

Little Green Pharma Ltd
ACN 615 586 215

Prospectus

This Prospectus is being issued for the offers of up to:

- (a) 10,000,000 Shares at an issue price of \$0.20 per Share and 10,000,000 free attaching unquoted Options, exercisable at \$0.25 each on or before that date which is 18 months from the date of issue, to Eligible Shareholders, on the basis of one (1) free attaching unquoted Option for every one (1) Share subscribed for and issued to Eligible Shareholders under the SPP, to raise up to \$2,000,000 (**SPP Offer**); and
- (b) 20,000,000 free attaching unquoted Options, exercisable at \$0.25 on or before that date which is 18 months from the date of issue, to participants in the Placement, on the basis of one (1) free attaching unquoted Option for every one (1) Share subscribed for and issued to the participants under the Placement (**Placement Options Offer**),

(together, the **Offers**).

Timing

The Offers are currently scheduled to close at 5.00pm (AWST) on 19 December 2022. Valid Applications must be received before that time.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR SUITABLY QUALIFIED
PROFESSIONAL ADVISER WITHOUT DELAY.**

The Securities offered under this Prospectus are of a speculative nature.

*The Company reserves the right, subject to the Corporations Act and Listing Rules to extend the Closing Date for the Offers.

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Important Information

Prospectus

This Prospectus is dated 21 November 2022 and was lodged with the ASIC on that date with the consent of all Directors.

Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus.

Expiry date

This Prospectus expires at 5:00pm (AWST) on the date which is 13 months after the date of this Prospectus and no Securities will be issued on the basis of this Prospectus after this expiry date.

Not investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

Speculative investment

The Securities offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 5 for details relating to the key risks applicable to an investment in the Company's Securities.

Copies of the Prospectus and Application Forms

This Prospectus may be made available in electronic form. Persons having received a copy of the Prospectus in electronic form, or other prospective investors may obtain a paper copy of this Prospectus and the relevant Application Form (free of charge) from the offices of the Company before the Closing Date by contacting the Company. Contact details for the Company are detailed in the Corporate Directory.

The Offers constituted by this Prospectus are only available to persons receiving this Prospectus and an Application Form within Australia, or, subject to the provisions outlined in Section 2.12.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or by otherwise making a BPAY® or EFT payment in accordance with this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Securities under the Offers should complete or satisfy the instructions on the relevant Application Form. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Website

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

Foreign investors

No action has been taken to register or qualify the Securities the subject of this Prospectus or the Offers, or otherwise to permit the Offers, in any jurisdiction outside Australia, subject to the provisions outlined in Section 2.12. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

ASIC Instrument

In certain circumstances, a listed company may undertake a share purchase plan in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument)*. The ASIC Instrument allows a share purchase plan to be conducted without the use of a prospectus once in any consecutive 12-month period.

As the Company is also offering Options under the SPP, the Company is unable to rely on the relief granted by the ASIC Instrument in respect of the Options (as the relief relates to the offer of fully paid ordinary shares only) and, therefore, is undertaking the issue of Shares and Options under the SPP pursuant to this Prospectus.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of the New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (<https://investor.littlegreenpharma.com/site/investor-centre/share-purchase-plan-ssp-2022>). By making an application under the Offers, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Using this Prospectus

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars.

Time

All references to time in this Prospectus are references to AWST, being the time in Perth, Western Australia, unless otherwise stated.

Corporate Directory

Directors	
Mr Michael Lynch-Bell	Independent Non-Executive Chair
Ms Fleta Solomon	Chief Executive Officer & Managing Director
Mr Angus Caithness	Executive Director
Dr Neale Fong	Independent Non-Executive Director
Ms Beatriz Vicén Banzo	Independent Non-Executive Director
Company Secretary	
Mr Alistair Warren	
Registered and Principal Office	Share Registry
Suite 2, Level 2 66 Kings Road West Perth WA 6005 Phone: +61 8 6280 0050 Email: cosec@lgp.global Website: www.littlegreenpharma.com/	Computershare Investor Services Pty Limited Level 11 172 St Georges Terrace Perth WA 6000 Tel (within Aus): 1300 850 505 Tel (outside Aus): +61 (0)3 9415 4000
Auditor*	Solicitors
BDO Audit (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000	Hamilton Locke Central Park Building Level 48, 152 - 158 St Georges Terrace Perth WA 6000
ASX Code: LGP	

* These entities are included for information purposes only.
They have not been involved in the preparation of this Prospectus.

Indicative Timetable

Event*	Date
Record Date for the SPP	1 November 2022
Announcement of Placement and SPP	2 November 2022
Issue of Placement Shares	9 November 2022
Lodgement of Prospectus with ASIC and ASX	21 November 2022
Opening Date of the Offers under the Prospectus	21 November 2022
Closing Date of the Offers under the Prospectus**	19 December 2022
Announcement of results of the SPP Offer and issue of Securities under the SPP Offer and Placement Options Offer	22 December 2022
Official Quotation of Shares under the SPP Offer	23 December 2022

Notes

- * The dates and times noted above are indicative only and subject to change. Any material changes will be notified by the Company to ASX. The Company reserves the right to amend any or all of these dates and times, including amending the Closing Date of the Offers, without prior notice subject to the Corporations Act, the Listing Rules and other applicable laws.
- ** Subscribers under the Offers should ensure that they have satisfied the application instructions on their personalised Application Form including completing BPAY® or EFT payments by this date.

Investment Overview

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities offered under this Prospectus.

Key Information	Further Information
<p><i>Transaction specific prospectus</i></p> <p>This Prospectus is a transaction specific prospectus for offers of continuously quoted securities and 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.</p> <p>In certain circumstances, a listed company may undertake a share purchase plan in accordance with <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument)</i>. The ASIC Instrument allows a share purchase plan to be conducted without the use of a prospectus once in any consecutive 12-month period.</p> <p>As the Company is also offering Options under the SPP, the Company is unable to rely on the relief granted by the ASIC Instrument in respect of the Options (as the relief relates to the offer of fully paid ordinary shares only) and, therefore, is undertaking the issue of Shares and Options under the SPP pursuant to this Prospectus.</p>	
<p><i>The Offers</i></p> <p>The Company is offering pursuant to this Prospectus up to a total of 10,000,000 SPP Shares at an issue price of \$0.20 per Share to Eligible Shareholders and 30,000,000 New Options exercisable at \$0.25 each and expiring on that date which is 18 months from the date of issue as follows:</p> <ul style="list-style-type: none"> (a) up to 10,000,000 New Options to Eligible Shareholders who subscribe for SPP Shares under the SPP on the basis of 1 free-attaching New Option for every 1 Share subscribed for under the SPP; and (b) up to 20,000,000 New Options to the Placement Participants on the basis of 1 free attaching New Option for every 1 Share subscribed for under the Placement. <p>The New Options will be issued without Shareholder approval using the Company's available 15% placement capacity under ASX Listing Rule 7.1. No funds will be raised through the issue of the New Options under the Offers.</p> <p>The Company will issue the SPP Shares pursuant to ASX Listing Rule 7.2, Exception 5 and accordingly:</p> <ul style="list-style-type: none"> (a) the total number of SPP Shares issued under the SPP will not equate to more than 30% of Shares on issue at the issue date of the SPP Shares; and (b) the issue price of the SPP Shares (being \$0.20 per SPP Share) must be equal to or greater than 80% of the VWAP of Shares for the five days in which trading in the Shares occurred before the date of the announcement of the SPP Offer. 	<p>Sections 1.2 and 2.1</p>

Key Information	Further Information
<p>Eligibility</p> <p>Only Eligible Shareholders may participate in the SPP Offer. ‘Eligible Shareholders’ for the purpose of the SPP Offer are Shareholders:</p> <ul style="list-style-type: none"> (a) who were registered holders of Shares on the Record Date; and (b) whose registered address in the Company’s register of members is in Australia or New Zealand. <p>Only investors who participated in the Placement and were issued Placement Shares are eligible to participate in the Placement Options Offer.</p> <p>An Application Form in respect of the SPP Offer or Placement Options Offer will be issued to the Eligible Shareholders or Placement Participants together with a copy of this Prospectus.</p>	<p>Section 2.2</p>
<p>What is the purpose of the Offers?</p> <p>The purpose of the SPP Offer is to raise up to \$2,000,000 (before costs).</p> <p>The primary purpose of making the SPP Offer and Placement Options Offer available under this Prospectus is to provide disclosure to investors on the terms of the New Options and to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued upon conversion of any New Options that are issued under the SPP Offer or Placement Options Offer.</p> <p>The Offers are being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.</p> <p>Specifically, if the New Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the New Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.</p>	<p>Section 2.1</p>
<p>Risk Factors</p> <p>Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 5, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> • Additional requirements for capital <p>At present, the Company is making a loss, meaning it is reliant on raising funds from investors or lenders in order to continue to fund its operations and to scale growth. Accordingly, the Company may require further financing in the future.</p> <p>The future capital requirements of the Company will depend on many factors, including the pace and magnitude of the development of its business and sales, and the Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its products and to meet its other longer-term objectives. In addition, the risks and uncertainties associated with producing cannabis products, including future regulatory changes and developments in the industry more generally, means the Company is unable to accurately predict when, or if, it will be able to achieve profitability. Even if profitability</p> 	<p>Section 5</p>

Key Information	Further Information
<p>is achieved in the future, it may not be sustained for subsequent periods potentially affecting the market price of shares and the Company's ability to raise capital, expand its business or continue its operations.</p> <p>Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its activities, which could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.</p> <ul style="list-style-type: none"> <p>Canopy loan risk</p> <p>On 22 June 2021, the Company acquired a cannabis cultivation and production facility in Denmark from Canopy Growth Corporation (TSX:WEED, NASDAQ: CGC) (Canopy) for a total consideration of C\$20 million (Danish Acquisition). Under the terms of the Danish Acquisition, the Company paid C\$10,000,000 at completion and the balance was payable in 12 months pursuant to a retained loan at an imputed interest rate of 12.5%. During the June 2022 quarter the deferred payment was renegotiated with C\$7.5 million being repaid early July 2022 and the remaining \$3,570,000 plus interest at 8.57% per annum being due 31 December 2022 (Final Payment). This loan note is secured by the Danish operations. The Company's preference is to renegotiate timing of the Final Payment, however, there is no guarantee that such negotiations will be successful. In the event that the Company is unable to negotiate the deferral of the Final Payment and is required to pay the full amount on 31 December 2022, the payment will significantly reduce the Company's available cash and may require the Company to raise further capital, liquidate assets or seek debt funding to maintain sufficient cash to support its operation. There are no guarantees that such finances will be obtained on terms favourable to the Company, or at all.</p> <p>Legislative change in Germany and France</p> <p>The Company's ability to expand its business and achieve its growth strategy is also dependent on the Company being able to successfully export its medicinal cannabis products internationally from Denmark and Australia. The Company has large volume supply agreements of medicinal grade cannabis with German distributors. In parallel with its existing medicinal cannabis market, there is a growing domestic and international expectation that Germany will introduce a new supply pathway for cannabis into Germany. In 2021 the ruling Parliamentary coalition agreed in principle to the introduction of a new pathway for the supply of cannabis, with a draft bill expected at the end of 2022 or early 2023. The scope of this new pathway is still being finalised, with decisions pending in relation to manufacturing standards, product safety guarantees, taxation, and distribution. There is a risk that the new supply pathway does not permit the</p> 	

