualifications obtained through an MBA (Advanced). She is also a graduate of the Australian Institute of Company Director’s Corporate Governance course.

Dr Preuss has founded two companies that provide services to the biotechnology/life sciences industry, including the commercialisation of new technologies through activities such as writing business plans and commercialisation strategies, to providing hands-on experience in the establishment of quality management systems and in obtaining regulatory approvals.

Additional work involves conducting reviews, investigations and/or evaluations on behalf of various Government departments or organisations for use in policy making or strategy formulation.

5.2 CORPORATE GOVERNANCE

The Company has adopted systems of control and accountability in order to implement and maintain a culture of good corporate governance both internally and in its external dealings.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council ("Recommendations"). The Company does not consider that it is appropriate
at this time to adopt all the Recommendations given the current size and the scale of its operations. As the Company's operations develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below. Copies of the Company's corporate governance policies are available on the Company's website at www.metavone.com.au.

**Board of Directors and Composition of the Board**

The Board is responsible for corporate governance of the Company and for protecting the rights and interests of Shareholders. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives.

The Board's responsibilities include:

- developing initiatives for asset growth and profit;
- reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- acting on behalf of, and being accountable to, the Shareholders; and
- identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Board has a separately constituted Audit and Risk Committee and a Remuneration and Nomination Committee.

**Composition of the Board**

The Board comprises 3 Directors. The names, qualification and relevant experience of each Director are set out in Section 5.1. There is no requirement for any Director's shareholding qualification.

As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately govern the Company's activities determined within the limitations imposed by the Constitution. The Board has separately constituted a Remuneration and Nomination Committee.

**Identification and management risk**

The Audit and Risk Committee will identify and manage risk in conjunction with the Board including compliance with risk management policies.

**Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

**Remuneration arrangements**

Details regarding the remuneration of the Directors is set out in Section 10.6.

The Remuneration and Nomination Committee is responsible for reviewing and negotiating the compensation arrangements of Directors and senior executives and reviewing and recommending remuneration strategies and policies.

**Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel and employees. The policy prohibits any dealing in securities if a person possesses inside information and otherwise generally prohibits dealing during certain closed periods. A process is outlined for prior written clearance to trade for key management personnel generally and for employees during a closed period.

**Audit Committee**

The Company has an Audit and Risk Committee. This Committee monitors and reviews any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

**5.3 COMPLIANCE AND DEPARTURES FROM RECOMMENDATIONS**

Following admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out below.
<table>
<thead>
<tr>
<th>Principle and Recommendations</th>
<th>Comply (Yes/No)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recommendation 1.1</strong></td>
<td>Yes</td>
<td>The Company has adopted a Board Charter. The Board Charter sets out matters including the specific roles and responsibilities of the Board and management, the roles and responsibilities of the Chairman and Company Secretary, and the establishment, operation and management of Board Committees. The Company's Board Charter is available on the Company's website.</td>
</tr>
<tr>
<td>A listed entity should disclose:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) the respective roles and responsibilities of its board and management; and</td>
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<tr>
<td>(b) those matters expressly reserved to the board and those delegated to management.</td>
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<tr>
<td><strong>Recommendation 1.2</strong></td>
<td>Yes</td>
<td>(a) The Company undertakes checks on any person who is being considered as a director. These checks may include good fame and character, experience, education and financial history and background. (b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.</td>
</tr>
<tr>
<td>A listed entity should:</td>
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<tr>
<td>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</td>
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<tr>
<td>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</td>
<td></td>
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</tr>
<tr>
<td><strong>Recommendation 1.3</strong></td>
<td>Yes</td>
<td>Each senior executive and executive Director has a formal employment contract and the non-executive Directors have a letter of appointment.</td>
</tr>
<tr>
<td>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</td>
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<td></td>
</tr>
<tr>
<td><strong>Recommendation 1.4</strong></td>
<td>Yes</td>
<td>The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.</td>
</tr>
<tr>
<td>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principle and Recommendations</td>
<td>Comply (Yes/No)</td>
<td>Explanation</td>
</tr>
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<td>-------------------------------</td>
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<tr>
<td><strong>Recommendation 1.5</strong></td>
<td>No</td>
<td>The Company has not adopted a formal diversity policy. The Company respects and values the benefit of diversity throughout the Company in order to enrich the Company's perspective, improve corporate performance, increase Shareholder value and maximise the probability of achievement of the Company's goals. However, given the size and nature of the Company's operations, the Company has not implemented a formal policy with respect to diversity.</td>
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<tr>
<td><strong>Recommendation 1.6</strong></td>
<td>Yes</td>
<td>The performance of the Board, is reviewed annually against appropriate measures in a manner that the Board deems appropriate. The review has regard to various matters including those set out in the Board Charter. The Remuneration and Nomination Committee will assist the Board as required in evaluations of the performance of directors (including the Managing Director). The Company will report on whether a performance evaluation was undertaken.</td>
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<tr>
<td><strong>Recommendation 1.7</strong></td>
<td>Yes</td>
<td>(a) The Remuneration and Nomination Committee is responsible for evaluating the performance of senior executives. The Committee is to arrange an annual performance evaluation of the senior executives. (b) The Remuneration and Nomination Committee is required to disclose whether or not performance evaluations were conducted during the relevant reporting period.</td>
</tr>
<tr>
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</tr>
</tbody>
</table>
### Principle and Recommendations

<table>
<thead>
<tr>
<th>Recommendation 2.1</th>
<th>Comply (Yes/No)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation 2.1</strong></td>
<td>Partly</td>
<td>The Company has a Remuneration and Nomination Committee which comprises 3 members. The majority of the members are not independent as 2 of the members are executive directors. However, it is chaired by an independent Director. The Remuneration and Nomination Committee’s Charter is located on the Company’s website. The Company will report on the meetings and attendance of the Remuneration and Nomination Committee.</td>
</tr>
<tr>
<td>The board of a listed entity should:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) have a nomination committee which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) has at least three members, a majority of whom are independent directors; and</td>
<td></td>
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</tr>
<tr>
<td>(ii) is chaired by an independent director; and disclose:</td>
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<td></td>
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<tr>
<td>(iii) the charter of the committee;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iv) the members of the committee; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recommendation 2.2</th>
<th>Yes</th>
<th>The Board reviews capabilities, technical skills and personal attributes of its directors. It will normally review the Board’s composition against those attributes and recommend any changes in Board composition that may be required.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation 2.2</strong></td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>A listed entity should have and disclose a board skill matrix setting out the skills and diversity that the board currently has or is looking to achieve in its membership.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recommendation 2.3</th>
<th>Yes</th>
<th>(a) Disclosure of the names of Directors considered by the Board to be independent will be provided in the annual report. The current independent Director is Dr Janet Preuss. (b) Details of the Directors’ interests, positions associations and relationships are provided in this Prospectus. (c) The length of service of each Director will be provided in the annual report.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation 2.3</strong></td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>A listed entity should disclose:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) the names of the directors considered by the board to be independent directors;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) the length of service of each director.</td>
<td></td>
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<tr>
<td>Principle and Recommendations</td>
<td>Comply (Yes/No)</td>
<td>Explanation</td>
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<tr>
<td><strong>Recommendation 2.4</strong></td>
<td>No</td>
<td>The Board Charter requires that where practical the majority of the Board will be independent. The current independent Director is Dr Janet Preuss (being 1 of 3 Directors). The Company may seek to appoint additional independent Directors in the future to address the lack of independence of its Directors.</td>
</tr>
<tr>
<td><strong>Recommendation 2.5</strong></td>
<td>No</td>
<td>The Chairman of the Board (Barry Samuel) is not an independent Director. The Chairman is not the same person as the CEO.</td>
</tr>
<tr>
<td><strong>Recommendation 2.6</strong></td>
<td>Yes</td>
<td>All new directors are provided with an induction including comprehensive meetings with the Managing Director and senior executives, and provision of information on the Company including Company and Board policies. All Directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and, if this involves industry seminars and approved education courses, where appropriate, this is paid for by the Company. The Remuneration and Nomination Committee oversees the induction program for new directors and considers the training and development needs of all Directors. The Committee is responsible for ensuring that resources are allocated to developing and maintaining the directors’ skills and knowledge, to ensure that the directors have and maintain the necessary skills and knowledge required to fulfil their role on the Board and its Committees effectively.</td>
</tr>
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</table>

**PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY**

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<thead>
<tr>
<th>Recommendation 3.1</th>
<th>Comply (Yes/No)</th>
<th>Explanation</th>
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<tbody>
<tr>
<td>(a) have a code of conduct for its directors, senior executives and employees; and</td>
<td>Yes</td>
<td>(a) The Company’s Code of Conduct applies to the Company’s directors, senior executives and employees.</td>
</tr>
<tr>
<td>(b) disclose that code or a summary of it.</td>
<td></td>
<td>(b) The Company’s Code of Conduct is available on the Company’s website.</td>
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</table>
### PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

#### Recommendation 4.1
The board of a listed entity should:

(a) have an audit committee which:

(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

(ii) is chaired by an independent director, who is not the chair of the board, and disclose:

(iii) the charter of the committee;

(iv) the relevant qualifications and experience of the members of the committee; and

(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Partly

The Company has an Audit and Risk Committee which comprises 3 members including 1 non-executive director. The majority of the members are not independent as 2 of the members are executive directors. However, it is chaired by an independent Director who is not chair of the board.

The Audit and Risk Committee’s Charter is available on the Company’s website.

The Company will report on the meetings and attendance of the Audit and Risk Committee.

#### Recommendation 4.2
The board of a listed entity should, before it approves the entity’s financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Yes

Before the Board approves the entity’s financial statements for a financial period, the CEO and CFO must have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### Recommendation 4.3
A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Yes

The Audit and Compliance Committee Charter provides that the Committee must ensure the Company’s external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
## Principle and Recommendations

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<th>Principle and Recommendations</th>
<th>Comply (Yes/No)</th>
<th>Explanation</th>
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<tbody>
<tr>
<td><strong>PRINCIPLE 5: MAKE TIMELY AND BALANCE DISCLOSURE</strong></td>
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</table>
| **Recommendation 5.1** | Yes | A listed entity should:
(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
(b) disclose that policy or a summary of it.

