

NEUROSCIENTIFIC BIOPHARMACEUTICALS LTD
ACN 102 832 995

ENTITLEMENT ISSUE PROSPECTUS – OPTIONS

For a non-renounceable entitlement issue of two Options for every five Shares held by those Shareholders registered at the Record Date at an issue price of \$0.01 per Option to raise up to \$294,322.

IMPORTANT NOTICE

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

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

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1. CORPORATE DIRECTORY

Directors

Mr Brian Leedman
Non-Executive Chairman

Mr Matthew Liddelow
Managing Director & CEO

Dr Anton Uvarov
Executive Director

Mr Stephen Quantrell
Non-Executive Director

Registered Office

Level 1, 45 Stirling Highway
Nedlands, WA 6009

Telephone: + 61 8 6382 1800
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Email: info@neuroscientific.com
Website: www.neuroscientific.com

Company Secretary

Mr Thomas Spencer

Share Registry*

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000

Telephone: +61 1300 288 664
Email: hello@automic.com.au

Solicitors

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

Auditor*

RSM Australia Partners
Level 32, 2 The Esplanade
Perth WA 6000

Lead Manager

Westar Capital Limited
Level 4, 216 St Georges Terrace
Perth WA 6000

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

2. TIMETABLE

Lodgement of Prospectus with the ASIC	9 November 2018
Lodgement of Prospectus & Appendix 3B with ASX	9 November 2018
Notice sent to Optionholders	9 November 2018
Notice sent to Shareholders	13 November 2018
Ex date	14 November 2018
Record Date for determining Entitlements	15 November 2018
Prospectus despatched to Shareholders & Company announces despatch has been completed	20 November 2018
Closing Date*	29 November 2018
Securities quoted on a deferred settlement basis	30 November 2018
ASX notified of under subscriptions	4 December 2018
Issue date, despatch of holding statements and deferred settlement trading ends	6 December 2018

* The Directors may extend the Closing Date by giving at least three Business Days notice to ASX prior to the Closing Date.

3. IMPORTANT NOTES

This Prospectus is dated 9 November 2018 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Options the subject of this Prospectus should be considered highly speculative.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

3.2 Forward-looking statements

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

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

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

No assurance can be given that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

3.3 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

3.4 Important Information for New Zealand Investors

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

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

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

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

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

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

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

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

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

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

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of two Options for every five Shares held by Shareholders registered at the Record Date at an issue price of \$0.01 per Option. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 29,432,237 Options will be issued pursuant to this Offer to raise up to \$294,322.

As at the date of this Prospectus the Company has 36,000,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.1 of this Prospectus.

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Options you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.01 per Option); or

- (c) if you wish to accept your **full Entitlement** and **apply for additional Options** under the Shortfall Offer:
 - (i) fill in the number of Options you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.01 per Option);
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "NeuroScientific Biopharmaceuticals Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Options which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Options (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.6 Underwriting

The Offer is not underwritten.

4.7 Lead Manager

Westar Capital Limited has been appointed as lead manager to the Offer (**Lead Manager**). The terms of the appointment of the Lead Manager are summarised in Section 8.4 of this Prospectus.

4.8 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Option to be issued under the Shortfall Offer shall be \$0.01 being the price at which Options have been offered under the Offer.

Eligible Shareholders who wish to subscribe for Options above their Entitlement are invited to apply for additional Options under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Options in accordance with Section 4.3 above.

The Directors reserve the right to issue Shortfall Options at their absolute discretion and the Shortfall Options may be allocated based on the desire to introduce new shareholders into the Company, the level of applications received for the Shortfall and the desire to minimise any control impacts of the Offer on the Company. Any application monies received for more than your final allocation of Shortfall Options (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

4.9 Issue

Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Options issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Options issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Options issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Options issued under the Shortfall Offer as soon as practicable after their issue.