Key Information	Further Information
<p>Company to supply into this new pathway, or allows more suppliers to enter into the market, or both, or results in limitations or restrictions on the import of cannabis for medical purposes into Germany, potentially eroding demand for existing medicinal cannabis product supplied by the Company into the German market.</p> <p>The Company also intends to grow its business through supply into the nascent French medicinal cannabis market, which is currently the subject of a trial program in which the Company participates as a primary supplier to French patients. The French government has now extended the trial for a further period of 12 months until March 2024, with the Company currently in negotiations with the French Government in relation to their request for the Company's continued participation given it is the largest supplier into the trial and has been providing products to trial participants free of charge to date. If the terms of access to the French market restrict the Company's ability to supply into this market, including by preventing any further supply at all, or if the French market does not open on terms expected by the Company or at the end of the trial period, or at all, or if the Company elects not to continue with supplying into the extended trial, including because it is not able to secure adequate compensation for such continued supply, and this results in diminished future access to the French market in future, then this could have a material adverse effect on the Company's business, financial condition, and prospects.</p> <ul style="list-style-type: none"> <p>European sales and deal pipeline</p> <p>The Company has entered into distribution and supply agreements with European distributors and offtakers, primarily in Germany, and is negotiating further contracts for entry into other European nations such as France and Italy. Some of the distribution and supply agreements have minimum contract values, denoting the minimum amount of sales distributors must obtain to maintain exclusivity to distribute specific products in geographic regions. However, these minimum contract values are not take or pay arrangements and there is no guarantee the Company will be able to realise the minimum contract values over the period of the contract. Similarly, whilst the Company has been targeting entry into the French and Italian markets, there is no certainty that the Company will be able to secure distribution or offtake agreements into these markets.</p> <p>Reliance on key relationships and customers</p> <p>The Company relies on various key customer and supplier relationships in certain parts of its business. The loss or impairment of any of these relationships could have a material adverse effect on the Company's results of operations, financial condition and prospects, at least until alternative arrangements can be implemented. In some instances, however, alternative arrangements may not be available or may be less financially advantageous than the current arrangements.</p> <p>Impact of the legislative regime in the United States</p> <p>While the use and possession of cannabis has been legalised in various states in the United States for either recreational or medicinal use, the use and possession of cannabis in the United States is illegal under federal law. The</p> 	

Key Information	Further Information
<p>illegality of cannabis at a federal level in the United States means that many US based cannabis entities are precluded from accessing capital and certain financial services needed to effectively scale their businesses. In the event that the United States legalised cannabis at a federal level, these barriers to scale would fall away, allowing US entities to more readily scale their businesses, which has the potential to increase supply of cannabis in the global market and adversely affect non-US operators, such as the Company.</p> <ul style="list-style-type: none"> <p>• Input costs</p> <p>Currently, transportation, irradiation, clinical testing and electrical power costs in both Denmark and Australia represent significant input costs in the Company’s manufacture of medicinal cannabis. If transportation, irradiation and clinical testing prices were to continue to rise, this may adversely affect the Company’s financial position.</p> <p>In addition, rising interest rates are contributing to rising inflationary pressures on the global and domestic economies. This may have impacts on financial markets or economic stability and could adversely affect the financial position and performance of the Company.</p> <p>• Dilution</p> <p>In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of Shareholders may be reduced and diluted. The New Options, if exercised, will dilute the shareholding of existing Shareholders.</p> <p>• Share market</p> <p>Share market conditions may affect the value of the Company’s quoted securities regardless of the Company’s operating performance. The market price of the Securities may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:</p> <ol style="list-style-type: none"> a) general economic outlook; b) interest rates and inflation rates; c) currency fluctuations; d) commodity price fluctuations; e) changes in investor sentiment toward particular market sectors; f) the demand for, and supply of, capital; and g) terrorism or other hostilities. <p>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. Neither the Company nor the Directors warrant the future performance of the Company or any return to security holders arising from the transactions the subject of this Prospectus or otherwise.</p> 	
<i>Use of funds</i>	Section 4.2

Key Information	Further Information																														
<p>The proceeds from the Offers and Placement will be used:</p> <ul style="list-style-type: none"> a) for sales and marketing; b) to fund general working capital; and c) to pay the costs of the Offers and Placement. 																															
<p><i>Effect on control of the Company</i></p> <p>The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. So far as the Company is aware, no new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.</p>	Section 4.6																														
<p><i>Indicative Capital Structure</i></p> <p>The indicative capital structure upon completion of the Offers is set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #1a202c; color: white;"></th> <th style="background-color: #1a202c; color: white;">Shares</th> <th style="background-color: #1a202c; color: white;">Unquoted Options</th> <th style="background-color: #1a202c; color: white;">Performance Rights</th> <th style="background-color: #1a202c; color: white;">Share Rights</th> </tr> </thead> <tbody> <tr> <td>Existing Securities on issue</td> <td style="text-align: right;">260,920,771</td> <td style="text-align: center;">-</td> <td style="text-align: right;">7,000,000</td> <td style="text-align: right;">2,308,000</td> </tr> <tr> <td>SPP Shares to be issued at full subscription</td> <td style="text-align: right;">10,000,000</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>New Options to be issued under the Offers at full subscription</td> <td style="text-align: center;">-</td> <td style="text-align: right;">30,000,000</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Maximum Director & Executive Placement Securities to be issued</td> <td style="text-align: right;">1,000,000</td> <td style="text-align: right;">1,000,000</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr style="background-color: #c6e0b4;"> <td>Total</td> <td style="text-align: right;">271,920,771</td> <td style="text-align: right;">31,000,000</td> <td style="text-align: right;">7,000,000</td> <td style="text-align: right;">2,308,000</td> </tr> </tbody> </table> <p>Further details in respect of the Company's capital structure are set out in Section 4.1. The unaudited pro forma statement of financial position showing the effect of the Offers and Placement is set out in Section 8.</p>		Shares	Unquoted Options	Performance Rights	Share Rights	Existing Securities on issue	260,920,771	-	7,000,000	2,308,000	SPP Shares to be issued at full subscription	10,000,000	-	-	-	New Options to be issued under the Offers at full subscription	-	30,000,000	-	-	Maximum Director & Executive Placement Securities to be issued	1,000,000	1,000,000	-	-	Total	271,920,771	31,000,000	7,000,000	2,308,000	Section 4.1
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<p><i>Directors' interests in Securities</i></p> <p>The relevant interests of each of the Directors in Securities as at the date of this Prospectus is set out below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #1a202c; color: white;">Director</th> <th style="background-color: #1a202c; color: white;">Shares</th> <th style="background-color: #1a202c; color: white;">Performance Rights</th> <th style="background-color: #1a202c; color: white;">Share Rights</th> </tr> </thead> <tbody> <tr> <td>Michael Lynch-Bell</td> <td style="text-align: right;">833,743</td> <td style="text-align: center;">-</td> <td style="text-align: right;">440,000</td> </tr> <tr> <td>Fleta Solomon</td> <td style="text-align: right;">20,273,439</td> <td style="text-align: right;">2,500,000</td> <td style="text-align: right;">72,000</td> </tr> </tbody> </table>	Director	Shares	Performance Rights	Share Rights	Michael Lynch-Bell	833,743	-	440,000	Fleta Solomon	20,273,439	2,500,000	72,000	Section 6.9(b)																		
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Key Information				Further Information
Angus Caithness	10,426,942	2,000,000	64,000	
Dr Neale Fong	1,088,025	-	220,000	
Beatriz Vicén Banzo	50,000	-	150,000	
<p><i>Forward looking statements</i></p> <p>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.</p> <p>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 considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have 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.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.</p>				Section 5

1. Background to the Offers

1.1 Overview

On 2 November 2022, the Company announced a two-stage capital raising comprising:

- (a) a placement to new and existing institutional and sophisticated investors of 20,000,000 Shares at \$0.20 each (**Placement Shares**) to raise \$4,000,000 before costs (**Placement**); and
- (b) an offer to Eligible Shareholders under a share purchase plan (**SPP**) to raise up to a further \$2,000,000 before costs by the issue of up to 10,000,000 Shares at \$0.20 each (**SPP Shares**).

20,000,000 Placement Shares were issued on 9 November 2022 using the Company's existing ASX Listing Rules 7.1 and 7.1A placement capacity to raise \$4,000,000 (before costs). The Placement Shares issued under the Placement were offered to institutional and sophisticated investors without disclosure under the Corporations Act.

1.2 The Offers

(a) Background to the SPP Offer

As announced on 2 November 2022, the Company is offering Shareholders who were registered as a holder of Shares as at 5.00pm (AWST) on 1 November 2022 (**Record Date**) and whose registered address is in Australia or New Zealand (**Eligible Shareholders**) the opportunity to subscribe for a maximum of \$30,000 worth of new Shares at an issue price of \$0.20 per Share (**Issue Price**), to raise up to \$2,000,000 (before costs) under the Company's SPP.

On the last trading day immediately prior to the announcement date of the SPP Offer, the closing price of the Shares traded on the ASX was \$0.24 per Share. The Issue Price is a 16.7% discount to that closing price. The Issue Price is a 16.9% discount to the 15-day VWAP of \$0.241 and a 15.6% discount on the 5-day VWAP of \$0.237 prior to the announcement date of the SPP Offer.

The Company has also agreed to offer Eligible Shareholders who participate in the SPP one (1) free-attaching New Option for every one (1) SPP Share subscribed for and issued under the SPP (refer to Section 6.2 for the terms and conditions of the New Options).

The Securities offered under the SPP Offer are being offered pursuant to this Prospectus. Further details in respect of the SPP Offer are set out in Sections 2.1(a) and 2.2(a).

The New Options offered under the SPP Offer will be issued without Shareholder approval using the Company's existing placement capacity under ASX Listing Rule 7.1.

(b) Background to the Placement Options Offer

As set out above, the Company issued 20,000,000 Placement Shares on 9 November 2022 to new and existing institutional and sophisticated investors at an issue price of \$0.20 per Share to raise \$4,000,000 (before costs) pursuant to the Placement. The Company issued the Placement Shares pursuant to the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

The Company has also agreed to offer Placement Participants one (1) free-attaching New Option for every one (1) Share subscribed for and issued under the Placement (refer to Section 6.2 for the terms and conditions of the New Options).