Yes The Company has a Continuous Disclosure and Market Communications Policy that outlines the processes followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its market communications. The Continuous Disclosure and Market Communications Policy is available on the Company’s website.

| **PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS** | | |
| **Recommendation 6.1** | Yes | A listed entity should provide information about itself and its governance to investors via its website.

Yes Information about the Company and its governance is available in the Corporate Governance Statement and associated policies which can be found on the Company’s website.

| **Recommendation 6.2** | Yes | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Yes The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders. The Shareholder Communications Policy is available on the Company’s website.

| **Recommendation 6.3** | Yes | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Yes The Shareholders Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders. The Company permits shareholders to vote online (and by other methods) prior to an Annual General Meeting if they are unable to attend the meeting.

| **Recommendation 6.4** | Yes | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Yes The Shareholders Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders including receiving communications electronically.
**Recommendation 7.1**
The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:
   (i) has at least three members, a majority of whom are independent directors; and
   (ii) is chaired by an independent director, and disclose:
   (iii) the charter of the committee;
   (iv) the members of the committee; and
   (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity’s risk management framework.

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<th>Comply (Yes/No)</th>
<th>Explanation</th>
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<tr>
<td>Partly</td>
<td>The Company has an Audit and Risk Committee which comprises 3 members. The majority of the members are not independent as 2 of the members are executive directors. However, it is chaired by an independent Director. The Audit and Risk Committee Charter is available on the Company’s website. The Company will report on the meetings and attendance of the Audit and Risk Committee.</td>
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</table>

**Recommendation 7.2**
The board or a committee of the board should:

(a) review the entity’s risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and

(b) disclose in relation to each reporting period, whether such a review has taken place.

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<th>Comply (Yes/No)</th>
<th>Explanation</th>
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<tr>
<td>Yes</td>
<td>The Board will, at least annually, assisted by the Audit and Risk Committee, undertake a structured consideration and review of the risk management framework and the material risks faced by, and the risk attitude of, the Company. The Company will report on whether such a review has taken place.</td>
</tr>
</tbody>
</table>

**Recommendation 7.3**
A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

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<th>Comply (Yes/No)</th>
<th>Explanation</th>
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<tr>
<td>Yes</td>
<td>The internal audit function is overseen by the Audit and Risk Committee pursuant to the Audit and Risk Committee Charter.</td>
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<tr>
<td>Principle and Recommendations</td>
<td>Comply (Yes/No)</td>
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<tr>
<td>Recommendation 7.4</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY</strong></td>
<td></td>
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<tr>
<td>Recommendation 8.1</td>
<td>Partly</td>
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<tr>
<td>(a) have a remuneration committee which:</td>
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<tr>
<td>(i) has at least three members, a majority of whom are independent directors; and</td>
<td></td>
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<tr>
<td>(ii) is chaired by an independent director, and disclose:</td>
<td></td>
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<tr>
<td>(iii) the charter of the committee;</td>
<td></td>
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<tr>
<td>(iv) the members of the committee; and</td>
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<tr>
<td>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</td>
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<tr>
<td>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</td>
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<tr>
<td>Recommendation 8.2</td>
<td>Yes</td>
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<tr>
<td>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</td>
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<tr>
<td>Principle and Recommendations</td>
<td>Comply (Yes/No)</td>
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<tr>
<td><strong>Recommendation 8.3</strong></td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.
An investment in the Shares the subject of this Prospectus is highly speculative as the Company is a drug discovery and development company without a history of revenue generation. Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for Shares offered for subscription under this Prospectus. Some of these risks can be mitigated by the use of appropriate safeguards and actions, but some are outside the Company’s control and cannot be mitigated. You should also consider consulting with your professional advisers before deciding whether or not to apply for Shares.

The following is a list of the material risks that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company’s operations. The list is set out under “Company and Industry Risks” and “General Investment Risks”. The list is not an exhaustive list of risks.

### COMPANY AND INDUSTRY RISKS

**Technology Development and Commercialisation Risk**
The Company is a drug discovery and development company with IP rights to a suite of isoflavone compounds constituting the Isoflavone Drug Technology. A significant risk is whether the Company can further identify and develop these compounds to a level where they will enter clinical trials in human patients and thereafter achieve clinical and regulatory success. Any products developed by the Company will require extensive clinical testing, regulatory approval and significant marketing efforts before they can be sold and generate revenue. The development and commercialisation stages in drug development are significant.

A failure to achieve development and commercialisation milestones such as initially the synthesis, testing and further development of the isoflavone compounds will have a significant adverse impact on the Company’s business model, operating results and financial condition.

Even if the Company does achieve market commercialisation of any of its products, it may not be able to sustain it or otherwise achieve commercialisation to a degree which would support the ongoing viability of its operations.

**Future funding needs**
The funds raised by the Offer will be used to carry out the Company’s objectives as detailed in this Prospectus.

The Company has yet to commercialise the Isoflavone Drug Technology and therefore has not as yet generated any revenue or profits. The Company will depend on the availability of investor funds if and until the Company generates cash flows from successful commercialisation of the Isoflavone Drug Technology. No assurance can be given that future funding for further development activities will be made available on acceptance terms (if at all). If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development programs as the case may be.

**Intellectual Property risk**
The success of the Company’s Isoflavone Drug Technology will depend in part on the Company’s ability to obtain patents (and therefore proprietary rights) without infringing the proprietary rights of others. Two patents have been granted in various jurisdictions in respect of the Isoflavone Drug Technology (see Section 7). The strength of patents involves complex legal and scientific questions and can be uncertain. There can be no assurance that any patents in relation to the Isoflavone Drug Technology will afford the Company commercially significant protection of the Isoflavone Drug Technology or that competitors or other parties will not develop competing technologies that circumvent such patents.

**Government approvals risk**
In order to successfully commercialise the Isoflavone Drug Technology, the Company will need to obtain various government or regulatory approvals. These approvals include regulatory approval prior to commencing each stage of clinical (human) trials and regulatory approvals before the sale of products. These approvals are commented upon in Section 4.7. A failure to obtain such approvals will limit the Company’s ability to develop and commercialise the Isoflavone Drug Technology.

**Licence Contracts/Customer Engagement**
In order to successfully commercialise the Isoflavone Drug Technology, the Company will test and develop the isoflavone compounds through pre-clinical trials and early stage clinical trials. Thereafter, the Company may licence or partner with third parties on a commercial basis to progress the development of isoflavone compounds and, ultimately, if the Company develops any therapeutic product to market, the Company’s intention is to enter into commercial licensing arrangements with third party specialists to undertake further development and commercialisation and marketing. Given the Company is at an early stage drug development, it does not currently have any customers.
Dependence on key personnel

The Company's ability to operate successfully and manage its potential future growth depends significantly upon its ability to attract, retain and motivate highly-skilled and qualified research, technical, clinical, regulatory, managerial, financial and ultimately, sales and marketing personnel.

The Company's performance is substantially dependent on Dr Gunzburg and the other members of its senior management and key technical staff to continue to develop and manage the Company's operations. The loss of or the inability to recruit and retain high-calibre staff could have a material adverse effect on the Company. The loss of key personnel may have an adverse effect on the business and its prospects.

Management of Growth

There is a risk that management of the Company will not be able to implement the Company's growth strategy. The capacity of the management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

Competition Risk

The Company competes against companies that have longer operating histories, more established or approved products and services and greater resources than the Company, which may prevent the Company from achieving market penetration with its products or services.

There is significant competition in the life science industry generally. There is no assurance that competitors will not succeed in developing products or services that are more effective or economic than the products or services potentially manufactured or developed by the Company, or which would render these products or services obsolete and/or otherwise uncompetitive.

There is also no guarantee that the Company will ever commercialise or produce any products or services. The Company or any marketing partners may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share.

If the Company is successful in producing or otherwise commercialising products, which may never occur, 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 potential future business, operating results and financial position.

Insurance Risk

The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, it is not always possible to insure against all risks associated with activities in development of technology. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons. Should liabilities arise on uninsured risks, the Company's business, financial condition and results of operations and the market price of the Shares may be materially adversely affected.

Legal Proceedings Risk

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

GENERAL INVESTMENT RISKS

Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for technology commercialisation companies, may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.
**Legislative Risk**
Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

**Economic risk**
Changes in both Australian and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.
7 INTELLECTUAL PROPERTY REPORT
Dear Sirs,

1. REPORT SUMMARY

Set out below is our report (the "Report") detailing the current status of the patents and patent applications being handled by FB Rice on behalf of Metavone Limited ("Metavone"), formerly Heartlink Limited, for inclusion in a Prospectus to be lodged at the Australian Securities & Investments Commission.

The Report summarises the details and status of the granted patents and pending patent applications in Schedules 1 and 2. To the best of our knowledge the Report is accurate as at its date, subject to the limitations and qualifications set out in Section 5 (in particular, subject to the sources of information described in Section 5.1).

2. INTELLECTUAL PROPERTY

2.1. Meaning of Intellectual Property

The term "intellectual property" refers to a group of registrable and non-registrable rights, including rights in patents, designs, trade marks, plant varieties, copyright, confidential information and trade secrets. Intellectual property has many of the characteristics possessed by real and personal property. In particular, intellectual property is an asset, which may be bought, sold, licensed, exchanged, or otherwise transferred as other forms of property. Accordingly, an intellectual property owner has the right to prevent the unauthorised use or sale of its property.

This Report is only directed to intellectual property which is in the form of patents and patent applications.
2.2. Patents

Patent rights constitute an important component of intellectual property. Patents cover inventions and provide a monopoly in exchange for an inventor’s full disclosure of the invention to the public. A patent provides protection for novel (new), inventive (non-obvious) and useful inventions for a fixed period, which is typically up to 20 years. For certain pharmaceutical inventions, this period may be extended. In addition, to maintain a pending application or patent in force, it is necessary to pay renewal fees, usually on an annual basis. Patents may be granted in relation to a wide range of subject matter, such as new or improved products, new uses for products and methods for doing things. Such subject matter must, however, be industrially applicable. A patent cannot be granted on a worldwide basis. Rather, patents must be obtained in every country where protection is required. Although there is a certain amount of harmonization as and between the patent granting procedures and standards throughout the world, there are differences regarding the test for patentability. Accordingly, the scope of a patent may vary from country to country and indeed a patent may not be granted in a particular country for failure to comply with the relevant standards.