4.10 ASX listing

The Company does not presently intend to apply for quotation of the Options issued under this Prospectus but retains the right to do so in the future. The Company will apply for quotation of the Shares issued upon exercise of the Options in accordance with the terms and conditions of the Options set out in Section 6.1.

The fact that ASX may grant Official Quotation of the Shares to be issued upon exercise of the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

4.11 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand. Please refer to Section 3.4 for further details regarding New Zealand investors.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.12 Enquiries

Any questions concerning the Offer should be directed to Thomas Spencer, Company Secretary, on +61 8 6382 1800.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to reward the loyalty of Shareholders. The Offer will result in the raising of up to \$294,322.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Proceeds of the Offer	Full Subscription (\$)	%
Working capital	\$269,322	91.5%
Expenses of the Offer ¹	\$25,000	8.5%
Total	\$294,322	100.00%

Notes:

1. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

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

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Options offered under the Prospectus are issued, will be to:

- (a) increase the cash reserves by \$269,322 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Options on issue from 36,000,000 as at the date of this Prospectus to 65,432,237 Options.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 September 2018 and the unaudited pro-forma balance sheet as at 30 September 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Options offered under the Prospectus are issued.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 30 September 2018	PROFORMA 30 September 2018
CURRENT ASSETS		
Cash and cash equivalents	5,518,177	5,787,499
Other current assets	59,778	59,778
TOTAL CURRENT ASSETS	5,577,955	5,847,278
NON-CURRENT ASSETS		
Intangible asset ¹	509,645	509,645
Property, plant & equipment	14,674	14,674
TOTAL NON-CURRENT ASSETS	524,319	524,319
TOTAL ASSETS	6,102,275	6,371,597
CURRENT LIABILITIES		
Creditors and borrowings	197,180	197,180
TOTAL CURRENT LIABILITIES	197,180	197,180
TOTAL LIABILITIES	197,180	197,180
NET ASSETS (LIABILITIES)	5,905,094	6,174,417
EQUITY		
Share capital	10,868,762	10,868,762
Performance Shares	502,149	502,149
Options	36,000	330,322
Options Reserve	3,281	3,281
Retained loss	(5,505,098)	(5,530,098)
TOTAL EQUITY	5,905,094	6,174,417

Notes:

1 Intangible assets are the license agreement with UTAS to hold the right to use intellectual property developed by the university.

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Options offered under the Prospectus are issued, is set out below.

Shares

	Number
Shares currently on issue	73,580,592
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	73,580,592

Notes:

- 1 The Shares currently on issue include 19,349,506 Shares subject to escrow until 27 July 2020, 1,160,000 Shares subject to escrow until 24 July 2019 and 746,269 Shares subject to escrow until 18 January 2019.

Options

	Number
Options currently on issue: ¹ (Unquoted exercisable at \$0.20 on or before 7 March 2021)	36,000,000
New Options offered pursuant to the Offer (Unquoted exercisable at \$0.20 on or before 7 March 2021)	29,432,237
Total Options on issue after completion of the Offer	65,432,237

Notes:

- 1 The terms and conditions attaching to the Options currently on issue and the Options proposed to be issued under this Prospectus are set out in Section 6.1.
- 2 The Options currently on issue are subject to escrow until 27 July 2020.

Performance Shares

	Number
Performance Shares currently on issue	2,800,000
Performance Shares offered pursuant to the Offer	Nil
Total Performance Shares on issue after completion of the Offer	2,800,000

Notes:

- 1 The Performance Shares currently on issue are subject to escrow until 27 July 2020.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 112,380,592 Shares and on completion of the Offer (assuming all Entitlements are accepted, no Options are exercised, and no Performance Shares convert, prior to the Record Date) would be 141,812,829 Shares.