The New Options are being offered under the Placement Options Offer pursuant to this Prospectus and will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1.

2. Details of the Offers

2.1 The Offers

(a) The SPP Offer

The SPP Offer is an offer to each Eligible Shareholder to subscribe for a maximum of \$30,000 worth of new Shares at an issue price of \$0.20 per Share, together with one (1) free attaching New Option for every one (1) Share subscribed for and issued under the SPP.

The Company will issue the Shares pursuant to ASX Listing Rule 7.2, Exception 5 and, accordingly:

- (i) the total number of SPP Shares issued under the SPP will not equate to more than 30% of the Shares on issue at the issue date of the SPP Shares; and
- (ii) the issue price of the SPP Shares (being \$0.20 per SPP Share) must be equal to or greater than 80% of the VWAP of Shares for the five days in which trading in the Shares occurred before the date of the announcement of the SPP Offer.

All of the SPP Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the SPP Shares.

The New Options offered under the SPP Offer will be exercisable at \$0.25 each on or before 5:00pm (AWST) on that date which is 18 months from the date of issue and otherwise on the terms set out in Section 6.2. All of the Shares issued upon exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the SPP Offer is to raise \$2,000,000 (before costs). The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Securities offered under the SPP Offer.

(b) The Placement Options Offer

The Placement Options Offer is an offer of one (1) free attaching New Option for every one (1) Share subscribed for and issued under the Placement.

Based on the number of Shares issued under the Placement, 20,000,000 New Options may be issued under the Placement Options Offer. No funds will be raised from the issue of the New Options.

The New Options offered under the Placement Options Offer will be exercisable at \$0.25 each on or before 5:00pm (AWST) on the date which is 18 months from the date of issue and otherwise on the terms set out in Section 6.2. All of the Shares issued upon exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

The primary purpose of making the Placement Options Offer and SPP Offer available under this Prospectus is to provide disclosure to investors on the terms of the New Options and to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued upon conversion of any New Options that are issued under the Placement Options Offer or SPP Offer.

The Offers are being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the New Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the New Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

2.2 Eligibility to participate in Offers

(a) The SPP Offer

Only Eligible Shareholders may participate in the SPP Offer. 'Eligible Shareholders' for the purpose of the SPP Offer are Shareholders:

- (i) who were registered holders of Shares on the Record Date; and
- (ii) whose registered address in the Company's register of members is in Australia or New Zealand.

The Company believes that it is unreasonable to extend the SPP Offer to Shareholders with registered addresses in jurisdictions other than Australia and New Zealand. The Company has formed this view having considered:

- (i) the number and value of the Securities that would be offered to those Shareholders; and
- (ii) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

If an Eligible Shareholder is the only registered Shareholder of a holding of Shares, but receives more than one SPP Offer (for example because they hold Shares in more than one capacity), they may only apply for one parcel of Shares with a value of up to \$30,000. Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and joint holders are entitled to participate in the SPP Offer in respect of that single holding only.

The Company reserves the right to reject any application for Shares under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

In the event of oversubscriptions by the Closing Date, the Directors may, in their absolute discretion, scale-back applications on an equitable basis. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions. Participation in the SPP Offer is optional and is subject to the terms and conditions set out in this Prospectus.

(b) The Placement Options Offer

Only investors who participated in the Placement and were issued Placement Shares are eligible to participate in the Placement Options Offer.

2.3 Opening and Closing Dates

The Company will accept Application Forms, including BPAY® payments made in accordance with the Application Form, from 21 November 2022 (**Opening Date**) until 5.00pm (AWST) on 19 December 2022 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules and the Corporations Act (**Closing Date**).

2.4 Minimum subscription

There is no minimum subscription for the Offers.

2.5 Not underwritten

The Offers are not underwritten.

2.6 Withdrawal of Offer

The Directors may at any time decide to withdraw this Prospectus and the Offers, or any part of the Offers.

2.7 Issue date and dispatch

All Securities under the Offers are expected to be issued on or before the date specified in the Indicative Timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Securities under the Offers.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements do so at their own risk.

2.8 Application Monies held on trust

All Application Monies received for the Shares under the Offers will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

2.9 Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in the ASIC Instrument) (**Custodian**), you may apply for up to \$30,000 worth of SPP Shares for each beneficiary for whom you act as Custodian provided you provide a certificate to the Company (**Custodian Certificate**) with the following information:

- (a) that you held Shares on behalf of:
 - (i) one or more other persons that are not custodians; and/or
 - (ii) another custodian (**Downstream Custodian**) that holds beneficial interests in Shares on behalf of one or more other persons to which those beneficial interests relate,

(each a **Participating Beneficiary**) at the Record Date who have subsequently instructed you, and/or the Downstream Custodian, to apply for SPP Shares under the SPP Offer on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of Shares that you hold on behalf of each Participating Beneficiary;
- (d) the number or dollar amount of SPP Shares that each Participating Beneficiary has instructed you, either directly or indirectly through a Downstream Custodian, to apply for on their behalf;
- (e) that the Issue Price for SPP Shares applied for under the SPP Offer for each Participating Beneficiary for whom you act, and any other Shares applied for on their behalf under a similar arrangement in the previous 12 months (excluding Shares applied for but not issued) does not exceed \$30,000;
- (f) that a copy of this Prospectus was given to each Participating Beneficiary; and

- (g) where you hold Shares on behalf of a Participating Beneficiary indirectly through one or more Downstream Custodians, the name and address of each Downstream Custodian.

By making payment on behalf of a Participating Beneficiary, you certify that you are the Custodian for the Participating Beneficiary and that the above information in this Section 2.9 and the information detailed in the SPP Application Form is true and correct as at the date of the Application.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact Computershare Investor Services Pty Limited on 1800 095 862 or by email at custodians@computershare.com.au from 8.30am to 5.00pm (AEDT) Monday to Friday before the Closing Date.

The Company reserves the right to reject any application for Shares under this Prospectus to the extent that it considers that the Application (whether alone or in conjunction with other Applications) does not comply with these requirements.

2.10 ASX Quotation

Application for the official quotation of the SPP Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the SPP Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as the ASX allows), the Company will not issue any SPP Shares and will repay all Application Monies received pursuant to this Prospectus as soon as practicable, without interest.

The fact that ASX may grant Official Quotation to the SPP Shares is not to be taken in any way as an indication of the merits of the Company or the SPP Shares.

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

2.11 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes.

Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

2.12 International Offer Restrictions

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Application Form, may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

The SPP Offer is not being extended and Securities offered under the SPP Offer will not be issued to investors with a registered address which is outside Australia or New Zealand (see Section 2.2(a) for information regarding eligibility to participate in the SPP Offer).

Residents of countries outside Australia or New Zealand should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up SPP Shares on the basis of this Prospectus. The return of a duly completed Application Form or payment by BPAY® will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

The Placement Options Offer is not being extended and New Options pursuant to the Placement Options Offer will not be issued to investors with a registered address which is outside Australia, New Zealand, Hong Kong, Switzerland, and United Kingdom.

(a) **New Zealand**

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the **FMC Act**).

The SPP Shares and New Options are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

For the avoidance of doubt, the below exemptions apply only to the offer of New Options to Placement Participants under the Placement Options Offer, and do not apply to the offer of Securities to Eligible Shareholders under the SPP Offer (refer to Section 2.2(a) for information regarding eligibility to participate in the SPP Offer). The SPP Offer will be made only to persons registered as a holder of Shares as at the Record Date whose registered address is in Australia or, subject to the offer restrictions in Section 2.12, New Zealand.

(b) **Hong Kong**

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this Prospectus may not be distributed, and the New Options may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Options may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

(c) **Switzerland**

The New Options may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the New Options constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Options has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this Prospectus will not be filed with, and the offer of New Options will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this Prospectus nor any other offering or marketing material relating to the New Options may be publicly distributed or otherwise made publicly available in Switzerland. The New Options will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This Prospectus is personal to the recipient and not for general circulation in Switzerland.

(d) **United Kingdom**

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the New Options.

The New Options may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

2.13 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 5. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

2.14 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

2.15 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the 9 month period ending 31 March 2022, can be found in the Company's Annual Report announced on ASX on 1 July 2022 and, for the half-year ended 31 December 2021, the Half Year Accounts announced on ASX on 28 February 2022. The Company's continuous disclosure notices (i.e. ASX announcements) since 31 March 2022 are listed in Section 6.5. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

2.16 Privacy

If you complete an application for Securities under this Prospectus, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Security holder, facilitate distribution payments and corporate communications to you as a Security holder, 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 Share Registry.

By applying for Securities under this Prospectus, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

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.

2.17 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company by email via info@littlegreenpharma.com or alternatively by telephone on 1300 703 999 (Australia) or +61 8 6280 0050 (International).

For general shareholder enquiries, please contact the Share Registry on 1300 850 505 (within Australia) or +61 (0)3 9415 4000 (outside Australia).

3. Applications

3.1 Application Form

(a) Securities under the SPP Offer

Eligible Shareholders may apply for SPP Shares and New Options under the SPP Offer by making an application in accordance with the instructions in the personalised SPP Application Form. Eligible Shareholders can generate their personalised Application Forms and unique BPAY® or EFT numbers by registration online through the Company registry's website: www.computersharecas.com.au/LGPSPP. Eligible Shareholders applying for Securities under the SPP Offer in Australia by way of BPAY® or in New Zealand by way of EFT are not required to complete and return their personalised SPP Application Form.

Pursuant to the SPP Offer, Eligible Shareholders may apply for up to a maximum of \$30,000 worth of SPP Shares. Eligible Shareholders may participate by selecting one of the following options (**SPP Application Amount**) to purchase SPP Shares under the SPP Offer:

Offer	SPP Application Amount	Number of SPP Shares which may be purchased	Number of New Options to be received (1 for 1 basis)
A	\$30,000	150,000	150,000
B	\$20,000	100,000	100,000
C	\$15,000	75,000	75,000
D	\$10,000	50,000	50,000
E	\$5,000	25,000	25,000
F	\$2,500	12,500	12,500

To participate in the SPP Offer, payment of the Application Monies must be made per the instructions set out on the SPP Application Form, with sufficient time to be received by or on behalf of the Company by no later than 5:00pm (AWST) on the Closing Date.

The Company reserves the absolute discretion to scale back applications under the SPP Offer to the extent and in the manner it sees fit. If the Company undertakes a scale back, an Applicant will receive the number of SPP Securities determined by the Company in its absolute discretion which may be less than the number of SPP Securities applied for. In this case, the difference between the Application Monies received and the number of SPP Shares allocated to the Applicant multiplied by the Issue Price will be refunded to the Applicant, without interest.