2.3. Inventorship and Ownership

Typically, a patent for an invention may only be granted to the inventor(s), or to a person who has entitlement to the invention by way of assignment or other means. The ownership and entitlement of Metavone to the patents and applications in Schedules 1 and 2 is discussed in more detail below in Section 4.1.

2.4. Patenting Process

In most countries of the world the process of protecting patent rights begins with the submission of a patent application comprising a patent specification describing the invention. Filing an Australian patent application (provisional or complete) or other initial patent application in a foreign country, which permits such a filing, satisfies this requirement. Countries that allow Australian applicants to file such applications include the United Kingdom and the United States.

A fundamental requirement of the patent system is that the invention is novel and inventive at the time of filing, relative to what was publicly known or used at the date of the application. Accordingly, it is imperative that the specification contains a full disclosure of the invention. A patent specification generally consists of a description of the invention and so-called claims, which define the scope of the invention. The description also typically provides background information, such as a description of existing products, manufacturing or testing methods or processes and related problems, which enable an examiner and others to assess the application for inventiveness.

Once the initial application has been filed, further applications in foreign countries must be filed within twelve (12) months, pursuant to an International Treaty called the Paris Convention, otherwise rights to the invention may be lost in those countries. In this regard, the Paris Convention provides that the filing of an initial patent application establishes a priority date for the invention in all other countries which are party to this Convention, including countries such as the United States, Japan and Australia, as well as jurisdictions such as the European Union and Eurasia.

The filing of further patent applications in foreign countries may be pursued individually or in some instances by filing an application with a regional patent office that does the work for a number of
countries, such as the European Patent Office and the African Regional Industrial Property Organisation. Under such regional systems, an applicant requests protection for the invention in one or more countries, and each country decides as to whether to offer patent protection within its borders. The WIPO-administered Patent Cooperation Treaty ("PCT") provides for the filing of a single international patent application, which has the same effect as national applications filed in the designated countries. An applicant seeking protection may file one application and request protection in as many signatory states as needed.

It should be noted that at present there are only 148 countries that are party to the PCT and if patent protection is required in a country that is not party to the PCT then individual applications must be filed in these countries by the twelve (12) month anniversary of the initially filed application. An example of a country that is not a party to the PCT is Taiwan.

Applications filed individually in countries rather than via the PCT are examined under the national laws of those countries. However, a PCT application is considered under the terms of the PCT. Once the PCT application has been filed it is subjected to what is called an "international search", carried out by one of the major patent offices. The search results are then communicated to the patent applicant in an "international search report", which is a listing of published documents that might affect the patentability of the invention claimed in the international application. On the basis of the international search report the applicant may decide to withdraw the application. However, if the PCT application is not withdrawn, it is, together with the international search report, published by the International Bureau.

If the applicant decides to continue with the international application, then within thirty (30) months of the provisional patent application filing date, national patent applications need to be filed. In some countries such as Australia and regions such as Europe, the deadline is thirty-one (31) months. The applicant can also request preliminary examination, which is a report, prepared by one of the major patent offices that gives a preliminary and non-binding opinion on the patentability of the claimed invention.

Once the PCT process has been completed then the national or regional phase is undertaken, as the PCT application itself does not mature into patents. The applicant may choose to enter one or more of the countries designated in the original PCT application. Entry into the national phase is essentially the same as filing an application in the first instance. Thus, the standard documentation and fee requirements will need to be satisfied in each country, and in non-English speaking countries that will include translating the PCT specification into the language of the relevant country. Failure to enter the national phase within the thirty (30) month period will result in abandonment of the ability to secure patent protection in most PCT countries.

The national or regional applications progress under the jurisprudence and legislation of each country or region. In most jurisdictions, such as Australia, Europe, United States and Japan, examination by the relevant patent office comprises an examination of the art to which the invention pertains as it existed at the priority date of the application. This examination establishes what is referred to as the "state of the art". The patent application is measured against the state of the art and an assessment is made regarding whether the invention described in the application is novel, inventive and useful. Therefore, the time required to complete the process of examination differs from country-to-country and the scope or protection may differ depending upon the law of each country. In general, it will take several years from the date of application until the patent is actually granted. With respect to regional applications, like the European application, this involves filing a
single application designating any of the countries that are signatories to the Convention covering that region. The single application is subjected to examination, and assuming that the application is allowed, it will proceed to the grant phase. The applicant can then elect to have patents validated in all or some of the originally designated countries, and the individual patents then function as though they were patents granted under standard national procedures.

2.5. Granted Patents: Renewal fees, validity, exploitation and enforcement

Once a patent has been granted renewal fees will need to be paid, otherwise the patent will cease. It should also be noted that grant of a patent does not guarantee that the patent is valid or enforceable, and FB Rice provides no assurance that Metavone’s pending patent applications will be granted or will be held valid and enforceable following grant.

Notwithstanding the issue regarding guaranteed enforceability, once a patent has been granted, the owner has the exclusive rights to use the patented technology throughout the lifetime of a patent. This means that the owner can decide to exclusively use it for their own benefit and prevent others from using it. Alternatively, they can allow others to use it under the terms of a license agreement. The terms of the license agreement generally define the limited scope of the use of the patent and the consideration to be paid for the use of it.

Enforcement of patent rights varies from country-to-country. The remedies for unauthorised use (patent infringement) available to the patent owner often include an injunction, which effectively stops further infringement of the patent, damages or account of profits, and costs.

3. METAVONE PATENT PORTFOLIO AS AT 10 June 2016

3.1. Aryl di-substituted propanone compounds (PCT/AU2009/001483) in the name of Heartlink Limited

This patent family derives from a PCT application, namely PCT/AU2009/001483, which was filed on 13 November 2009. It claimed an earliest priority date of 14 November 2008, from an Australian provisional patent application 2008905925. This application proceeded through the International Phase and entered the Regional/National Phase in Australia, Canada, Europe, and the United States.

Patents have been granted in Australia, Europe and the United States. The European patent has been validated in France, Germany, Ireland and the United Kingdom.

The corresponding Canadian patent application has been allowed. Pursuant to payment of a grant fee by 19 November 2016, we anticipate that the Canadian patent will issue shortly thereafter.

The PCT application had claims directed to tri- and di-hydroxy and/or alkoxy substituted isoflavanone compounds, pharmaceutical, food and drink compositions containing same, and their use in methods for treatment of a range of hormonal dependent conditions such as menopausal disorders; osteoporosis; baldness; cardiovascular disorders; various cancers, in particular breast cancer, inflammatory diseases; rheumatic diseases; diseases associated with oxidant stress; benign prostatic hypertrophy; Reynaud’s Syndrome, Buerger’s Disease; migraine headache; urinary incontinence; headaches; sunlight induced skin damage or cataracts; and acne. The claims are also directed to use of such compounds in methods for treatment of Alzheimer’s Disease.
Patent Applications are commonly drafted with a very broad ambit scope of claims - as different claim scopes are often allowed in different jurisdictions. This approach is important initially so as not to unduly limit the potential coverage of the patent application. An initial rejection by a patent examiner of such broad ambit claims is commonly received (usually in over 90% of patent applications) and then the applicant, in conjunction with discussions with the patent examiner, narrows the claims (which are the subject of the application) to achieve allowance of the claims and subsequent grant.

Claims with the breadth of scope outlined above have been granted in Australia.

In Europe, claims were granted to the tri- and di-hydroxy and/or alkoxy substituted isoflavanone compounds, pharmaceutical, food and drink compositions containing same. Claims directed to methods of treatment are not allowable in Europe. Accordingly, these claims have been reformatted as ‘Swiss-style’ claims to cover use of such compounds in methods for treatment of hormonal dependent cancers and diseases associated with oxidant stress, and to cover use of such compounds for the manufacture of medicaments for the treatment of hormonal dependent cancers and diseases associated with oxidant stress.

In the US, claims were granted to the tri- and di-hydroxy and/or alkoxy substituted isoflavanone compounds, pharmaceutical, food and drink compositions containing same. Claims directed to methods of treatment have been restricted to treatment of hormonal dependent cancers.

In Canada, claims have been allowed with the same scope of the corresponding US granted patent.

3.2. Isoflavone metabolites (PCT/AU00/00392) in the name of Michael Ruane

This patent family derives from an international application, namely PCT/AU00/00392, which was filed on 1 May 2000. It claimed an earliest priority date of 30 April 1999, from an Australian provisional patent application PQ0082. This application proceeded through the International Phase and entered the Regional/National Phase in Australia, Canada, Europe, and the United States.

Patents have been granted in Canada, Europe and the United States. The European patent has been validated in France, Germany, and the United Kingdom.

The PCT application had claims directed to di-hydroxy and/or alkoxy substituted isoflavanone compounds, pharmaceutical, food and drink compositions containing same, and their use in methods for treatment of a range of hormonal dependent conditions such as menopausal disorders; osteoporosis; baldness; cardiovascular disorders; various cancers, in particular breast cancer, inflammatory diseases; rheumatic diseases; diseases associated with oxidant stress; benign prostatic hypertrophy; Reynaud’s Syndrome, Buerger’s Disease; migraine headache; urinary incontinence; headaches; sunlight induced skin damage or cataracts; psoriasis; and acne. The claims are also directed to use of such compounds in methods for treatment of Alzheimer’s Disease. Particular compounds of interest include 3’-hydroxy-y-dihydrodaidzein, 3’-hydroxy-O-demethyldehydroangolesin, 3’-hydroxy-O-demethylangolesin, and 1-(2,4,5-trihydroxyphenyl)-2-(4-hydroxyphenyl)-prop-2-en-1-one.
The claims are also directed to a microbial culture or a food or drink composition containing at least one microbial strain which is capable of producing the compounds from daidzein and/or glycitein.

In Canada, claims were granted to the compounds, pharmaceutical, food and drink compositions containing same and the use of such compounds in the preparation of medicaments to treat a range of hormone-dependent conditions such as menopausal disorders; osteoporosis; baldness; cardiovascular disorders; various cancers, in particular breast cancer, inflammatory diseases; rheumatic diseases; diseases associated with oxidant stress; benign prostatic hypertrophy; Reynaud’s Syndrome, Buerger’s Disease; migraine headache; urinary incontinence; headaches; sunlight induced skin damage or cataracts; psoriasis; acne and Alzheimer’s disease.

A divisional Canadian patent, claiming the benefit of the above Canadian parent patent, has claims granted in respect of the use of 6,7,4’-trihydroxyisoflavone and pharmaceutical compositions thereof for the treatment of hormone-dependent breast cancer and the manufacture of medicaments for treatment of a hormone-dependent breast cancer.