5.5 Details of substantial holders

Based on publicly available information as at 9 November 2018, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
McRae Investments Pty Ltd	24,343,954	33.08%

The Offer will have no effect on the quantity of Shares held by these substantial shareholders as only Options are being issued.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Options

The terms and conditions of the Options are as follows:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph 6.1 (i), the amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 7 March 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 6.1(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

6.2 Rights attaching to Shares

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

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

(a) **General meetings**

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

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

(b) **Voting rights**

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

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

(c) **Dividend rights**

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

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

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

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

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

(e) **Transfer of Shares**

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

(f) **Variation of rights**

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

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

(g) **Alteration of 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. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

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

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

7.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Options in the Company will increase from 36,000,000 currently on issue to 65,432,237. This has the potential to increase the number of Shares on issue from 73,580,592 to 139,012,829 (assuming the exercise of all Options). This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.165 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Technology Development & Commercialisation

There are many risks inherent in the development of biotechnology products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific, regulatory, and/or commercial reasons.

Before obtaining regulatory approval of a product for a target indication, substantial evidence must be gathered in controlled clinical trials and, with respect to approval in the USA, to the satisfaction of the FDA that the product candidate is safe and effective for use for that target indication. Similar satisfaction must be achieved from the relevant regulatory authorities in each country in which the product may be made available. The Company cannot guarantee that the proposed development work will result in an efficacious drug, or even if they do, that the drug will be approved by regulatory authorities.

Even where the Company is successful in terms of technical and regulatory approvals, there is no guarantee the Company will be successful in securing an appropriate licensing deal or achieving an alternative means of commercialising the technology.

(c) **Intellectual Property**

The Company holds a licence over the Emtin peptides from UTASH. In the event of a breach of the licensing agreement, the Company's rights to develop the Emtin peptides may be lost.

There is also a risk that parties might knowingly or unknowingly infringe the Company's intellectual property rights in regard to its technology. There is also a risk that the Company infringes the intellectual property rights of third parties. Any such action as described in the foregoing may adversely affect the business, operating results, and financial condition of the Company. Moreover, there is no guarantee that the Company's patent claims will be found to be valid and enforceable or that it will be granted all its patent applications. The Company relies in part on protecting trade secrets and the protective measures employed may not always be sufficient. Failure in the measures implemented to protect the Company's intellectual property may result in an erosion of any potential competitive position.

(d) **Clinical Validation**

A core component of the Company's strategy is the commercialisation and registration of its products. For the registration process, a phased series of successful clinical trials will be necessary for the Company to obtain regulatory approval for its products. Such trials can be expensive, time consuming, may be delayed or may fail. This may delay the market adoption and commercialisation rate of the Company's technologies.

(e) **Manufacturing**

The Company's peptides have not yet been produced on a large scale. If the Company is unable to manufacture products in sufficient quantities or at an appropriate cost level, it may not be able to meet demand for its product which may adversely impact clinical trial and commercial sales of the product. The Company's products must meet regulatory requirements in order to be legally manufactured and failure by the Company to meet regulatory manufacturing requirements could result in delays in approval or registration.

(f) **Dependencies on Service Providers**

The Company is dependent on contract service providers to perform many activities such as preclinical pharmacology, safety, and toxicology studies and manufacturing of the products. While these service providers are replaceable, the sourcing of effective replacements in a timely manner may have an adverse effect on the future financial performance of the business.

(g) **Sufficiency of Funding**

Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of the Company's activities and potential research and development

programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and may involve substantial dilution to Shareholders.

In particular, the Company's current intention is to complete development of EmtinB to completion of Phase I under the IND process following which it plans to seek a large biopharmaceutical company to further progress the development of EmtinB. Even if the Company is able to complete Phase I, there is a risk that the Company will be unable to identify a willing counterparty to progress the development of EmtinB on commercially acceptable terms. If an appropriate partnership is not identified, the Company may need to raise significant funds to further progress development of its products to the stage of commercialisation, which funds cannot be guaranteed. Any further capital raised through equity may also be dilutive Shareholders.