If an Applicant pays an amount that is different from one of the permitted SPP Application Amounts, the Company reserves the right to unilaterally amend the Applicant's application to the nearest SPP Application Amount that is lower than the amount applied for, and refund the difference by direct credit or cheque as soon as practicable without interest.

(b) **New Options under the Placement Options Offer**

The Placement Options Offer will only be extended to the Placement Participants. Persons entitled to apply for New Options under the Placement Options Offer should complete and submit the relevant Application Form, in accordance with the instructions on the Application Form. Please read the instructions carefully.

No subscription monies are payable for the New Options offered pursuant to this Prospectus under the Placement Options Offer as the New Options are being issued on the basis of one (1) free attaching unquoted Option for every one (1) Share subscribed for and issued under the Placement.

Completed Application Forms must be returned to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by no later than 5:00pm (AWST) on the Closing Date.

3.2 Payment for SPP Shares

All amounts in the SPP Offer are expressed in Australian dollars. You must pay for the SPP Shares by BPAY® (Australian Shareholders only) or via EFT (New Zealand Shareholders) following the instructions on the SPP Application Form.

You may apply for Securities under the SPP Offer:

- (a) by making a BPAY® payment (for Australian Shareholders only) using the customer reference number shown on your personalised SPP Application Form, in which case you do not need to return your SPP Application Form; or
- (b) by making payment via EFT (New Zealand Shareholders) using the customer reference number shown on your personalised SPP Application Form, in which case you do not need to return your SPP Application Form.

In each case, if you make a payment by BPAY® or EFT and the Company receives an amount that is less than the whole amount for which SPP Shares may be applied the Company reserves the right to return your monies (in which case you will receive no SPP Shares) or issue you a lesser number of SPP Shares and (if necessary) return a portion of your funds. No interest will be paid on money returned.

Any amount not applied to your Application will be refunded without interest.

Please do not forward cash. Receipts for payment will not be issued. Payments must be received by 5.00pm (AWST) on the Closing Date. Payments received after that time will not be accepted. If paying via BPAY® or EFT, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are received through BPAY® or EFT by the Closing Date.

If you apply for, and make payment to acquire, Securities under the SPP Offer, you:

- (a) irrevocably and unconditionally agree to the terms and conditions of the SPP Offer and the terms and conditions of the SPP Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP Offer;
- (b) warrant that all details and statements in your Application are true and complete and not misleading;
- (c) acknowledge that the market price of SPP Shares may rise or fall between the date of the SPP Offer and the date of issue of the SPP Shares, and that the price you pay for SPP Shares pursuant to this Prospectus may exceed the market price of the SPP Shares on the date of issue of the SPP Shares;

- (d) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn even if the market price of the SPP Shares is less than the Issue Price);
- (e) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP Offer;
- (f) acknowledge that no interest will be paid on any Application Monies held pending the issue of SPP Shares under the SPP Offer or subsequently refunded to you for any reason;
- (g) acknowledge that the Company and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in this Prospectus;
- (h) if you are applying on your own behalf (and not as a Custodian), acknowledge and agree that:
 - (i) you are not applying for SPP Shares with an application price of more than \$30,000 under the SPP Offer (including by instructing a Custodian to acquire SPP Shares on your behalf under the SPP Offer); and
 - (ii) the total of the application price for the following does not exceed \$30,000:
 - (A) the SPP Shares the subject of the Application;
 - (B) any other Shares issued to you under the SPP Offer or any similar arrangement in the 12 months before the Application (excluding Shares applied for but not issued);
 - (C) any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP Offer; and
 - (D) any other Shares issued to a Custodian in the 12 months before the Application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP Offer;
- (i) if you are a Custodian and are applying on behalf of a Participating Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
 - (i) you are a Custodian (as defined in the ASIC Instrument);
 - (ii) you hold Shares (directly or indirectly) on behalf of one or more Participating Beneficiaries;
 - (iii) you held Shares on behalf of the Participating Beneficiary as at the Record Date who has instructed you to apply for SPP Shares on their behalf under the SPP Offer;
 - (iv) each Participating Beneficiary on whose behalf you are applying for SPP Shares has been given a copy of this Prospectus;
 - (v) the application price for the SPP Shares applied for on behalf of the Participating Beneficiary, and any other Shares applied for on their behalf under a similar arrangement in the previous 12 months (excluding Shares applied for but not issued), does not exceed \$30,000; and
 - (vi) the information in the Custodian Certificate submitted with your SPP Application Form is true, correct and not misleading;
- (j) agree to be bound by the constitution of the Company (as amended from time to time);
- (k) acknowledge that none of the Company, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP Offer, or has any obligation to provide such advice;

- (l) authorise the Company, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your SPP Application Form and to complete the SPP Application Form by the insertion of any missing minor detail; and
- (m) have not distributed this Prospectus or any other documents relating to the SPP Offer to, any person in the United States. Failure to comply with these restrictions may result in violations of applicable securities laws.

3.3 Acceptance of Application

Making a payment via BPAY® or EFT or acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Securities accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Securities.

If the relevant Application Form is not completed correctly 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.

By completing and returning your Application Form or by making a BPAY® or EFT payment in accordance with the instructions on the Application Form, you will be deemed to have represented that you are entitled to apply for Securities under the Offers. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) received a copy of the Prospectus with the Application Form;
- (b) agree to be bound by the terms of the relevant Offer;
- (c) declare that all details and statements in the Application Form are complete and accurate;
- (d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (e) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Securities to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (f) declare that you have a registered address in Australia, or another country which permits the Company to make the relevant Offer to you without the requirement to lodge any documents with your local regulatory authority;
- (g) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that the Securities are suitable for you given your investment objectives, financial situation or particular needs; and
- (h) acknowledge that the Securities offered under this Prospectus have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

4. *Effect of the Offers*

4.1 Capital structure on completion of the Offers

Assuming that no existing Share Rights or Performance Rights are converted into Shares, the effect of Offers on the Company's issued capital as at the date of this Prospectus is as shown in the following table.

	Shares	Unquoted Options	Performance Rights ¹	Share Rights ²
Existing Securities on issue ³	260,920,771	-	7,000,000	2,308,000
SPP Shares to be issued ⁴	10,000,000	-	-	-
New Options to be issued under the Offers ⁵	-	30,000,000	-	-
Maximum Director and Executive Placement Securities to be issued ⁶	1,000,000	1,000,000	-	-
Total	271,920,771⁷	31,000,000⁸	7,000,000	2,308,000

Notes:

- The performance rights have expiry dates ranging between 3 February 2025 and 17 August 2026 and, subject to satisfaction of the vesting conditions noted on page 74 of the Company's Annual Report announced on ASX on 1 July 2022, are convertible to Shares.
- The Share Rights have expiry dates ranging between 14 April 2023 and 20 February 2027 and subject to vesting conditions noted in: (i) page 74 of the Company's Annual Report announced on ASX on 1 July 2022; (ii) Appendix 3G dated 20 July 2022; and (iii) schedules 2 and 5 of the Company's notice of annual general meeting dated 29 July 2022.
- Includes 20,000,000 Shares issued under the Placement.
- Assumes the SPP Offer is fully subscribed. The Company reserves the right to increase acceptances in the event of oversubscriptions pursuant to the SPP Offer (refer to Section 2.2(a)), as such the number of SPP Shares issued may be more than the 10,000,000 Shares illustrated in the table.
- Assumes the Offers are fully subscribed. The Company reserves the right to increase acceptances in the event of oversubscriptions pursuant to the SPP Offer (refer to Section 2.2(a)), as such the number of New Options issued under the SPP Offer may be more than the 10,000,000 unquoted Options illustrated in the table.
- As announced on 2 November 2022, the Company's Board (excluding Ms Vicén Banzo) and Executive have committed to subscribe for Shares and Options on the same terms as the participants in the Placement through the issue of 1,000,000 Shares and 1,000,000 free-attaching unquoted Options (on the same terms as the New Options) (**Director and Executive Placement Securities**) to raise \$200,000. The issue of the Director and Executive Placement Securities will be subject to receipt of Shareholder approval at a general meeting intended to be convened shortly.
- Shareholders approved the issue of Shares in lieu of an agreed percentage of director fees over specified periods under the Company's employee securities incentive plan to Mr Lynch-Bell, Ms Solomon, Mr Caithness and Dr Fong at the Company's annual general meeting held on 30 August 2022 (**Director Service Shares**) (refer to resolution 5 and section 8 of the Company's notice of annual general meeting dated 29 July 2022). It is not clear as at the date of this Prospectus the exact number of Director Service Shares that may be issued to the Directors during the relevant period.
- New Options exercisable at \$0.25 each on or before the date that is 18 months after the date of issue, and otherwise on the terms and conditions set out in Section 6.2.

4.2 Use of funds

The following funds will be available to the Company after completion of the Offers (assuming the SPP Offer is fully subscribed and \$2,000,000 (before costs) is raised), together with the funds received under the Placement (before costs):

Source of funds	\$
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Proceeds from the Placement	4,000,000
Proceeds from the Offers	2,000,000
Total	6,000,000

The following table shows the intended use of funds following completion of the Offers and Placement:

Use of funds	\$	%
Sales and marketing	1,950,000	32.5
Estimated expenses of the Placement and Offers ¹	369,000	6.15
Working capital ²	3,681,000	61.35
Total Funds allocated³	6,000,000	100%

Notes:

1. Expenses paid or payable by the Company in relation to the Offers and Placement are set out in Section 6.13.
2. Working capital includes the general costs associated with the management and operation of the business including administration expenses and operating costs. Working capital also includes surplus funds.
3. Assumes no New Options are converted to Shares. The application of funds received on conversion of New Options will depend on when New Options are exercised and the Company's requirements at the relevant time.
4. In the event that the SPP Offer is not fully subscribed, the Company will adjust the use of funds to reflect the amount actually raised and intends to evenly scale-back the funds attributable to (i) sales and marketing; and (ii) working capital.

The above is a statement of current intentions at the date of this Prospectus. 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 the funds are applied on this basis.

The amounts and timing of the actual expenditures and investments may vary significantly and will depend on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors summarised in Section 5), and actual expenditure levels, may differ significantly from the above estimates.

4.3 Substantial Shareholders

Based on the information available to the Company, those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:

Shareholder	Shares	Voting power ¹
Mrs Georgina Hope Rinehart and Hancock Prospecting Pty Ltd (HPPL) and subsidiaries of HPPL ²	26,739,029	10.25%

Bianca Hope Rinehart in her capacity as trustee of the Hope Margaret Hancock Trust ²	26,739,029	10.25%
Fleta Solomon ³	20,273,439	7.77%
Elixer Ltd ⁴	19,477,067	7.46%
Tiga Trading Pty Ltd and each of the entitles listed in annexure 'A' to the relevant Form 604 dated 2 July 2021 ⁵	16,200,795	6.21%

Notes:

1. The voting power does not include any SPP Shares to be issued pursuant to the SPP.
2. The voting power of Mrs Georgina Hope Rinehart, HPPL and subsidiaries of HPPL and Bianca Hope Rinehart in her capacity as trustee of the Hope Margaret Hancock Trust each include Shares held by HPPL, meaning the above voting powers should not be aggregated in assessing the total voting power of these Shareholders.
3. Shares held directly.
4. Shares held by HSBC Custody Nominees (Australia) Limited.
5. Shares held by UBS Nominees Pty Ltd and Jasforce Pty Ltd.