In Europe, claims were granted to the compounds, pharmaceutical, food and drink compositions containing same and the use of such compounds in the preparation of medicaments to treat a range of hormone-dependent conditions such as menopausal disorders; osteoporosis; baldness; cardiovascular disorders; various cancers, in particular breast cancer, inflammatory diseases; rheumatic diseases; diseases associated with oxidant stress; benign prostatic hypertrophy; Reynaud’s Syndrome, Buerger’s Disease; migraine headache; urinary incontinence; headaches; sunlight induced skin damage or cataracts; psoriasis; acne and Alzheimer’s disease.

A divisional European patent, claiming the benefit of the above European parent patent, has claims granted in respect of four specific alkoxy-substituted isoflavone compounds.

In the United States of America, claims were granted to the compounds, pharmaceutical, food and drink compositions containing same.

A continuation US patent, claiming the benefit of the above US parent patent, has claims granted in respect of four specific alkoxy-substituted isoflavone compounds and pharmaceutical, food and drink compositions containing same.

4. OTHER MATTERS

4.1. Patent Ownership & Entitlement

4.1.1 Aryl di-substituted propanone compounds (PCT/AU2009/001483) in the name of Heartlink Limited

Our investigations of the records of the various patent offices indicate that Heartlink Limited is recorded as the owner for patents and patent application in the patent family titled “Aryl di-substituted propanone compounds” (PCT/AU2009/001483).

Metavone Limited will be subsequently recorded as the owner of the patents and patent application set out in Schedule 1 by recording the name change from Heartlink Limited to Metavone Limited.
with the relevant national patent offices. The period of time in which formal recordal of the name change is effected will vary from days to months depending on the national patent office. Michael Ruane and Tracey Dickens are listed as the inventors of the patents and patent application in Schedule 1. We have reviewed the assignment documentation and are satisfied that Metavone is the owner of the patents and patent applications in Schedule 1.

Further, it is important to note that there are legal mechanisms by which third parties can bring evidence that they have sole or joint entitlement to an invention and any patent application or patent obtained for that invention. We are unaware of the existence of any such third party in relation to the patents and patent application set out in Schedule 1.

To the best of our knowledge, to date, there has been no third party challenge to the validity or ownership of the patents or patent application.

4.1.2 Isoflavone metabolites (PCT/AU00/00392) in the name of Michael Ruane

Our investigations of the records of the various patent offices indicate that Michael Ruane is recorded as the owner for patents in the patent family titled “Isoflavone metabolites” (PCT/AU00/00392) by virtue of an assignment from the original applicant GJ Consultants Pty Ltd. George Joannou is listed as the inventor of the patents in Schedule 2.

We have reviewed the assignment documentation and are satisfied that Michael Ruane is the registered owner of the patents in Schedule 2.

Michael Ruane and Metavone Limited have entered into a deed of assignment of the patents in Schedule 2 which provides that, on successful completion of the capital raising and approval to list on ASX on terms reasonably acceptable to Metavone Limited, Michael Ruane assigns the patents set out in Schedule 2 to Metavone Limited. Metavone Limited will subsequently be recorded as the owner of the patents set out in Schedule 2. The period of time in which formal recordal of the assignment to Metavone is effected will vary from days to months depending on the national patent office.

Further it is important to note that there are legal mechanisms by which third parties can bring evidence that they have sole or joint entitlement to an invention and any patent application or patent obtained for that invention.

On 18 October 2005, Novogen Research Pty Ltd (“Novogen”) made a request for determination of ownership of Australian patent application number 777,324, an Australian counterpart application to the patents set out in Schedule 2. The decision of 16 September 2008 found that Novogen had joint entitlement to 777,324. This patent has since ceased.

To the best of our knowledge, to date, there has been no third party challenge to the validity or ownership of the patents set out in Schedule 2 by Novogen or any other party.

4.2. Enforcement of Patents

Once a patent has been granted, the patent owner may initiate infringement proceedings against an alleged infringer of the property. It is important to note that infringement proceedings cannot be initiated on the basis of a pending application.
4.3. Third Party Rights

Filing a patent application does not mean that the applicant is free to commercially use an invention, as it is possible that the intellectual property rights of another party may be infringed by doing so. Typically, third party rights are identified by conducting a Freedom to Operate (FTO) search in the country or counties it is proposed to commercialise an invention.

As at 10 June 2016, we are not aware of any litigation being commenced in respect to any patent or patent application referred to in this report.

To date, no FTO has been conducted in Australia in relation to Aryl di-substituted propanone compounds (PCT/AU2009/001483) or Isoflavone metabolites (PCT/AU00/00392). Whilst such searches would be limited to the Australian jurisdiction, there is a likelihood that FTO would be available in other countries. This arises out of the fact that pharmaceutical companies typically file in Australia and historically Australian patents are often relatively broad in scope. This implies that an Australian FTO should serve as a reasonably predictive model for other countries.

4.3. Validity of Patent Applications

The ultimate validity of the claims of a patent cannot be guaranteed. Various legal mechanisms exist to challenge the validity of patents and patent applications. For example, validity of a patent application may be challenged in the following ways:

(a) during examination;

(b) in opposition proceedings once the application has been examined and found allowable;

(c) in court during revocation proceedings brought by a third party; or

(d) during infringement proceedings initiated against an alleged infringer.

As some of the patent rights set out in Section 3 are still pending patent applications and likely to undergo examination, it cannot be assumed that these applications (or any applications stemming from them) will proceed to grant or, if grant is achieved, that the claims will remain in their present form. It is possible, for example, that the scope of the claims of the patent applications may be restricted during examination of the application.

5. LIMITATIONS AND QUALIFICATIONS

5.1. Information sources

In preparing this report, in addition to reviewing our internal databases, we relied upon information contained in relevant publicly available databases and the searches conducted by the appropriate national and international patent offices with respect to the patents and patent applications in Schedule 1 and Schedule 2. FB Rice is not responsible for the accuracy of the information available in public databases and accordingly cannot guarantee the accuracy of this information.

5.2. Jurisdictional requirements

Each jurisdiction has its own laws and particular requirements that need to be met for the grant and maintenance of a patent. Accordingly, the assessment patentability varies from jurisdiction-to-
jurisdiction, and inventions, which may be granted and registrable in one jurisdiction, may be excluded from grant and registration in another. Moreover, the different jurisdictional requirements may result in variation of the scope of patent protection obtained for the same patent in different jurisdictions. The outcome of examination of the patent application by the office of one jurisdiction is not binding on the office of any other jurisdiction. Similarly, international PCT searches and examination reports are not binding on national patent applications during examination in the national phase. Examination of patent applications often occurs at different times in different jurisdictions. This means there is also a risk that a patent may be granted on an application in one jurisdiction, and that a third party patent may subsequently be cited during examination of another patent application that has been filed elsewhere.

In some jurisdictions there is a duty to disclose certain information to the relevant patent office. This information can include relevant prior art information known to the applicant or its agents or search results issued in respect of corresponding foreign applications. Failure to disclose such information may adversely affect the validity and/or enforceability of the patent.

We further note that there may be changes to patent law in a particular jurisdiction from time-to-time, which may have an impact on patents in the relevant country. For example, the Australian Government recently enacted the Intellectual Property Law Amendments (Raising the Bar) Act 2012 (Cth), which represents a significant amendment to Australian patent law. In particular, the Act raises the requirement for patentability and the description requirements for patent specifications. It applies to all Australian patent applications for which a request for examination was filed on or after 15 April 2013. This new act does not apply to any Australian patent in Metavone’s patent portfolio.

5.3. Patentability search limitations

A patentability search, such as international searches carried out by various patent offices under the PCT procedure, cannot be guaranteed to locate all prior art that may exist which is potentially relevant to the assessment of novelty and inventive step of a claimed invention. Such searches are generally computer-based searches and are dependent on the database search strategy and the coverage provided by the databases used. For example, the databases may not cover older published documents and/or certain jurisdictions. Further, all patentability searches are subject to the accuracy of records, as well as the indexing and classification of the subject matter comprising the records. The scope of each search is also dependent on the search strategy utilised and, for example, the keyword(s) selected for the search.

Accordingly, although patentability searches provide a reasonable indication of patentability, it is not possible to guarantee that every relevant prior art record has been located and considered. As a result, any conclusions regarding the validity of the claims of a particular patent based on patent office searches should be regarded as indicative rather than conclusive.

Further, non-provisional patent applications are not normally published until at least 18 months from the earliest acceptable priority date. Accordingly, a patentability search would not normally identify any third party patent application that is potentially relevant to the assessment of patentability that have a priority date which is less than 18 months prior to the date of the patentability search. Delays between official publication and the incorporation of information into the relevant database can also occur, which means that some documents may not be located in a patentability search.

5.4. Patentability of an invention
Besides documentary prior art, public use of an invention and non-confidential oral disclosures before the priority date of a patent application may also be relevant to the assessment of patentability of invention to which the patent application relates. As patentability searches are conducted on published documents, they would not locate such other forms of prior art disclosures.

Commercialisation or secret use of an invention in a jurisdiction by, or with the authority of, a patent applicant (or their predecessor in title) before the priority date of a patent application that has been filed in the jurisdiction by the applicant in respect of the invention, can also be relevant to the patentability of intervention and the validity of any patents that may ultimately be granted on the application. Such commercial exploitation or secret use would not normally be identified by documentary patentability searches of publicly accessible databases.

5.5. Opposition Proceedings

Some jurisdictions, such as Australia, allow for accepted patent applications to be opposed by a third party. Others, for example Europe, have post-grant opposition. Successful opposition proceedings may result in some or all of the claims of an application being refused. Successful opposition proceedings to a granted patent may result in some or all of the claims being held invalid or restricted in breadth.

5.6. Entitlement to claimed priority date

In Australia, for subject matter contained in a non-provisional patent application to be entitled to the priority date established by a corresponding priority patent application or provisional patent application there must be a "real and reasonably clear disclosure" of the subject matter in the priority application. Similar provisions apply in other jurisdictions. Subject matter disclosed in a non-provisional patent application that is not contained in a corresponding priority application is generally only entitled to the filing date of the non-provisional application as a priority date.

5.7. Renewal fees

Metavone recognizes that renewal fees must be paid in order to maintain its patents. At the time of preparing this Report, no renewal fees are currently overdue.