(h) **Competition**

There is no assurance that competitors will not succeed in developing products that are more effective or economically viable than the products potentially manufactured or developed by the Company, or which would render the products obsolete or otherwise uncompetitive. In that case, the Company's revenues and profitability could be adversely affected.

7.3 Pharmaceutical Industry specific

(a) **Regulatory Environment**

Compliance with the regulation of diagnostic and therapeutic products in Australia, the United States of America, Europe, and other regions of major commercial value, can be time consuming and resource intensive. As such, there can be no assurance that any applications for regulatory approval for products developed by the Company will be successful, financially viable or timely.

(b) **R&D Tax Incentive**

The Company intends to apply for the tax concessions on research and development expenditure under the Australian Federal Government's R&D Tax Incentive Scheme. The R&D Tax Incentive Scheme is government dependent and may change or be removed should governments be replaced or their policies alter.

(c) **Product Liability**

The Company may not be able to procure and/or maintain insurance for product or service liability on reasonable terms in the future and, in addition, the Company's insurance may not be sufficient to cover potentially large claims, or the insurer could refuse coverage on claims.

(d) **Healthcare Insurers & Reimbursement**

In both domestic and foreign markets, treatment volumes are likely to be influenced by the availability of amounts of reimbursements of patients' medical expenses by third party payer organisations including government agencies, private healthcare insurers and other health care

payers. There is no assurance that reimbursements for any products or services developed and commercialised by NeuroScientific will be available to patients at all or without substantial delay. Even if such reimbursement is provided, the approved reimbursement amounts may not be sufficient to enable the product to be marketed on a profitable basis.

7.4 General risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's research and development programmes, as well as on its ability to fund those programmes.

(b) Market conditions

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

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

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. 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 and research programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Prospectus.

Therefore, the Options be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

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

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

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

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

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

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

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

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

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

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

Date	Description of Announcement
09/11/2018	Notice of change of interest of substantial holder
31/10/2018	Appendix 4C – Quarterly report
30/10/2018	Notice of Annual General Meeting/Proxy Form
29/10/2018	Appendix 4G
29/10/2018	Annual Report to Shareholders
20/09/2018	NSB Research Collaboration
12/09/2018	NSB Presentation to Investors in Singapore
7/09/2018	NSB – Contract Research Agreement
5/09/2018	Trading Halt Request
5/09/2018	Trading Halt
5/09/2018	Pause in Trading
31/08/2018	Preliminary Final Report

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

The announcements are also available through the Company's website <http://www.neuroscientific.com/>.

8.3 Market price of shares

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

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

Highest	\$0.255	13 August 2018
Lowest	\$0.14	15 October 2018
Last	\$0.165	8 November 2018

8.4 Material Contracts

The following are summaries of the significant terms of the material agreements which relate to the Offer.

8.4.1 Corporate Advisory Mandate

The Company engaged Westar Capital Limited as a corporate advisor for a period of 12 months from 22 November 2017 pursuant to a mandate agreement (**Corporate Advisory Mandate**). The terms and conditions of the Corporate Advisory Mandate are set out in section 12.3 of the Company's initial public offer prospectus dated 9 May 2018.

The Company has recently decided to extend the Corporate Advisory Mandate for an additional twelve-month period (**Term**) (**Extended Mandate**).

The material terms and conditions of the Extended Corporate Advisory Mandate are set out below:

- (a) **(Fee)**: The Company has agreed to pay Westar a corporate advisory fee of \$5,000 per month during the Term.
- (b) **(Right of First Refusal)**: The Company has agreed to give Westar a right of first refusal for all capital raising conducted during the Term.
- (c) **(Reimbursement of Expenses)**: The Company has agreed to reimburse Westar for reasonable out of pocket expenses directly related to its engagement.
- (d) **(Termination by Westar)**: Westar may terminate the Extended Mandate at any time, with or without cause, by giving notice to the Company.
- (e) **(Termination by the Company)**: The Company may terminate the Extended Mandate if Westar breaches its obligations under the Extended Mandate or is unable to provide the services contemplated by the Extended Mandate. In the event of termination by the Company, Westar is entitled to be paid the full amount of fees payable under clause 8.4.1(a).