4.4 Diluting effect of the Offers

On the assumption that:

- (a) all of the Securities offered under this Prospectus are issued and exercised into Shares; and
- (b) no other Securities are issued or exercised (including the Director and Executive Placement Securities or Share Rights and Performance Rights currently on issue),

the diluting effect on the percentage interest of existing Shareholders would be 13.29%.

4.5 Effect of the Offers on the Company's financial position

To illustrate the effect of the Offers on the financial position of the Company, set out in Section 8 is the audited statement of financial position of the Company and the unaudited pro forma statement of financial position, both as at 31 March 2022, the latter of which includes adjustments made in respect of the subsequent events as set out. Each has been prepared on the basis of the accounting policies normally adopted by the Company.

The unaudited pro forma statement of financial position has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The unaudited pro forma statement of financial position has been prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The unaudited pro forma statement of financial position is based on the audited financial position as at 31 March 2022, and assumes that the Offers are fully subscribed. Other than in the ordinary course of business and as noted in the unaudited pro forma statement of financial position, there have been no other material transactions between that date and the date of this Prospectus that have affected the Company's financial position.

4.6 Effect of the Offers on control of the Company

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. So far as the Company is aware, no new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

5. Risk Factors

As with any investment in Securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for the Securities offered under this Prospectus.

The Directors consider that the following summary represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

5.1 Risks specific to the Company

(a) Additional requirements for capital

At present, the Company is making a loss, meaning it is reliant on raising funds from investors or lenders in order to continue to fund its operations and to scale growth. Accordingly, the Company may require further financing in the future.

The future capital requirements of the Company will depend on many factors, including the pace and magnitude of the development of its business and sales, and the Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its products and to meet its other longer-term objectives. In addition, the risks and uncertainties associated with producing cannabis products, including future regulatory changes and developments in the industry more generally, means the Company is unable to accurately predict when, or if, it will be able to achieve profitability. Even if profitability is achieved in the future, it may not be sustained for subsequent periods potentially affecting the market price of shares and the Company's ability to raise capital, expand its business or continue its operations.

Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its activities, which could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

(b) **Canopy loan risk**

On 22 June 2021, the Company acquired a cannabis cultivation and production facility in Denmark from Canopy Growth Corporation (TSX:WEED, NASDAQ: CGC) (**Canopy**) for a total consideration of C\$20 million (**Danish Acquisition**). Under the terms of the Danish Acquisition, the Company paid C\$10,000,000 at completion and the balance was payable in 12 months pursuant to a retained loan at an imputed interest rate of 12.5%. During the June 2022 quarter the deferred payment was renegotiated with C\$7.5 million being repaid early July 2022 and the remaining \$3,570,000 plus interest at 8.57% per annum being due 31 December 2022 (**Final Payment**). This loan note is secured by the Danish operations. The Company's preference is to renegotiate timing of the Final Payment, however, there is no guarantee that such negotiations will be successful. In the event that the Company is unable to negotiate the deferral of the Final Payment and is required to pay the full amount on 31 December 2022, the payment will significantly reduce the Company's available cash and may require the Company to raise further capital, liquidate assets or seek debt funding to maintain sufficient cash to support its operation. There are no guarantees that such finances will be obtained on terms favourable to the Company, or at all.

(c) **Legislative change in Germany and France**

The Company's ability to expand its business and achieve its growth strategy is also dependent on the Company being able to successfully export its medicinal cannabis products internationally from Denmark and Australia. The Company has large volume supply agreements of medicinal grade cannabis with German distributors. In parallel with its existing medicinal cannabis market, there is a growing domestic and international expectation that Germany will introduce a new supply pathway for cannabis into Germany. In 2021 the ruling Parliamentary coalition agreed in principle to the introduction of a new pathway for the supply of cannabis, with a draft bill expected at the end of 2022 or early 2023. The scope of this new pathway is still being finalised, with decisions pending in relation to manufacturing standards, product safety guarantees, taxation, and distribution. There is a risk that the proposed new supply pathway does not permit the Company to supply into this new pathway, or allows more suppliers to enter into the market, or both, or results in limitations or restrictions on the import of cannabis for medical purposes into Germany, potentially eroding demand for existing medicinal cannabis product supplied by the Company into the German market.

The Company also intends to grow its business through supply into the nascent French medicinal cannabis market, which is currently the subject of a trial program in which the Company participates as a primary supplier to French patients. The French government has now extended the trial for a further period of 12 months until March 2024, with the Company currently in negotiations with the French Government in relation to their request for the Company's continued participation given it is the largest supplier into the trial and has been providing products to trial participants free of charge to date. If the terms of access to the French market restrict the Company's ability to supply into this market, including by preventing any further supply at all, or if the French market does not open on terms expected by the Company or at the end of the trial period, or at all, or if the Company elects not to continue with supplying into the extended trial, including because it is not able to secure adequate compensation for such continued supply, and this results in diminished future access to the French market in future, then this could have a material adverse effect on the Company's business, financial condition, and prospects.

(d) **European sales and deal pipeline**

The Company has entered into distribution and supply agreements with European distributors and offtakers, primarily in Germany, and is negotiating further contracts for entry into other European nations such as France and Italy. Some of the distribution and supply agreements have minimum contract values, denoting the minimum amount of sales distributors must obtain to maintain exclusivity to distribute specific products in geographic regions. However, these minimum contract values are not take or pay arrangements and there is no guarantee the Company will be able to realise the minimum contract values over the period of the contract. Similarly, whilst the Company has been targeting entry into the French and Italian markets, there is no certainty that the Company will be able to secure distribution or offtake agreements into these markets.

(e) **Reliance on key relationships and customers**

The Company relies on various key customer and supplier relationships in certain parts of its business. The loss or impairment of any of these relationships could have a material adverse effect on the Company's results of operations, financial condition and prospects, at least until alternative arrangements can be implemented. In some instances, however, alternative arrangements may not be available or may be less financially advantageous than the current arrangements.

The Company is reliant on its counterparties' ability to comply with their obligations under existing and future contractual arrangements. The ability of the Company or its counterparties to comply with their obligations under such arrangements may also be contingent on external factors, including but not limited to the uncertainties and changes associated with medical cannabis legislative regimes in the relevant jurisdictions. If any of the Company's existing arrangements are terminated or the counterparties breach or fail to carry out their obligations under such arrangements or otherwise cease to be able to meet their commitments and obligations to the Company, including due to insolvency, loss of key licences, certifications or permits or any other reason, this could have a material adverse effect on the Company's business, financial condition, and prospects. The Company has funds outstanding from one of its distributors, which is currently making repayments on a payment plan. However, in the event that the counterparty is unable to repay the funds whilst remaining as a going concern there is a risk that the Company may not recover some or all of the amounts outstanding.

The goodwill of the Company is also necessary for the referral of distribution opportunities to the Company and for the Company's entry into distribution opportunities with distributors in key jurisdictions. A loss of this goodwill could result in fewer, or no new, opportunities from distributors to distributor Company products in various jurisdictions being offered to or agreed with the Company.

(f) **Impact of the legislative regime in the United States**

While the use and possession of cannabis has been legalised in various states in the United States for either recreational or medicinal use, the use and possession of cannabis in the United States is illegal under federal law. The illegality of cannabis at a federal level in the United States means that many US based cannabis entities are precluded from accessing capital and certain financial services needed to effectively scale their businesses. In the event that the United States legalised cannabis at a federal level, these barriers to scale would fall away, allowing US entities to more readily scale their businesses, which has the potential to increase supply of cannabis in the global market and adversely affect non-US operators, such as the Company.

(g) **Input cost and price risks**

Currently, transportation, irradiation, clinical testing and electrical power costs in both Denmark and Australia represent significant input costs in the Company's manufacture of medicinal cannabis. If transportation, irradiation and clinical testing prices were to continue to rise, this may adversely affect the Company's financial position.

In addition, rising interest rates are contributing to rising inflationary pressures on the global and domestic economies. This may have impacts on financial markets or economic stability and could adversely affect the financial position and performance of the Company.

Further, the Company operates in an environment where it is primarily a price-taker. As such, there is a risk that the wholesale and retail prices for products may fall over time, including at or below the Company's cost of production or input acquisition. This could adversely affect the financial position and performance of the Company.

(h) Threats from new products, new technologies, and changes in market preferences

The Company currently offers a product portfolio of cannabis oils and cannabis flower products, including its Schedule 4 CBD oils. There is a risk that the introduction of new products and dosage forms in the market, including the introduction of Schedule 3 over-the-counter CBD products in pharmacies, may adversely impact the Company's current Schedule 4 CBD oil sales, resulting in negative financial consequences for the Company. In addition, several of the Company's key markets, including Australia and Germany, are weighted towards cannabis flower products. Changes in this current market preference for cannabis flower in these jurisdictions, including towards other dosage forms, may result in a shift away from the preference for cannabis flower products, which could adversely impact the financial position and performance of the Company.

The Company also operates in an industry that may potentially be disrupted by key technological changes or disruption, including superior and cheaper growing or production technologies or superior distribution and customer / prescriber engagement or management technologies that could result in a loss of market share and adversely affect the financial performance of the Company.

(i) Occupational health and safety

Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company.

While the Company has a strong commitment to achieving a safe performance on site and a strong record in achieving safety performance, a serious site safety incident or an incident arising from driving to or from the site could impact upon the reputation and financial performance of the Company.

Additionally, laws and regulations concerning occupational health and safety may become more complex and stringent or the subject of increasingly strict interpretation and enforcement. Failure to comply with applicable regulations or requirements may result in significant liabilities, suspended operations and increased costs. Industrial accidents may occur in relation to the performance of the Company's services. Accidents, particularly where a fatality or serious injury occurs, or a series of accidents, may have operational and financial implications for the Company, which may negatively impact the financial performance and future potential of the Company.

(j) Maintaining and expanding medicinal cannabis licences and regulatory risk

The successful execution of the Company's medicinal cannabis business objectives is contingent upon compliance with all applicable laws and regulatory requirements in Australia,

Denmark and other jurisdictions and obtaining all other required regulatory approvals for the import of starting materials and the production, sale, import and export of its medicinal cannabis products.

The Company's ability to execute its business model and undertake its growth strategy is dependent on its ability to maintain its medicinal cannabis licences and permits in both Australia and Denmark.