5.8. Qualifications & Independence

FB Rice is a firm of patent and trade mark attorneys that provide advice in relation to all aspects of intellectual property. FB Rice has extensive experience protecting and defending intellectual property rights and commercializing products and services. FB Rice provides a comprehensive intellectual property service through its patent and trade mark attorney practices, law firm, consultancy arm and through its partnership with a major international renewal service.

FB Rice has no interest in Metavone, other than fees for professional work done.

FB Rice has no involvement in the preparation of the Prospectus by Metavone, other than the preparation of this Report. FB Rice is therefore considered independent of Metavone for the purpose of preparing this Report and gives its consent for inclusion of this Report in the Prospectus.

The person responsible for preparing this Report is Dr Mary L Turonek, Senior Associate in FB Rice.
# SCHEDULE 1 – PATENTS

“Aryl di-substituted propanone compounds” - PCT/AU2009/001483

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*pending recordal of change of name from Heartlink Limited to Metavone Limited

# SCHEDULE 2 – PATENTS

“Isoflavone metabolites” - PCT/AU00/00392

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<th>Country</th>
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*entitled “Isoflavone metabolites for the treatment of hormone-related breast cancer”  **entitled “Phenyl-benzyl ketones”
8
INVESTIGATING ACCOUNTANT'S REPORT
31st July 2016

The Directors
Metavone Limited
159 Stirling Highway
Nedlands WA 6009

Dear Sirs

RE: INVESTIGATING ACCOUNTANT'S REPORT

Introduction

This report has been prepared at the request of the Directors of Metavone Limited ("Metavone" or "the Company") for inclusion in a Prospectus ("the Prospectus") relating to an Offer of 25,000,000 Shares at a price of $0.20 each to raise up to $5,000,000. The minimum subscription is 17,500,000 shares at an issue price of $0.20 each to raise a total of $3,500,000.

Basis of Preparation

This report has been prepared to provide investors with information on the historical results and the assets and liabilities of Metavone. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Rothsay Consulting Services Pty Ltd has not been requested to consider the prospects for Metavone, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Rothsay Consulting Services Pty Ltd accordingly, takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report.

Expressions and terms defined in the Prospectus have the same meaning in this report.

Background

Metavone (ACN 101 733 920) was incorporated as Heartlink Ltd on 16th August 2002 and in 2003, allotted 8,659,358 ordinary shares to the original shareholders. In 2004 a pro-rata entitlement raised $648,660. Metavone currently has 21,632,569 shares on issue.

Metavone has intellectual property rights to a number of isoflavone compounds for use in the development of anti-cancerous and anti-dementia treatments. Metavone is an early stage technology company with a limited operating history and as such, it is not possible to analyse any key financial ratios relating to profitability or its financial stability.

In accordance with generally accepted accounting policies and Australian Accounting Standards, costs associated with research and development have not been capitalised as they have not yet met the criteria for recognition as an intangible asset.
Details on material contracts entered into between Metavone and other parties are outlined in the Material Contracts section of the Prospectus.

Scope of Examination

You have requested Rothsay Consulting Services Pty Ltd prepare an Investigating Accountant's Report on:

(a) The statement of financial position of Metavone as at 29 February 2016;

(b) The pro-forma statements of financial position of Metavone as at 29 February 2016 adjusted to include funds to be raised by the Prospectus;

(c) The statement of financial performance for the years ended 30 June 2014 and 30 June 2015 and the period ended 29 February 2016; and

(d) The statement of cashflows for the years ended 30 June 2014 and 30 June 2015 and the period ended 29 February 2016.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The historical financial information has been extracted from the financial report of Metavone for the year(s) ended 30 June 2014, 30 June 2015 and the period ended 29 February 2016, which were audited by Rothsay Auditing in accordance with the Australian Auditing Standards. Rothsay Auditing issued an unmodified audit opinion on the financial reports. The historical financial information is presented in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

The pro forma historical financial information has been derived from the historical financial information of Metavone, after adjusting for the effects of pro forma adjustments described in Appendix 2. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events and transactions to which the pro forma adjustments relate, as described in Appendix 2, as if those events and transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position.

Directors' responsibility

The directors of Metavone are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.
Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in the appendices, and comprising:

- the Statement of Financial Position of Metavone as at 29 February 2016;
- the Statement of Financial Performance for the years ended 30 June 2014, 30 June 2015 and the period ended 29 February 2016; and
- the Statement of Cash flows for the years ended 30 June 2104, 30 June 2015 and the period ended 29 February 2016

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in the appendices.

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information being the Statement of Financial Position as at 29 February 2016 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in the appendices.

Other matters

At the date of this report, Rothsay Consulting Services Pty Ltd does not have any material interest in Metavone either directly or indirectly, or in the outcome of the offer. Rothsay Chartered Accountants have been appointed auditors of Metavone. Apart from this report, Rothsay Consulting Services Pty Ltd was not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.
Consent

Rothsay Consulting Services Pty Ltd has consented to the inclusion of this assurance report in the form and context in which it is included.

Yours faithfully

ROTHSAY CONSULTING SERVICES PTY LTD

[Signature]

Graham R Swan FCA MAICD
Director
## INVESTIGATING ACCOUNTANT’S REPORT
### APPENDIX 1
### CONDENSED STATEMENTS OF FINANCIAL POSITION

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<td>Reserves</td>
<td>4</td>
<td>-</td>
<td>818,875</td>
</tr>
<tr>
<td>Accumulated (losses)</td>
<td></td>
<td>(1,767,420)</td>
<td>(1,386,295)</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>(1,068,790)</td>
<td>4,297,747</td>
</tr>
</tbody>
</table>

To be read in conjunction with Appendix 2
### CONDENSED STATEMENTS OF FINANCIAL PERFORMANCE
#### APPENDIX 1
For the years ended 30 June 2014, 2015 and the period ended 29 February 2016

<table>
<thead>
<tr>
<th></th>
<th>29 Feb 2016</th>
<th>30 June 2015</th>
<th>30 June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>249,677</td>
<td>310,161</td>
<td>301,912</td>
</tr>
<tr>
<td>Net increase in fair value on financial assets</td>
<td>(187,339)</td>
<td>(159,423)</td>
<td>455,124</td>
</tr>
<tr>
<td>Gain on debt forgiveness</td>
<td>-</td>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>62,338</td>
<td>150,738</td>
<td>1,257,036</td>
</tr>
<tr>
<td></td>
<td>(46,220)</td>
<td>(39,383)</td>
<td>(38,907)</td>
</tr>
<tr>
<td>Profit/(loss) before income tax</td>
<td>16,118</td>
<td>111,355</td>
<td>1,218,129</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/(loss) after income tax</td>
<td>16,118</td>
<td>111,355</td>
<td>1,218,129</td>
</tr>
<tr>
<td>Other comprehensive income/(loss)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>16,118</td>
<td>111,355</td>
<td>1,218,129</td>
</tr>
</tbody>
</table>

### CONDENSED STATEMENTS OF CASHFLOWS
#### APPENDIX 1
For the years ended 30 June 2014, 2015 and the period ended 29 February 2016

<table>
<thead>
<tr>
<th></th>
<th>29 Feb 2016</th>
<th>30 June 2015</th>
<th>30 June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cashflows from Operating Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receipts</td>
<td>16,972</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>-</td>
<td>(168,458)</td>
<td>(60,956)</td>
</tr>
<tr>
<td>Interest received</td>
<td>372</td>
<td>1,043</td>
<td>1,237</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>17,344</td>
<td>(167,415)</td>
<td>(59,719)</td>
</tr>
</tbody>
</table>

|                                      |             |              |              |
| **Cashflows from Financing Activities** |             |              |              |
| Repayment of loan                    | (185,000)   | -            | -            |
| Proceeds of loan                     | 10,000      | 121,381      | 8,424        |
| **Net cash provided by financing activities** | (175,000) | 121,381 | 8,424 |

|                                      |             |              |              |
| **Cashflows from Investing Activities** |             |              |              |
| Payment for financial assets         | (26,883)    | (338,411)    | (57,926)     |
| Proceeds from sale of financial assets | 103,762    | 443,775      | 74,918       |
| **Net cash provided by investing activities** | 76,879 | 105,364 | 16,992 |

|                                      |             |              |              |
| Net increase/(decrease) in cash      | (80,777)    | 59,330       | (34,303)     |
| Cash at beginning of period           | 106,956     | 47,626       | 81,929       |
| **Cash at end of period**             | 26,179      | 106,956      | 47,626       |
1. Statement of Significant Accounting Policies

(a) Statement of Compliance
The financial information has been prepared in accordance with the measurement requirements, but not the disclosure requirements, of the Australian Accounting Standards (AASBs) of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations and the Corporations Act 2001.

(b) Basis of Accounting
The financial information has been prepared on an accruals basis and is based on historical costs in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

(c) Revenue Recognition
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(d) Income Tax
The income tax expense or revenue for the year is the tax payable on the current year’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Impairment of Assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Investments and Other Financial Assets
The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position. Loans and receivables are carried at amortised cost using the effective interest method.