The Extended Mandate otherwise contains terms and conditions that are considered standard for an agreement of this nature.

8.4.2 Lead Manager Mandate

The Company has entered into a separate mandate agreement with Westar on 7 November 2018 (**Mandate**), whereby the Company has agreed to pay Westar a flat fee of \$10,000 for undertaking a range of services in relation to the Offer.

8.5 Interests of Directors

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

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

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

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

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Performance Shares	Entitlement	\$
Mr Brian Leedman	1,750,000	Nil	1,000,000	700,000	\$7,000
Mr Matthew Liddelow	1,075,000	Nil	600,000	430,000	\$4,300
Dr Anton Uvarov	1,625,000 ¹	Nil	600,000	650,000	\$6,500
Mr Stephen Quantrill	Nil	Nil	Nil	Nil	Nil

Notes:

- 1 Comprising 350,000 Shares held by Dr Anton Uvarov and 1,275,000 held by Dr Uvarov's wife, Mrs Yulia Uvarova <Techinvest Nominees>.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The total maximum remuneration of non-executive directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive director. The current amount has been set at an amount not to exceed \$360,000.00 per annum.

In addition, a director may be paid fees or other amounts (ie subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

Director	Remuneration (30 June 2018)	Proposed Remuneration (30 June 2019)
Brian Leedman ¹	\$75,000	\$100,000
Matthew Liddelov ²	\$120,000	\$180,000
Anton Uvarov ³	-	\$100,000
Stephen Quantrill	-	\$45,000

Notes:

1. Brian Leedman was appointed as a Director on 29 September 2017.
2. Matthew Liddelov was appointed as a Director on 1 February 2018. Mr Liddelov's remuneration was initially set as \$120,000 per annum and increased to \$180,000 per annum following the Company being admitted to the Official List of the ASX. Prior to 1 February 2018, Mr Liddelov had been appointed as a consultant for the period commencing 1 July 2016, during which time his remuneration was \$120,000 per annum.
3. Upon admission of the Company to the Official List, Dr Uvaov was issued 275,000 Shares in satisfaction of accrued director fees from the period from 1 August 2017 to the date of listing. Mr Uvarov's remuneration following the Company's admission to the Official List is \$100,000 per annum.

8.6 Interests of experts and advisers

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

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

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

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

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

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$7,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$95,018 (including GST and disbursements) for legal services provided to the Company.

Westar Capital Limited will be paid a management fee of approximately \$10,000 in respect of the Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Westar Capital Limited has been paid fees totalling \$386,491 (including GST) by the Company.

8.7 Consents

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

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and
- (d) Westar Capital Limited has given its written consent to being named as Lead Manager to the Company in this Prospectus. Westar Capital Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$25,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
Legal fees	10,000
Lead Manager fees	10,000

Printing and distribution	1,000
Miscellaneous	794
Total	25,000

8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 6382 1800 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://www.neuroscientific.com/>.

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

8.10 Financial forecasts

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

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

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

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

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

8.12 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers,

regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

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

9. DIRECTORS' AUTHORISATION

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

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



BRIAN LEEDMAN
NON-EXECUTIVE CHAIRMAN
For and on behalf of
NEUROSCIENTIFIC BIOPHARMACEUTICALS LTD

10. GLOSSARY

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

Applicant means a Shareholder who applies for Options pursuant to the Offer or a Shareholder or other party who applies for Shortfall Options pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

Board means the board of Directors unless the context indicates otherwise.

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

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means NeuroScientific Biopharmaceuticals Ltd (ACN 102 832 995).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

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

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share on the terms and conditions set out in Section 6.1 of this Prospectus.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of a Share.

Shortfall means the Options not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.8 of this Prospectus.

Shortfall Options means those Options issued pursuant to the Shortfall.

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