While the Company intends to submit renewal and variation applications of its licences and permits by the requisite dates, and is not aware of any reason why the relevant regulators would refuse to renew or vary the relevant licences and permits, the Company cannot guarantee that the licences or permits will be renewed or varied in a timely manner or at all. Should the licences not be renewed, this could have a material adverse effect on the Company's results of operations, financial condition and prospects.

Existing licences and any new licences obtained in the future in Australia, Denmark or other jurisdictions, including the Company's Office of Drug Control production licences and AU and EU GMP manufacturing licences, may also be revoked or restricted at any time should the Company fail to comply with the applicable regulatory requirements or with conditions set out under the licences. Should the licences be revoked or not renewed, the Company may not be able to import starting materials into Australia or Denmark or continue producing or distributing medicinal cannabis in Australia or Denmark or export medicinal cannabis outside of Australia and Denmark.

From time to time, there may be additional licences and permits that will be required, or existing licences or permits that require variation, to execute the business strategy or enter new territories. There is no guarantee that the Company is able to obtain these additional or varied licences and permits or obtain them in a timely manner.

The Company and its supply chain partners are also subject to a variety of complex and often unsettled or inadequate, uncertain or incomplete laws, regulations, and guidelines, authorisations and pharmaceutical quality requirements in both Australia, Denmark and the other countries that may be subject to differing interpretation or application. Non-compliance risk may be exacerbated for first movers who may be unaware of these or be unable to comply with conflicting or evolving interpretations or laws, and the Company cannot guarantee its pharmaceutical and compliance management systems will be adequate to understand all cannabis regulations or prevent or discover breaches of laws and regulations and to identify, evaluate and take appropriate countermeasures against relevant risks in a timely manner or at all.

The Company is subject to strict laws and regulations governing the advertising, promotion and use of its medicinal cannabis products which limit the ability for the Company to raise brand and product awareness among patients and prescribers. Compliance with these requirements could place material adverse restrictions on the ability of the Company to compete, market and sell products into various jurisdictions, including the Australian and European medicinal cannabis markets, which could in turn have significant financial consequences for the Company.

(k) **Force majeure**

Adverse changes or developments affecting cultivation, production, supply chains, the availability and price of electricity, and processing facilities, including, but not limited to war, disease, mould or infestation of crops, fire, explosions, power failures, international sanctions, flood, storms or natural disasters, or material failures of the Company's security infrastructure, could reduce or require the Company to entirely suspend its production of

medicinal cannabis in either one or both of its operations. These factors can also impact grow times, the number of harvests and expected production yields.

(l) **Pandemic**

A pandemic, including new waves or variants of COVID-19, may prevent the Company, its suppliers, customers, and other business partners from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities. Such measures taken in response to a pandemic may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The outbreak of COVID-19 has impacted global economic markets. The long term effects of the outbreak and the global reaction to it, on the performance of the Company remains unknown.

The Directors continue to monitor the situation and have considered the impact of COVID-19 on the Company's business and financial performance. In compliance with its continuous disclosure obligations, the Company will continue to update the market regarding the impact of COVID-19 on its revenue channels and any other material adverse impacts on the Company.

(m) **Change in law and regulations**

The Company's operations are subject to various laws, regulations and guidelines in Australia and Denmark and territories the Company proposes to operate in, or to export to, including laws and regulations relating to health and safety, conduct of operations and the production, management, transportation, storage and disposal of products and of certain material used in operations.

Compliance with these laws and regulations requires compliance with complex national, state and local laws. These laws change frequently and may be difficult to interpret and apply. Compliance with these laws and regulations requires the investment of significant financial and managerial resources, and a determination that the Company is not in compliance with these laws and regulations could harm the Company's brand image and business.

Changes to these laws or regulations could negatively affect the Company's competitive position within the industry and the markets in which it operates, and there is no assurance that various levels of government in the jurisdictions in which the Company operates will not pass legislation or regulation that adversely impacts the business.

The effect of the administration, application and enforcement of the regimes established on the business in Australia and overseas, or the administration, application and enforcement of the laws of other countries by the appropriate regulators in those countries, may significantly delay or impact the Company's ability to participate in the global market.

(n) **Cyber risks, systems, privacy and IP breach risk**

Breaches of cyber security is a growing global risk as the volume and sophistication of threats has increased, partially from the broad-based working from home reality. Risks include:

- (i) unauthorised access to data/information leading to reputational damage and/or risk of litigation;
- (ii) malicious attacks that result in outages and service and revenue disruption;
- (iii) ransom demands with direct financial consequence to the business;

- (iv) failure to comply with regulatory standards risks financial fines or restrictions to conduct business; and
- (v) business interruption and availability of systems following a breach.

The Company and the Company's agents and distributors already rely and will increasingly rely on information technology platforms and software including enterprise resource planning systems to manage many or all aspects of their operations. These systems are potentially susceptible to malfunction, network failures, maintenance issues, outages, wilful or accidental or mistaken use or data entry, theft or misuse, fraud, acts of vandalism, hacking, sabotage, viruses, spearphishing, and ransomware attacks. The occurrence of one or more of these events or attacks could significantly comprise the Company's operations and result in delays to production, export, imports or sales resulting in loss or damage to the Company.

The Company may also collect personal or sensitive information from individuals in connection with the conduct of its operations, both from individuals in Australia and from jurisdictions outside Australia. The Company or its employees may intentionally or inadvertently collect or disclose personal or sensitive information or use such information contrary to applicable laws, which could result in significant loss or damage, including reputational damage, to the Company. In addition, the risks described above could also result in breaches of data security, loss of critical data, and the release, misuse or misappropriation of sensitive or personal information, potentially leading to claims for loss or damage from third parties affected by, or civil or criminal claims from regulators arising from, such breach, loss or release.

(o) **Product liability and uninsured risks**

There is also a risk that the products sold by the Company may not have been produced or manufactured in accordance with all applicable laws or pharmaceutical requirements or could cause serious or unexpected side effects, including risk or injury to consumers in both the short term and the longer term, including the risk of developing schizophrenia, bipolar disorder and other psychoses and side effects. Previously unknown adverse reactions resulting from consumption of cannabis products alone or in combination with other medications or substances could also occur.

Although the Company has procedures in place for testing finished cannabis products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid product recalls, regulatory action or lawsuits. Should any of the Company's products be associated with safety risks such as misuse or abuse, inadvertent mislabelling, tampering by unauthorised third parties or product contamination or spoilage, a number of materially adverse outcomes could impact on the Company.

Any of the above adverse outcomes include the risk that regulatory authorities may revoke approvals that have been granted to the Company, impose more onerous facility standards or product labelling requirements or force the Company to conduct a product recall. The Company could also be subject to regulatory action or be sued and held liable for any harm caused to customers in those circumstances.

A product liability claim or regulatory action against the Company could result in increased costs and could adversely affect its reputation and goodwill with the Company's patients, distributors and consumers generally. There can be no assurance that the Company will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could result

in the Company becoming subject to significant liabilities that are uninsured and also could adversely affect commercial arrangements with third parties. There is also a risk that the insurer could disclaim coverage on some claims or the insurance is not comprehensive enough for large claims or that insurers could reduce or cease coverage for medicinal cannabis products more generally.

5.2 General risks

(a) Economic risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, including, but not limited to:

- (i) general economic conditions;
- (ii) changes in Government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (v) industrial disputes in Australia and overseas;
- (vi) changes in investor sentiment toward particular market sectors;
- (vii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (viii) natural disasters, social upheaval or war.

(b) Dilution

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of Shareholders may be reduced and diluted. The New Options, if exercised, will dilute the shareholding of existing Shareholders.

(c) Share market

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Securities may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) 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. Neither the Company nor the Directors warrant the future performance of the Company or any return to security holders arising from the transactions the subject of this Prospectus or otherwise.

(d) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover or insurers may decline to cover or continue to insure cannabis operations or reduce available coverage. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(e) **Legal proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to customers, business partners, regulators or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance. 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, save for that the Company continues to review and assess whether to appeal or engage further with the infringement notices issued by the Therapeutic Goods Administration as announced to ASX on 28 September 2022.

(f) **Macro-economic risks**

Changes in the general economic outlook in Australia and globally may impact the performance of the Company. Such changes may include:

- (i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- (ii) increases in expenses (including the cost of goods and services used by the Company);
- (iii) new or increased government taxes, duties or changes in taxation laws; and
- (iv) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

(g) **Broader general risks**

There are also a number of broader general risks which may impact the Company's performance. These include:

- (i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption; and
- (ii) higher than budgeted costs associated with the provision of service offerings.

(h) **Currency risk**

The Company may operate in multiple international jurisdictions, which exposes the Company to multiple currencies and their future currency fluctuations, which may affect future profitability of the Company.

(i) **Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

5.3 Investment speculative

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 Securities offered under this Prospectus.

Therefore, the Securities to 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 Securities.

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

6. *Additional information*

6.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (copies of which are available from the Company on request free of charge or via the Company's website (<https://investor.littlegreenpharma.com/>)) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

(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 Share held by that person, or in respect of which that person is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

(c) **Dividend rights**

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable by the Company on a dividend. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for the purpose set such value as the liquidator 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 liability.

(e) **Ranking of Shares**

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(f) **Transfer of Shares**

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

(g) **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 cancelled 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.

(h) **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.

6.2 Terms and conditions of New Options

The terms and conditions of the New Options are as follows:

(a) **Entitlement**

Each New Option gives the holder the right to subscribe for one Share.

(b) **Expiry Date**

The New Options will expire at 5.00pm (AWST) on the date that is 18 months after the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Exercise Price**

Subject to paragraph 0, the amount payable upon exercise of each New Option is \$0.25 per Option.

(d) **Exercise**

A holder may exercise their New Options by lodging with the Company, before the Expiry Date:

- (i) a written or electronic notice of exercise of New Options, specifying at a minimum, the number of New Options being exercised, the name of the registered New Option holder and the quantum of funds paid to the Company in respect of the New Option exercise (**Exercise Notice**); and
- (ii) an electronic funds transfer for the Exercise Price for the number of New Options being exercised.

(e) **Exercise Notice**

An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The New Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 10,000 New Options must be exercised on each occasion.

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

Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Exercise Notice.

(g) **Transferability**

The New Options are not transferrable, except with prior written approval of the Company.

(h) **Ranking of Shares**

All Shares allotted upon the exercise of New Options will upon allotment be fully paid and rank *pari passu* in all respects with other Shares.

(i) **Quotation**

The Company will not apply for quotation of the New Options on ASX.

(j) **Reconstruction**

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

(k) **Participating rights**

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

(l) **Amendments**

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

6.3 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 6.5 below). Copies of all documents announced to the ASX can be found at <https://www2.asx.com.au/markets/company/lgp>.