(g) Plant and Equipment
All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the reducing balance method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates vary between 20% and 40% per annum.
The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is Company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(h) Trade and Other Payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(i) Employee Benefits
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees’ services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(j) Contributed Equity
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(k) Goods and services Tax
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.
2. **Cash**

At 29 February 2016  

Issue of Shares pursuant to prospectus  

Payment of fundraising costs  

Assignment of patent  

Payment of creditors  

<table>
<thead>
<tr>
<th></th>
<th>Audited 29 February 2016 $</th>
<th>Pro-forma 29 February 2016 $</th>
<th>Pro-forma 29 February 2016 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue of Shares pursuant to prospectus</td>
<td>26,179</td>
<td>26,179</td>
<td>26,179</td>
</tr>
<tr>
<td>Payment of fundraising costs</td>
<td>- (3,500,000)</td>
<td>(440,000)</td>
<td>(550,000)</td>
</tr>
<tr>
<td>Assignment of patent</td>
<td>- (250,000)</td>
<td>(250,000)</td>
<td>(250,000)</td>
</tr>
<tr>
<td>Payment of creditors</td>
<td>- (21,591)</td>
<td>(21,591)</td>
<td>(21,591)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26,179</strong></td>
<td><strong>2,814,588</strong></td>
<td><strong>4,204,588</strong></td>
</tr>
</tbody>
</table>

3. **Contributed Equity**

At 29 February 2016  

Issue of Shares pursuant to prospectus  

Payment of fundraising costs  

Issue of shares in repayment of loan  

<table>
<thead>
<tr>
<th></th>
<th>Audited 29 February 2016</th>
<th>Pro-forma 29 February 2016</th>
<th>Pro-forma 29 February 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue of Shares pursuant to prospectus</td>
<td>698,630</td>
<td>698,630</td>
<td>698,630</td>
</tr>
<tr>
<td>Payment of fundraising costs</td>
<td>- (3,500,000)</td>
<td>(440,000)</td>
<td>(550,000)</td>
</tr>
<tr>
<td>Issue of shares in repayment of loan</td>
<td>- (1,106,537)</td>
<td>1,106,537</td>
<td>1,106,537</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>698,630</strong></td>
<td><strong>4,865,167</strong></td>
<td><strong>6,255,167</strong></td>
</tr>
</tbody>
</table>

4. **Reserves**

Share based payments  

<table>
<thead>
<tr>
<th></th>
<th>Audited 29 February 2016</th>
<th>Pro-forma 29 February 2016</th>
<th>Pro-forma 29 February 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share based payments</td>
<td>-</td>
<td>818,875</td>
<td>861,250</td>
</tr>
</tbody>
</table>

The share based payment reserve records the value of the Series A & B options that will be issued in accordance with the capital raising. The options have been valued by the Directors using the Black & Scholes method based on the following:

<table>
<thead>
<tr>
<th></th>
<th>Series A</th>
<th>Series B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying value of the security</td>
<td>20 cents</td>
<td>20 cents</td>
</tr>
<tr>
<td>Exercise price</td>
<td>28 cents</td>
<td>20 cents</td>
</tr>
<tr>
<td>Valuation date</td>
<td>27 Jun 16</td>
<td>27 Jun 16</td>
</tr>
<tr>
<td>Expiry date</td>
<td>31 Dec 19</td>
<td>31 Jan 20</td>
</tr>
<tr>
<td>Life of options in years</td>
<td>3.51</td>
<td>3.60</td>
</tr>
<tr>
<td>Volatility</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Risk free rate</td>
<td>1.55%</td>
<td>1.55%</td>
</tr>
<tr>
<td>Number of options at minimum subscription</td>
<td>7,500,000</td>
<td>875,000</td>
</tr>
<tr>
<td>Valuation per option</td>
<td>$0.096</td>
<td>$0.113</td>
</tr>
<tr>
<td>Valuation</td>
<td>$720,000</td>
<td>$98,875</td>
</tr>
<tr>
<td>Number of options at full subscription</td>
<td>7,500,000</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Valuation per option</td>
<td>$0.096</td>
<td>$0.113</td>
</tr>
<tr>
<td>Valuation</td>
<td>$720,000</td>
<td>$141,250</td>
</tr>
</tbody>
</table>
Actual and Proposed Transactions to Arrive at Proforma Statement of Financial Position

Actual and proposed transactions adjusting the 29 February 2016 Audited Statement of Financial Position in the pro-forma Statement of Financial Position are as follows:

a. at minimum subscription the issue of 17,500,000 ordinary shares at 20 cents each pursuant to this Prospectus to raise $3,500,000 and the payment of fundraising costs estimated at $440,000;

b. at full subscription the issue of 25,000,000 ordinary shares at 20 cents each pursuant to this Prospectus to raise $5,000,000 and the payment of fundraising costs estimated at $550,000;

c. the issue of 5,532,685 ordinary shares at 20 cents to repay the outstanding loan of $1,106,537 pursuant to the Repayment of Loan Deed;

d. at minimum subscription the issue of 350,000 ordinary shares and 875,000 series B options to the Lead Manager (exercise price of 20 cents and expiry date of 31 January 2020);

e. at full subscription the issue of 500,000 ordinary shares and 1,250,000 series B options to the Lead Manager (exercise price of 20 cents and expiry date of 31 January 2020);

f. the issue to directors and management of 7,500,000 series A options at an exercise price of 28 cents and expiry date of 31 December 2019;

g. the issue of 1,250,000 series B options at an exercise price of 20 cents and expiry date of 31 January 2020 on full subscription or 875,000 series B options on these terms at the minimum subscription; and

h. the sale in April 2016 of diagnostic psychiatric technology to Medibo Ltd, an ASX listed company, for 4,000,000 ordinary shares in Medibo Ltd at a deemed consideration of 30 cents. The shares are escrowed until April 2017.
9.1 EXECUTIVE SERVICE AGREEMENT WITH DR STUART GUNZBURG

The Company has entered into an executive service agreement with Stuart Gunzburg as managing director.

By the agreement Dr Gunzburg is employed as the full-time managing director.

The engagement of Dr Gunzburg under the agreement commenced on 1 March 2016 and continues until terminated by either party. The Company may terminate the employment without notice upon limited events akin to misconduct or incapacity. Additionally, either party may terminate the agreement without cause upon 6 months written notice.

Dr Gunzburg’s cash remuneration will consist of $185,000 per annum plus statutory superannuation. Dr Gunzburg will be issued with 3,000,000 Series A Options. The terms of these Options are set out in Section 10.2. Dr Gunzburg will not be paid a separate director’s fee for serving on the Board.

The remuneration of Dr Gunzburg will be reviewed 12 months from the commencement date and every 24 months thereafter or as otherwise agreed between the parties. Every 6 months the Board will determine whether Dr Gunzburg will be awarded a performance bonus at the discretion of the Board of up to 50% of base salary.

9.2 EXECUTIVE SERVICE AGREEMENT WITH BARRY SAMUELS

The Company has entered into an executive service agreement with Barry Samuels as executive chairman.

By the agreement, Mr Samuels is employed as the executive chairman by which he will devote no less than 70% of his time on a full-time basis in each calendar quarter to perform the role of executive chairman.

The engagement of Mr Samuels under the agreement commenced on 1 March 2016 and continues until terminated by either party. The Company may terminate the employment without notice upon limited events akin to misconduct or incapacity. Additionally, either party may terminate the agreement without cause upon 3 months written notice.

Mr Samuels’ cash remuneration will consist of $100,000 per annum plus statutory superannuation. Mr Samuels will be issued with 3,000,000 Series A Options. The terms of these Options are set out in Section 10.2. Mr Samuels will not be paid a separate director’s fee for serving on the Board.

The remuneration of Mr Samuels will be reviewed 12 months from the commencement date and every 12 months thereafter.

9.3 LEAD MANAGER AGREEMENT WITH K S CAPITAL

The Company has entered into an agreement with K S Capital Pty Limited (“K S Capital”) on or about 17 May 2016 by which K S Capital has been appointed as financial advisers and as Lead Manager to the Offer under this Prospectus.

K S Capital in its role as financial advisers and Lead Manager will manage this Offer on a best endeavours basis.

K S Capital is paid a monthly retainer of $10,000 per month commencing in May 2016 with there being a maximum of 3 retainer payments (ie. total retainer payments of $30,000).

In respect of its role as financial advisers and Lead Manager to the Offer, the fees payable (exclusive of GST) to K S Capital upon successful completion of the Offer are:

(a) a 5.25% capital raising fee on all funds raised under this Offer (being $262,500 at Full Subscription);

(b) a 0.5% lead manager fee on all funds raised under this Offer (being $25,000 at Full Subscription);
(c) an issue sponsor fee of Shares representing 2% of the Shares issued under the Offer (being 500,000 Shares at Full Subscription);

(d) an issue sponsor fee of Series B Options, which number of Options represent 5% of the Shares issued under this Offer (being 1,250,000 Series B Options at Full Subscription). The terms of the Series B Options are set out in Section 10.2; and

(e) a financial advisory cash success fee of $70,000 at Minimum Subscription and $85,000 at Full Subscription with the fee pro-rated if funds are raised under the Offer between these amounts. This fee is reduced by the sum of 50% of the retainer amounts paid (ie. reduced by a maximum of $15,000).

K S Capital may pass on any part of the fees to Australian financial service licensees or authorised representatives.

K S Capital will have the exclusive right to underwrite the Entitlement Options issue referred to in Section 10.3 and will have a first right of refusal to act in respect of any capital raising or merger or acquisition activity of the Company for a period of 12 months after ASX listing.

9.4 REPAYMENT OF LOAN DEED

Dr Michael Ruane is a former director of the Company who has assisted in funding the Company to date by an unsecured loan on a no interest basis. The Company in June 2016 entered into agreement with Dr Michael Ruane and two of his controlled entities (together the lenders) by which the existing loans repayable to these lenders in the sum of $1,106,537 is to be repaid and extinguished by the Company issuing 5,532,685 Shares at a deemed issue price of 20 cents per Share.

The completion of this transaction and the issue of the 5,532,68 Shares will occur upon the Company receiving conditional approval to list on ASX on terms reasonably acceptable to the Company.
9.5 ASSIGNMENT OF PATENT AGREEMENT

In 2009 Dr Michael Ruane acquired international patent number PCT/AU00/00392 (“isoflavone metabolites patent”) from the registered holder for the sum of $220,210. Since this time, Dr Ruane has paid to keep the isoflavone metabolites patent in good standing.

The Company in June 2016 entered into an agreement with Dr Michael Ruane by which Dr Ruane will assign all rights to the isoflavone metabolites patent to the Company.

The Company has agreed to purchase the isoflavone metabolites patent for the sum of $250,000. Completion of the transaction is conditional on the Company receiving conditional approval to list on ASX on terms reasonably acceptable to the Company.

To the extent possible in terms of the Listing Rules, it is proposed that the Company pay the $250,000 purchase price by the payment of cash at completion. To the extent that the payment of the purchase price does not represent reimbursement of expenditure in developing the isoflavone metabolites patent, the purchase price will be satisfied by the issue of Shares at a deemed issue price of 20 cents per Share. Thereby, the maximum number of Shares to be issued is 1,250,000 Shares in the event that the ASX determines that none of the purchase price is to be satisfied by the payment of cash.
10.1 RIGHTS ATTACHING TO SHARES

The rights to ownership of the Shares are:

- detailed in our Constitution; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

A summary of the more significant rights attaching to Shares is set out below. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, you should seek independent legal advice.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. The person who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid on the relevant share bears to the total issue price of the share. Voting may be in person or by proxy, attorney or representative.

Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a share bears to the total issue price of the share. All Shares currently on issue and the shares to be issued under this Prospectus are fully paid Shares.

Future Issues of Securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

Meetings and Notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders may requisition meetings in accordance with the Corporations Act.

Election of Directors

There must be a minimum of 3 Directors. At every annual general meeting one third of the Directors (rounded down to the nearest whole number) must retire from office. If the Company has less than 3 Directors, one Director must retire from office together with any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting. These retirement rules do not apply to certain appointments including the managing director.

Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.
Winding Up
If the Company is wound up, the liquidator may, with the sanction of a special resolution of the shareholders:

- divide the assets of the Company among the members in kind;
- for that purpose, fix the value of assets and decide how the division is to be carried out as between the members and different class of members; and
- vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

Shareholder Liability
As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Alteration to the Constitution
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. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

Listing Rules
If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

10.2 OPTION TERMS
At the date of ASX listing the Company will have the following Options on issue.

<table>
<thead>
<tr>
<th>Type</th>
<th>Total Number of Options</th>
<th>Exercise Price</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series A Options</td>
<td>7,500,000</td>
<td>28 cents</td>
<td>31 December 2019</td>
</tr>
<tr>
<td>Series B Options</td>
<td>1,250,000 (assuming Full Subscription)</td>
<td>20 cents</td>
<td>31 January 2020</td>
</tr>
</tbody>
</table>

The Series B Options are to be issued to the Lead Manager and/or its nominees and the number of Series B Options to be issued is so that the Series B Options represent 5% of the Shares issued under this Offer. Thereby, at Minimum Subscription 875,000 Series B Options will be issued progressing up to 1,250,000 Series B Options at Full Subscription.

The terms of the Series A Options and Series B Options are set out below.

Series A Options

(a) Each Option entitles the holder to one Share (fully paid ordinary share).

(b) The exercise price of the Options is 28 cents.

(c) The Options are exercisable at any time prior to 5.00 pm WST on 31 December 2019 (Expiry Date).

(d) The Options are only transferable with Board approval and are subject to any ASX escrow restrictions. The Options are not intended to be quoted.

(e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.

(f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued with a Share ranking equally with the then issued Shares.
There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.

In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

Series B Options

(a) Each Option entitles the holder to one Share (fully paid ordinary share).

(b) The exercise price of the Options is 20 cents.

(c) The Options are exercisable at any time prior to 5.00 pm WST on 31 January 2020 (Expiry Date).

(d) The Options are freely transferable and are subject to any ASX escrow restrictions.

(e) The Company will provide to each Optionholder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.

(f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued with a Share ranking equally with the then issued Shares.

(g) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(h) If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.

(i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

10.3 ENTITLEMENT OPTION ISSUE

The Company intends to undertake a non-renounceable entitlements issue of Entitlements Options to registered Shareholders at a time approximately 4 months after admission to the Official List. The Entitlements Options are intended to be offered for subscription at a price of 1 cent each and on the basis of 1 Entitlements Option for every 4 Shares held. The Entitlements Option will have an exercise price of 20 cents and an expiry date of 31 January 2020.

It is proposed that all Shareholders registered on the applicable record date and resident in Australia or New Zealand will be entitled to participate in the non-renounceable entitlements issue of Entitlements Options. A disclosure document for the issue of the Entitlements Options will be issued and mailed to eligible Shareholders. Anyone who wishes to acquire Entitlements Options will need to complete an application form which will be in or accompanying the disclosure document.

Application will be made for the Entitlements Options to be granted quotation on the ASX.

The intended full terms of the Entitlements Options are set out below. Other than having a subscription price, the proposed terms of the Entitlements Options are the same as the Series B Options.
(a) The Options will be issued for a subscription price of 1 cent each.

(b) Each Option entitles the holder to one Share (fully paid ordinary share).

(c) The exercise price of the Options is 20 cents.

(d) The Options are exercisable at any time prior to 5.00 pm WST on 31 January 2020 (Expiry Date).

(e) The Options are freely transferable. The Company will apply for quotation of the Options on ASX.

(f) The Company will provide to each Optionholder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.

(g) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.

(h) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(i) If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.

(j) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

10.4 COMPANY TAX STATUS AND FINANCIAL YEAR

We will be taxed in Australia as a public company. Our financial year ends on 30 June annually.

10.5 DIVIDEND POLICY

We anticipate that significant expenditure will be incurred in the development of our Technology. These activities are expected to dominate the two-year period following the date of this Prospectus. Income growth in the form of dividends will only eventuate if our planned development of the Technology is commercially successful. We have no immediate intention to declare or distribute dividends. Any future determination as to the payment of dividends generally by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors.

10.6 DIRECTORS’ INTERESTS

Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last two years before the date of lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- the Offer;

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person to a Director or proposed Director to induce him or her to become, or to qualify as, a Director; or for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.
As set out in Section 3.3, Barry Samuels and Dr Stuart Gunzburg have made an unsecured loan to assist funding the Company. Each of the loans have been made on an unsecured basis with interest at 7.5% per annum. The outstanding moneys owed under the loans at the date of this Prospectus are approximately $51,000 to Barry Samuels and $5,100 to Dr Stuart Gunzburg. These moneys will be repaid from the funds raised under this Offer.

**Interests in securities**

The Directors (and their respective associates) at the close of the Offer will have a relevant interest in securities of the Company as set out below. Interests include those held directly and indirectly.

<table>
<thead>
<tr>
<th>Director</th>
<th>Shares¹</th>
<th>Series A Options²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Barry Samuels</td>
<td>1,096,681</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Dr Stuart Gunzburg</td>
<td>1,001,921</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Dr Janet Preuss</td>
<td>0</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

Notes:

1. The Directors may subscribe for Shares under the Prospectus. The table assumes that the Directors do not subscribe for Shares under this Prospectus.
2. The Series A Options have an exercise price of 28 cents and an expiry date of 31 December 2019. The terms of the Series A Options are set out in Section 10.2.

**Remuneration of Directors**

Mr Barry Samuels has entered into an executive services agreement with the Company under which he will be engaged as executive chairman. The agreement is summarised in Section 9.2. In the 2 years prior to the date of this Prospectus, Mr Samuels has received no cash remuneration.

Dr Stuart Gunzburg has entered into an executive service agreement with the Company under which he will be engaged as managing director. The agreement is summarised in Section 9.1. In the 2 years prior to the date of this Prospectus, Dr Gunzburg has received no cash remuneration.

Dr Janet Preuss will be paid a Director’s fee of $30,000 per annum plus statutory superannuation and she will be issued with 1,000,000 Series A Options. In the 2 years prior to the date of this Prospectus, Dr Preuss has received no cash remuneration.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.
10.7 INTERESTS OF EXPERTS AND ADVISORS

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two-year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer.

Fairweather Corporate Lawyers has acted as solicitors to the Offer. In respect of this work, the Company will pay approximately $50,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Fairweather Corporate Lawyers has been paid fees of approximately $12,500 in the 2 years prior to the date of this Prospectus for other legal services.

FB Rice has acted as Patent Attorney and prepared the Intellectual Property Report in this Prospectus. In respect of this work, the Company will pay approximately $9,200. In the 2 years prior to the date of this Prospectus, FB Rice has not received any other fees for services to the Company.

Rothsay Consulting Services Pty Ltd has prepared the Investigating Accountant’s Report in this Prospectus. In respect of this work, the Company will pay approximately $7,700. Rothsay Consulting Services Pty Ltd has not received any other fees for services to the Company in the 2 years prior to the date of this Prospectus. An associated entity of Rothsay Chartered Accountants has been paid or accrued fees of $16,000 for audit services to the Company in the 2 years prior to the date of this Prospectus.

K S Capital Pty Limited is Lead Manager to the Offer. The material terms of the mandate agreement with the Company and the fees to be paid to K S Capital Pty Limited are set out in Section 9.3. In the 2 years prior to the date of this Prospectus, K S Capital Pty Limited has not received any other fees for services to the Company.
10.8 CONSENTS
The following parties have given their written consent to be named in this Prospectus and for the inclusion of statements made by those parties as described below in the form and context in which they are included, and have not withdrawn such consent before lodgement of this Prospectus with ASIC.

- FW Legal Pty Ltd trading as Fairweather Corporate Lawyers has consented to being named as the Solicitors to the Offer in this Prospectus.
- FB Rice has consented to being named as the Patent Attorney to the Company and the inclusion of the Intellectual Property Report in this Prospectus.
- Rothsay Consulting Services Pty Ltd has consented to being named as the Investigating Accountant to the Company and the inclusion of the Investigating Accountant’s Report in this Prospectus.
- Rothsay Auditing Chartered Accountants has consented to reference in this Prospectus to the audited financial information of the Company.
- Security Transfer Registrars Pty Ltd has consented to being named as the Share Registry to the Offer.
- K S Capital Pty Limited has consented to being named as the Lead Manager to the Offer and the inclusion in the Prospectus of all statements referring to it.

Each of the parties referred to above in this Section:
- does not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

10.9 EXPENSES OF THE OFFER
The expenses connected with this Prospectus payable by us are estimated to be approximately $440,000 exclusive of GST at Minimum Subscription and $550,000 exclusive of GST at Full Subscription. These expenses include fees to be paid to the Lead Manager, solicitors, the patent attorney and investigating accountant, listing fees, Prospectus design, printing and other miscellaneous expenses.
The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of the Shares pursuant to this Prospectus.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 5 September 2016

Signed for and on behalf of
Metavone Limited by
Dr Stuart Gunzburg
Managing Director
Glossary

Where the following terms are used in this Prospectus they have the following meanings:

AFSL: Australian Financial Services Licence.

Applicant: A person who submits a valid Application Form.

Application: A valid application to subscribe for Shares pursuant to either the Priority Offer or the Public Offer under this Prospectus.

Application Form: A Priority Offer Application Form or a Public Offer Application Form attached to or accompanying this Prospectus.

ASIC: Australian Securities & Investments Commission.

ASX: ASX Limited (ACN 008 624 691).

Board: The Board of Directors.

Closing Date: The Priority Offer Closing Date or the Public Offer Closing Date, as the context requires.

Company or Metavone: Metavone Limited (ACN 101 733 920).

Constitution: The constitution of the Company.


Director: A director of the Company.

Entitlements Options: Options on the terms set out in Section 10.3.