6.4 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

6.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer a copy of:

- (a) the financial statements of the Company for the 9 month period ended 31 March 2022, being the last financial statements for a financial year of the Company lodged with ASIC before the issue of this Prospectus;
- (b) the half year report of the Company for the half year ended 31 December 2021 as lodged with ASX on 28 February 2022; and
- (c) the following notices given by the Company to notify ASX of information relating to the Company during the period from the balance date of the annual report for the 9 month period ended 31 March 2022 referred to in Section 6.5(a) above until the date of this Prospectus:

Date lodged	Subject of Announcement
21 November 2022	Update – Four 20 Pharma and French Trial extension
10 November 2022	Change in substantial holding
9 November 2022	Cleansing Notice

Date lodged	Subject of Announcement
9 November 2022	Application for quotation of securities - LGP
9 November 2022	Correction to Appendix 3Y
2 November 2022	Proposed issue of securities - LGP
2 November 2022	Proposed issue of securities - LGP
2 November 2022	LGP announces \$4 million placement and \$2 million SPP
31 October 2022	Quarterly Activities Report & Appendix 4C
31 October 2022	Trading Halt
25 October 2022	Notice of change in auditor
6 October 2022	Notification of cessation of securities - LGP
6 October 2022	Change in substantial holding
4 October 2022	Exclusive supply agreement with Cannamedical in Germany
28 September 2022	TGA advertising infringement notices
6 September 2022	Amended Constitution
6 September 2022	Change of Director's Interest Notice x 4
6 September 2022	Notification regarding unquoted securities - LGP
6 September 2022	Application for quotation of securities - LGP
30 August 2022	Results of Meeting
29 August 2022	AGM Company Update
17 August 2022	Notice of Release from Escrow
2 August 2022	Notification of cessation of securities - LGP
29 July 2022	Letter to Shareholders regarding Annual General Meeting
29 July 2022	Notice of Annual General Meeting
27 July 2022	Quarterly Activities Report & Appendix 4C
21 July 2022	Change of Director's Interest Notice
20 July 2022	Notification regarding unquoted securities - LGP
20 July 2022	Application for quotation of securities - LGP
20 July 2022	Notification of cessation of securities - LGP
20 July 2022	Application for quotation of securities - LGP
15 July 2022	AGM Date and Closing Date for Director Nominations
13 July 2022	Change in substantial holding
12 July 2022	LGP signs \$2M supply agreement with Ilios Sante
7 July 2022	Initial Director's Interest Notice

Date lodged	Subject of Announcement
7 July 2022	Former Bayer Regulatory & Quality Director joins LGP Board
1 July 2022	Corporate Governance Statement and Appendix 4G
1 July 2022	Annual Report to shareholders
6 June 2022	Company Update Presentation
31 May 2022	Preliminary Final Report
19 May 2022	Exclusive supply contract for new high-THC strain in Germany
9 May 2022	Cleansing Notice
9 May 2022	Application for quotation of securities - LGP
2 May 2022	LGP Signs Key UK Supply Agreement
22 April 2022	Quarterly Activities Report & Appendix 4C
19 April 2022	LGP Denmark Signs Major Sales Agreement with Demecan

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 6.14 and the consents provided by the Directors to the issue of this Prospectus.

6.6 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus and in this Section 6.6.

The Company is actively marketing its products to international and domestic offtakers and is in discussions with various offtakers in both Europe and Australia. At present the discussions are preliminary, incomplete and confidential and there are no assurances that the Company will enter into material contracts in the near term or at all.

6.7 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on Section 713 of the Corporations Act in issuing the Securities under this Prospectus.

6.8 Market price of Shares

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

Highest: \$0.345 on 22 and 23 August 2022.

Lowest: \$0.175 on 9 and 10 November 2022.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.18 per Share on 18 November 2022.

6.9 Interests of Directors

(a) Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director (or entity in which they are a partner or director) holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

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

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

(b) **Directors' interests in Securities**

The relevant interests of each of the Directors in Securities as at the date of this Prospectus is set out below.

Director	Shares	Performance Rights	Share Rights
Michael Lynch-Bell ^{1,2}	833,743	-	440,000
Fleta Solomon ^{3,4}	20,273,439	2,500,000	72,000
Angus Caithness ^{5,6}	10,426,942	2,000,000	64,000
Dr Neale Fong ^{7,8}	1,088,025	-	220,000
Beatriz Vicén Banzo ⁹	50,000	-	150,000

Notes:

1. Mr Lynch-Bell's Securities are held directly.
2. Mr Lynch-Bell intends to subscribe for up to 250,000 Shares and 250,000 free-attaching New Options on the same terms as the Placement Participants, subject to receipt of Shareholder approval at a general meeting intended to be convened shortly.
3. Ms Solomon's Securities are held directly.
4. Ms Solomon intends to subscribe for a minimum of 250,000 Shares and 250,000 free-attaching New Options on the same terms as the Placement Participants, subject to receipt of Shareholder approval at a general meeting intended to be convened shortly.
5. Mr Caithness' Securities are held as follows:
 - (a) 1,410,942 Shares and 500,000 Performance Rights are held directly; and
 - (b) 9,016,000 Shares, 1,500,000 Performance Rights and 64,000 Share Rights are held indirectly through Banquo Consulting Pty Ltd, an entity of which Mr Caithness is a director.
6. Mr Caithness intends to subscribe for up to 250,000 Shares and 250,000 free-attaching New Options on the same terms as the Placement Participants, subject to receipt of Shareholder approval at a general meeting intended to be convened shortly.
7. Dr Fong's Securities are held as follows:
 - (a) 296,154 Shares are held indirectly through Riverpalm Pty Ltd as trustee for NW Fong Family Trust, an entity of which Dr Fong is a director and shareholder; and
 - (b) 791,871 Shares and 220,000 Share Rights are held indirectly through Dr Neale Fong as trustee for Damblock Trust.
8. Dr Fong intends to subscribe for up to 125,000 Shares and 125,000 free-attaching New Options on the same terms as the Placement Participants, subject to receipt of Shareholder approval at a general meeting intended to be convened shortly.
9. Ms Vicén Banzo's Securities are held directly.
10. As noted in Section 4.1, Shareholders approved the issue of Director Service Shares under the Company's employee securities incentive plan to Mr Lynch-Bell, Ms Solomon, Mr Caithness and Dr Fong at the Company's annual general meeting held on 30 August 2022 (refer to resolution 5 and section 8 of the Company's notice of annual general meeting dated 29 July 2022). It is not clear as at the date of this Prospectus the exact number of Director Service Shares that

may be issued to the Directors during the relevant period, however the following illustrates the maximum number of Director Service Shares that may be issued:

- (a) up to 329,600 Shares to Mr Lynch-Bell (or his nominees);
- (b) up to 244,000 Shares to Ms Solomon (or her nominees);
- (c) up to 432,000 Shares to Mr Caithness (or his nominees); and
- (d) up to 164,800 Shares to Dr Fong (or his nominees).

11. Directors that are Eligible Shareholders may participate in the SPP Offer on the same terms as all other Shareholders. The issue of any free-attaching New Options to Directors pursuant to the terms of the SPP Offer will be subject to Shareholder approval.

(c) **Remuneration of Directors**

The Constitution of the Company provides that the non-executive Directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The aggregate amount fixed is \$500,000. This aggregate amount is to be allocated among the non-executive Directors equally, having regard to the proportion of the relevant year for which each Director held office, or as otherwise decided by the Board. The amount may also be provided in a manner the Board decides, which may include provision of non-cash benefits, in which case, the Board must also decide the manner in which the value of those benefits is to be calculated.

The Constitution also provides that:

- (i) the Directors shall be entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors; and
- (ii) if any of the Directors being willing are called upon to perform extra services or make any special exertions on behalf of the Company or its business, the Company may remunerate that Director as determined by the Directors and that remuneration may be either in addition to or in substitution for his or her share in the fee-pool described above.

The remuneration of executive Directors is to be fixed by the Board. As at the date of this Prospectus, the Company has two executive Directors: Ms Fleta Solomon and Mr Angus Caithness. The total annual base salary payable to Ms Solomon is currently \$305,000 (plus superannuation) and to Mr Caithness is \$270,000 (plus superannuation).

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (FY).

	Fleta Solomon		Angus Caithness		Michael Lynch-Bell		Neale Fong		Beatriz Vicén Banzo ¹	
	FY ended 31 March 2022 (9 months) (\$)	FY ended 30 June 2021 (12 months) (\$)	FY ended 31 March 2022 (9 months) (\$)	FY ended 30 June 2021 (12 months) (\$)	FY ended 31 March 2022 (9 months) (\$)	FY ended 30 June 2021 (12 months) (\$)	FY ended 31 March 2022 (9 months) (\$)	FY ended 30 June 2021 (12 months) (\$)	FY ended 31 March 2022 (9 months) (\$)	FY ended 30 June 2021 (12 months) (\$)
Salary and fees ²	234,615	224,958	209,885	204,000	100,521	44,457	45,900	32,300	-	-
Shares rights in lieu of salary	-	44,726	-	63,510	-	86,421	-	43,463	-	-
Living away from home allowance	-	126,627	-	-	-	-	-	-	-	-
Other non-cash benefits ²	18,655	13,701	(4,280)	35,754	-	-	-	-	-	-
Post-employment benefits	16,834	35,660	16,834	28,272	-	-	4,590	3,069	-	-
Short term incentive - cash	24,400	161,927	21,600	140,600	-	-	-	-	-	-
Long term incentive - shares with milestone achieved ³	160,124	282,757	156,260	282,757	-	-	-	-	-	-
Long term incentive – shares with milestone outstanding ⁴	148,214	78,867	148,214	78,867	-	-	-	-	-	-
Long term incentive – retention shares ⁵	-	-	-	-	33,947	32,858	16,973	16,429	-	-
Expense for year	602,842	969,223	548,513	833,760	134,468	163,736	67,463	95,261	-	-
Performance related	55%	54%	59%	60%	N/A	N/A	N/A	N/A	-	-

Notes:

1. Ms Vicén Banzo was appointed on 7 July 2022.
2. Other non-cash benefits represent car parking paid for by the company as well as movements in the annual leave and long service leave provisions.
3. Performance Rights for which hurdles have been met, but service condition outstanding.
4. Performance Rights for which neither the performance hurdles nor the service conditions have been met: 3 Tranches of 500,000 Performance Rights each for Fleta Solomon and Angus Caithness with Share price hurdles of \$0.95, \$1.10 and \$1.25 and a two year service condition from the date of hurdle achievement.
5. Retention rights for which service condition outstanding.

6.10 Related party transactions

At the date of this Prospectus, there are no related party transactions involved in the Offers.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting, unless it is resolved by the Board of Directors that the Director can be present at the meeting but does not vote on the matter.

6.11 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

Hamilton Locke will be paid approximately \$25,000 (plus GST) in fees for legal services in connection with the Offers and Placement. Hamilton Locke has been paid approximately \$41,000 for other legal services to the Company and its subsidiaries over the past 24 months.

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to issue of the Securities under the Offers, and will be paid for these services on standard industry terms and conditions.

6.12 Lead Manager Mandate

The Company entered into a mandate with Canaccord Genuity (Australia) Limited (**Lead Manager**) in connection with the Placement and SPP Offer for the provision of lead manager and bookrunner services (**Lead Manager Mandate**).

Under the Lead Manager Mandate, the Company has agreed to pay the Lead Manager the following fees:

- (a) a management fee of 2% in cash in respect of the funds raised under the Placement and SPP Offer (**Management Fee**); and
 - (b) a selling fee of 4% in cash in respect of the funds raised under the Placement and any applications accepted under the SPP Offer in the event of oversubscriptions (i.e. in excess of the \$2,000,000 (before costs) raised if the SPP Offer is fully subscribed) (**Selling Fee**),
- (together, the **Lead Manager Fees**).

The Lead Manager Mandate contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

6.13 Expenses of Offers and Placement

The estimated expenses of the Offers and Placement (assuming the SPP Offer is fully subscribed) are as follows:

Estimated expenses of the Offers and Placement		\$ ¹
ASIC lodgement fee		3,000
ASX quotation fees (includes fees associated with the quotation of the Placement Shares)		21,000
Lead Manager Fees		280,000
Legal and preparation expenses (excluding GST)		25,000
Registry, printing, mailing and other expenses		40,000
Total		369,000

Note 1: These figures have been rounded to the nearest \$1,000.

6.14 Consents

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

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) 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.

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

Canaccord Genuity (Australia) Limited has given its written consent to being named in this Prospectus as the lead manager to the Placement and SPP Offer. Canaccord Genuity (Australia) Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the share registry to the Company in this Prospectus in the form and context in which it is named. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

6.15 Electronic Prospectus

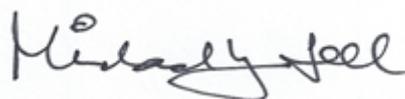
Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company and the Lead Manager reserve 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. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

7. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Mr Michael D. Lynch-Bell
Non-Executive Chair

Dated: 21 November 2022

8. Unaudited Pro Forma Statement of Financial Position

	Audited Statement of Financial Position as at 31 March 2022	Adjustments for subsequent events					Share purchase plan		Pro forma Statement of Financial Position Post Offers
		Repayment of Canopy loan (1)	R&D rebate financing (2)	NAB Finance Lease (3)	Share Placement (4)	Working capital Movements (5)	Share Purchase Plan (6)	Cost of the Offer (7)	
Assets									
Current assets									
Cash and cash equivalents	20,086,504	(8,558,000)	1,862,000	2,000,000	4,000,000	(9,332,000)	2,000,000	(369,000)	11,689,504
Accounts receivable	5,599,794					1,000,000			6,599,794
Biological assets	1,076,173								1,076,173
Inventory	7,109,242					1,000,000			8,109,242
Assets held for Sale	997,347								997,347
Prepaid expenses	578,301								578,301
Total current assets	35,447,361	(8,558,000)	1,862,000	2,000,000	4,000,000	(7,332,000)	2,000,000	(369,000)	29,050,361
Property, plant and equipment	59,394,347					1,161,000			60,555,347
Intangible assets	674,686								674,686
Right-of-use assets	190,196								190,196
Refundable deposits	197,839								197,839
Other financial assets	40,753								40,753
Total non-current assets	60,497,821	-	-	-	-	1,161,000	-	-	61,658,821
Total assets	95,945,182	(8,558,000)	1,862,000	2,000,000	4,000,000	(6,171,000)	2,000,000	(369,000)	90,709,182
Liabilities									
Current liabilities									
Accounts payable and accrued liabilities	3,199,094		1,862,000						5,061,094
Loan note	11,876,669	(8,558,000)							3,318,669
Liabilities associated with assets held for sale	241,424								241,424
Lease liability	98,495								98,495
Employee benefit obligations	1,133,445								1,133,445
Total current liabilities	16,549,127	(8,558,000)	1,862,000	-	-	-	-	-	9,853,127
External borrowings	3,783,719			2,000,000					5,783,719
Lease liability	114,882								114,882
Employee benefit obligations	18,399								18,399
Total non-current liabilities	3,917,000	-	-	2,000,000	-	-	-	-	5,917,000
Total liabilities	20,466,127	(8,558,000)	1,862,000	2,000,000	-	-	-	-	15,770,127
Net assets	75,479,055	-	-	-	4,000,000	(6,171,000)	2,000,000	(369,000)	74,939,055
Shareholders' equity									
Share capital	90,254,064				4,000,000		2,000,000	(369,000)	95,885,064
Reserves	104,250								104,250
Accumulated profit/(deficit)	(14,879,259)					(6,171,000)			(21,050,259)
Total shareholders' equity	75,479,055	-	-	-	4,000,000	(6,171,000)	2,000,000	(369,000)	74,939,055

Subsequent events

1. In July 2022, C\$7.5 million plus interest was repaid to Canopy Growth Inc.
2. The Group obtained debtor financing of \$1,862,000 in relation to its research and development grant of \$2,329,000, which is expected to be received in the coming months.
3. In November 2022, the Company drew down on its finance lease facility of \$2.0 million.
4. On 2 November 2022, the Company raised \$4.0 million pursuant to the Placement. Total costs of the Placement were \$253,000 (rounded to the nearest \$1,000) and are included in the column designated Cost of the Offer.
5. Estimated cashflow movements for the six months to 30 September 2022.

Basis of preparation and assumptions

6. On 2 November 2022, the Company announced that in conjunction with the Placement which raised \$4.0 million before costs, as detailed in Note 4 above, the Company would also undertake an SPP under the same terms as the Placement (refer to Sections 1.2(a) and 2.1(a) above).
7. Participants in the Placement and SPP will receive 1 free-attaching unquoted Option for each Share subscribed for under the Placement and SPP. The total cost of the Placement and SPP Offer, as well as the preparation of this Prospectus including advisor costs, is estimated to be \$369,000 as set out in Section 6.13.

9. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time.

Applicant means a person who submits an Application Form or makes a BPAY® or EFT payment in accordance with the instructions set out in the Application Form.

Application means a valid application for Securities made on an Application Form.

Application Form means the application form accompanying this Prospectus pursuant to which an Applicant is capable of accepting the relevant Offer and includes forms automatically generated by registration via the website www.computersharecas.com.au/LGPSPP.

Application Monies means application monies for SPP Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASIC Instrument means ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means ASX Settlement Operating Rules of ASX Settlement.

AWST means Australian Western Standard Time.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

C\$ means Canadian dollars.

CHES means ASX Clearing House Electronic Subregister System.

Closing Date has the meaning given to it in Section 2.3.

Company means Little Green Pharma Ltd (ACN 615 586 215).

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

Corporations Act means *Corporations Act 2001* (Cth), as amended or modified from time to time.

Custodian has the meaning given to it in Section 2.9.

Custodian Certificate has the meaning given to it in Section 2.9.

Downstream Custodian has the meaning given in Section 2.9.

Director means a director of the Company as at the date of this Prospectus.

Director and Executive Placement Securities means the proposed issue of 1,000,000 Shares at an issue price of \$0.20 per Share and 1,000,000 free-attaching unquoted Options (on the same terms as the New Options) to the Company's Board (excluding Ms Vicén Banzo) and Executive to raise \$200,000, subject to receipt of Shareholder approval at a general meeting intended to be convened shortly.

Director Service Shares has the meaning given in Section 4.1.

EFT means Electronic Funds Transfer.

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website, <https://investor.littlegreenpharma.com/site/investor-centre/share-purchase-plan-ssp-2022>.

Eligible Shareholder means a person registered as a holder of Shares as at the Record Date whose registered address is in Australia or, subject to the offer restrictions in Section 2.12, New Zealand.

Group means the Company and each of its subsidiaries.

Indicative Timetable means the indicative timetable for the Offers on page 6 of this Prospectus.

Issue Price means \$0.20 per Share.

Issuer Sponsored means Securities issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Lead Manager means Canaccord Genuity (Australia) Limited ABN 19 075 071 466 (AFSL: 234666).

Lead Manager Fees has the meaning given in Section 6.12.

Lead Manager Mandate has the meaning given in Section 6.12.

Listing Rules means the listing rules of ASX.

New Option means an Option to be issued under this Prospectus, exercisable at \$0.25 and expiring on the date that is 18 months after the date of issue, on the terms and conditions in Section 6.2.

Offers means the SPP Offer and Placement Options Offer and **Offer** means any one of such Offers, as applicable.

Official List means the official list of ASX.

Official Quotation means quotation of Securities on the Official List.

Opening Date has the meaning given to it in Section 2.3.

Option means the right to acquire one Share in the capital of the Company.

Participating Beneficiary has the meaning given to it in Section 2.9.

Performance Right means a right to acquire a Share in the capital of the Company subject to the satisfaction of performance milestones.

Placement means the placement undertaken by the Company as announced on 2 November 2022 and completed on 9 November 2022, comprised of the issue of 20,000,000 Shares at an issue price of \$0.20 each, with the proposal to issue one free-attaching New Option for every one Share issued.

Placement Options Offer means the offer of up to 20,000,000 New Options to Placement Participants, on the basis of one (1) free attaching New Option for every one (1) Share subscribed for and issued to the Placement Participants.

Placement Participants means the new and existing institutional and sophisticated investors who participated in the Placement.

Placement Shares means the 20,000,000 Shares issued under the Placement at an issue price of \$0.20 each.

Prospectus means this prospectus dated 21 November 2022.

Record Date means 5.00pm (AWST) on the record date identified in the Indicative Timetable.

Section means a Section of this Prospectus.

Securities mean any securities including Shares, Options, Performance Rights and Share Rights issued or granted by the Company.

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

Share Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Share Right means a right to acquire a Share.

Shareholder means a holder of Shares.

SPP means share purchase plan.

SPP Application Form means the Application Form for the SPP Offer.

SPP Offer means the offer to Eligible Shareholders of up to 10,000,000 SPP Shares and 10,000,000 free attaching New Options, to Eligible Shareholders, on the basis of one (1) free attaching New Option for every one (1) SPP Share subscribed for and issued to Eligible Shareholders under the SPP, to raise up to \$2,000,000.

SPP Securities means the SPP Shares and New Options offered under the SPP Offer.

SPP Shares means up to 10,000,000 Shares offered under the SPP Offer at an issue price of \$0.20 per Share to Eligible Shareholders.

TMD means target market determination.

US means United States.

VWAP means the volume weighted average price of Shares.