Full Subscription: The maximum amount to be raised under this Prospectus being $5,000,000.

Isoflavone Drug Technology, Technology or IDT: The library of compounds encompassed by the patents to which the Company has intellectual property rights.

IP: Intellectual property.

Lead Manager or K S Capital: K S Capital Pty Limited (ACN 124 761 557) (AFSL 316880).

Listing Rules: The listing rules of the ASX.

Minimum Subscription: The minimum amount to be raised under this Prospectus being $3,500,000.

Offer: The Priority Offer and the Public Offer or either of them, as the context requires.

Official List: The official list of ASX.

Opening Date: The Priority Offer Opening Date or the Public Offer Opening Date, as the context requires.

Option: An option to acquire a Share.

Priority Offer: The offer of up to 10,000,000 Shares pursuant to this Prospectus to existing Shareholders with a registered address in Australia or New Zealand as at the Priority Offer Record Date.

Priority Offer Application Form: The Application Form attached to or accompanying this Prospectus and which relates to the Priority Offer.

Priority Offer Closing Date: 7 October 2016 or an amended date as set by the Board.

Priority Offer Opening Date: The opening date for the Priority Offer under this Prospectus being 13 September 2016.

Priority Offer Record Date: 5 September 2016 being the date of this Prospectus.

Project: A project of the Company.

Prospectus: This Prospectus dated 5 September 2016.

Public Offer: The offer of Shares to the general public pursuant to this Prospectus.

Public Offer Application Form: The Application Form attached to or accompanying this Prospectus and which relates to the Public Offer.

Public Offer Closing Date: 14 October 2016 or an amended date as set by the Board.

Public Offer Opening Date: The Opening Date for the Public Offer under this Prospectus being 13 September 2016.

Series A Options: Series A Options on the terms set out in Section 10.2.

Series B Options: Series B Options on the terms set out in Section 10.2.

Share: A fully paid ordinary share in the Company.

Shareholder: A registered holder of Shares.

Share Registry: Security Transfer Registrars Pty Ltd.

WST: Western Standard Time, Perth, Western Australia.

$, A$ or Dollars: Australian dollars unless otherwise stated.
I / We apply for: [space for number of shares]

or such lesser number of shares which may be allocated to me/us by the Directors.

I / We lodge full application of monies of: [space for amount]

A $ [space for amount]

or such lesser amount which may be allocated to me/us by the Directors.

Full Name of Applicant / Company
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #2
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #3
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Account Designation (for example: THE SMITH SUPERFUND A/C)

Postal Address
Unit                    Street Number
Street Name or PO BOX
Suburb / Town / City                                                                                                      ...                                                                                          State                   Postcode
Country Name (if not Australia)

Reference Number (located on your certificate)

If an incorrect Reference Number has been provided (for example, an incorrect number as registration details do not match those registered) any securities issued will be held on the Issuer Sponsored subregister.

Tax File Number / Australian Business Number

Contact Name

Contact Number (           )

Email Address

Declaration and Statements:
(1) I / We declare that all details and statements made by me/us are complete and accurate.
(2) I / We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
(3) I / We authorise the Company to complete and execute any documentation necessary to effect the issue of Securities to me/us.
(4) I / We have received personally a copy of the Prospectus accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
(5) I / We acknowledge that the Company will send me/us a paper copy of the Prospectus and any Supplementary Prospectus (if applicable) free of charge if I / We request so during the currency of the Prospectus.
(6) I / We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

PLEASE USE THE NEW FORM INCLUDED IN THE SUPPLEMENTARY PROSPECTUS DATED 16 SEPTEMBER 2016.
APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHESS participants should complete their name and address in the same format as they are presently registered in the CHESS system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company’s decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT

BPAY® your payment via internet or phone banking. A unique BPAY reference number was provided in the Priority Offer Letter to Shareholders. If you have misplaced the Priority offer Letter then please contact our share registry to obtain your unique BPAY reference number.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer.

All cheques should be made payable to METAVONE LIMITED – SHARE OFFER ACCOUNT and drawn on an Australian bank and expressed in Australian currency and crossed “Not Negotiable”. Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

LODGING OF APPLICATIONS

Completed Application Forms and cheques must be: 

Post to: OR Deliver to

METAVONE LIMITED
C/- Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

Applications must be received by no later than 5.00pm on the Priority Offer Closing Date 7 October 2016 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

CHESS HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Metavone Limited.

At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

<table>
<thead>
<tr>
<th>TYPE OF INVESTOR</th>
<th>CORRECT</th>
<th>INCORRECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Mr John Alfred Smith</td>
<td>J A Smith</td>
</tr>
<tr>
<td>Company</td>
<td>ABC Pty Ltd</td>
<td>ABC P/L or ABC Co</td>
</tr>
<tr>
<td>Joint Holdings</td>
<td>Mr Peter Robert Williams &amp;</td>
<td>Peter Robert &amp;</td>
</tr>
<tr>
<td></td>
<td>Ms Louise Susan Williams</td>
<td>Louise S Williams</td>
</tr>
<tr>
<td>Trusts</td>
<td>Mrs Susan Jane Smith</td>
<td>Sue Smith Family Trust</td>
</tr>
<tr>
<td></td>
<td>&lt;Sue Smith Family A/C&gt;</td>
<td></td>
</tr>
<tr>
<td>Deceased Estates</td>
<td>Ms Jane Mary Smith &amp;</td>
<td>Estate of Late John Smith</td>
</tr>
<tr>
<td></td>
<td>Mr Frank William Smith</td>
<td>or John Smith Deceased</td>
</tr>
<tr>
<td></td>
<td>&lt;Estate John Smith A/C&gt;</td>
<td></td>
</tr>
<tr>
<td>Minor (a person under the age of 18)</td>
<td>Mr John Alfred Smith</td>
<td>Master Peter Smith</td>
</tr>
<tr>
<td></td>
<td>&lt;Peter Smith A/C&gt;</td>
<td></td>
</tr>
<tr>
<td>Partnerships</td>
<td>Mr John Robert Smith &amp;</td>
<td>John Smith and Son</td>
</tr>
<tr>
<td></td>
<td>Mr Michael John Smith</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&lt;John Smith and Son A/C&gt;</td>
<td></td>
</tr>
<tr>
<td>Superannuation Funds</td>
<td>Jane Smith Pty Ltd</td>
<td>Jane Smith Pty Ltd Superannuation Fund</td>
</tr>
</tbody>
</table>

Please use the NEW FORM INCLUDED IN THE SUPPLEMENTARY PROSPECTUS DATED 10 SEPTEMBER 2016

This Application Form relates to the Offer of Fully Paid Shares in Metavone Limited pursuant to the Prospectus dated 5 September 2016.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 5 SEPTEMBER 2016 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS.

Privacy statement

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.
I/We apply for:                                                                                                                                                     I/We lodge full application of monies of:  
shares at AUD $0.20 per share  
or such lesser number of shares which may be allocated to me/us by the Directors.  

A $  

BPAY® this payment via internet or phone banking.  
Please visit our share registry’s website: www.securitytransfer.com.au and complete the online application form.  
If electronic payment cannot be made then cheque(s) or bank draft(s) can be used.  
See reverse for further payment instructions.  

### Full Name of Applicant / Company
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

### Joint Applicant #2
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

### Joint Applicant #3
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

### Account Designation
(for example: THE SMITH SUPERFUND A/C)

### Postal Address
Unit Street Number Street Name or PO BOX

Suburb / Town / City State Postcode

### Country Name (if not Australia)

### CHESS HIN (where applicable)

X If an incorrect CHESS HIN has been provided (for example, an incorrect number as registration details do not match those registered) any securities issued will be held on the Issuer Sponsored subregister.

### Tax File Number / Australian Business Number

### Tax File Number of Security Holder #2 (Joint Holdings Only)

### Contact Name

### Contact Number
(           )

### Email Address

### Declaration and Statements:
(1) I/We declare that all details and statements made by me/us are complete and accurate.
(2) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
(3) I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Securities to me/us.
(4) I/We have received personally a copy of the Prospectus accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
(5) I/We acknowledge that the Company will send me/us a paper copy of the Prospectus and any Supplementary Prospectus (if applicable) free of charge if I/we request so during the currency of the Prospectus.
(6) I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.
APPLICATION FORMS
Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHESS participants should complete their name and address in the same format as they are presently registered in the CHESS system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company’s decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT
Please visit our share registry’s website:
www.securitytransfer.com.au and complete the online application form. All online applicants can BPAY their payments via internet or phone banking. A unique reference number will be quoted upon completion of the application.

Applicants should be aware of their financial institution’s cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer.

BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the applicant’s responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return any documents if you have made payment via BPAY. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such securities for which you have paid.

All cheques should be made payable to METAVONE LIMITED. HIN/BROKER SPONSORED APPLICANTS

Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

LODGING OF APPLICATION

Completed Application Forms and cheques must be:

 Posted to: METAVONE LIMITED
C/- Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6955

Delivered to: METAVONE LIMITED
C/- Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Applications must be received by no later than 5.00pm on the Public Offer Closing Date 14 October 2016 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

CHESS HIN/BROKER SPONSORED APPLICANTS
The Company intends to become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

CORRECT FORM OF REGISTRABLE TITLE
Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Metavone Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR

<table>
<thead>
<tr>
<th>CORRECT</th>
<th>INCORRECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Mr John Alfred Smith</td>
</tr>
<tr>
<td>Company</td>
<td>ABC Pty Ltd</td>
</tr>
<tr>
<td>Joint Holdings</td>
<td>Mr Peter Robert Williams &amp; Ms Louise Susan Williams</td>
</tr>
<tr>
<td>Trusts</td>
<td>Mrs Susan Jane Smith</td>
</tr>
<tr>
<td>Deceased Estates</td>
<td>Ms Jane Mary Smith &amp; Mr Frank William Smith</td>
</tr>
<tr>
<td>Minor (a person under the age of 18)</td>
<td>Mr John Alfred Smith</td>
</tr>
<tr>
<td>Partnerships</td>
<td>Mr John Robert Smith &amp; Mr Michael John Smith</td>
</tr>
<tr>
<td>Superannuation Funds</td>
<td>Jane Smith Pty Ltd</td>
</tr>
</tbody>
</table>

Please use the new Application Form included in the Supplementary Prospectus dated 16 September 2016.

Privacy Statement
Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.