

## Unmarketable Parcel Share Sale Facility

ASX RELEASE

**MGC Pharmaceuticals Ltd (ASX:MXC, ‘MGC’ or ‘the Company’)**, wishes to announce it has established an Unmarketable Parcel Sale Facility (**‘Facility’**) for holders of parcels of fully paid ordinary shares in the Company (**‘Shares’**) valued at less than \$500 (each, an **‘Unmarketable Parcel’**).

MGC is providing the Facility to enable Unmarketable Parcels to be sold without the shareholder incurring any brokerage or sale costs. The Facility will also allow MGC to reduce substantial administrative costs associated with maintaining Unmarketable Parcels.

The Facility will be available to the relevant shareholders recorded on the Company’s register of members who, at close of trade on Friday, 19 June 2020 (**‘Record Date’**), are holders of an Unmarketable Parcel in the Company.

The Facility will be subject to the terms set out in the attached letter that will be sent to each relevant shareholder on Thursday, 25 June 2020 which provides details of the Facility as well as instructions for those shareholders wishing to retain their Shares (**‘Facility Letter’**).

Pursuant to clause 3 of the Constitution of the Company, if a shareholder who wishes to retain their Shares but does not respond to the attached Facility Letter by Friday, 7 August 2020, the Company reserves the right to sell those Shares immediately following Friday, 7 August 2020. A shareholder who has responded to the Facility Letter stating that they wish to retain their Shares may also, at any time prior to the sale of their Shares, revoke or withdraw that notice.

A summary of the key dates in relation to the Facility are as follows:

Event	Date
Less than marketable parcels Record Date	Friday, 19 June 2020
ASX Announcement regarding the Facility	Monday, 22 June 2020
Facility Letter to relevant shareholders dispatched	Thursday, 25 June 2020
Closing date for receipt of notice	Friday, 7 August 2020

--Ends--

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

**PR/IR Advisors – Media & Capital Partners**

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[Melissa.Hamilton@mcpartners.com.au](mailto:Melissa.Hamilton@mcpartners.com.au)

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**MGC Pharmaceuticals Ltd**

Brett Mitchell

Executive Chairman

+61 8 6382 3390

[info@mgcpharma.com.au](mailto:info@mgcpharma.com.au)

22 June 2020

Dear Shareholder,

**SALE OF YOUR UNMARKETABLE PARCEL OF MGC PHARMACEUTICALS LTD SHARES**

**MGC Pharmaceuticals Ltd** (ACN 116 800 269) (**'MGC'** or **'the Company'**) has many shareholders who hold a small number of ordinary shares (**'Shares'**). We know those Shares may be difficult or expensive to sell and, as such, we have decided to offer you a convenient way to sell your Shares through a Small Shareholding Sale Facility (**'Facility'**) at a market price and free of charge for holders of Shares valued at less than \$500 as at close of trade on Friday, 19 June 2020 (**'Unmarketable Parcel'**).

The Facility also benefits the Company, as reducing the number of shareholders with small holdings helps us to better manage our share registry costs. This Facility is available to shareholders who held 20,833 Shares or less, valued at less than \$500, at 5.00pm (AWST) on Friday, 19 June 2020 (**'Record Date'**). This is based on the ASX closing price of \$0.024 per Share on the Record Date.

Our records show that you hold an Unmarketable Parcel as at the Record Date. Unless you advise the Company that you **do not** wish to sell your Shares through the Facility by Friday, 7 August 2020 (**'Retention Date'**), the Company intends to sell your Shares through the Facility in accordance with clause 3 of the Company's Constitution. The proceeds of the sale will be sent to you as soon as practicable following completion of the sale.

Under the Company's Constitution, Shares must not be sold under the Facility for less than the simple average of the last sale prices of Shares sold on ASX for each of the ten trading days immediately preceding the date of any sale offer the Company receives for the Shares. Each shareholder will receive their proportionate share of the total sale proceeds for all Shares sold through the Facility without any brokerage or handling costs. As participating Shareholders will receive an average price for their Shares, the price received may be different from the price appearing in news sources or quoted by ASX on any day and may not be the best price on the day the Shares are sold.

Please also note that the Company will not sell your shares through the Facility in the event that a third party announces a takeover offer for the Company.

This notice is the first and final notice to shareholders of the Company who hold an Unmarketable Parcel of Shares.

**What should I do?**

If you **do not** wish to sell your Shares through the Facility you must complete and return the enclosed form so that it is received by 5:00pm (AWST) on Friday, 7 August 2020. Please carefully read the instructions on the attached form before completing it.

**If you want to sell your Shares through the Facility you do not need to take any action.**

By refraining from taking any action, after the Retention Date, you will be deemed to have irrevocably appointed the Company as your agent:

- (a) to sell all of your Shares through an orderly on market sale and without any cost being incurred to you; and
- (b) deal with the proceeds of the sale as set out in this letter.

If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility, you should consult your financial or taxation or professional advisor.

The back of this letter sets out further details of the Facility, which you should read before making any decision. Please contact the Company on +61 8 6382 3390 if you have any queries about lodging your form or the practical operation of the Facility.

Yours faithfully

**Rachel Kerr**  
**Company Secretary**  
**For and on behalf of**  
**MGC Pharmaceuticals Ltd**

## MORE INFORMATION ON THE FACILITY

**What is an Unmarketable Parcel of Shares?** An unmarketable parcel is a parcel of MGC Shares valued at less than \$500 as at close of trade on Friday, 19 June 2020.

**What price will I receive for Shares sold through the Facility?** The price that you receive for your Shares under the Facility will be determined by when and how the Shares are sold. The Company may sell your Shares on market or in any other way considered fair and reasonable in the circumstances. If the Shares are sold on market, the price will depend on a number of factors, including market conditions at the time of sale. You will not have control over the time at which your Shares are sold. The price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day, may not be the best price on the days that your Shares are sold and will be an average price per Share based on the price obtained for all the Shares sold under the Facility. MGC does not give any assurance as to the likely sale price of the Shares that may be received.

**What was the closing price of the Shares at the Record Date?** The closing price of the shares at the Record Date was \$0.024 per Share.

**How much will the sale of Shares through the Facility cost?** Nothing, the Company will bear all costs associated with the sale of Unmarketable Parcels. Tax consequences from the sale of Shares will, however, be your responsibility.

**When will the proceeds from the sale of Shares be sent to me?** The proceeds to which you are entitled from the sale of your Shares will be remitted to you in Australian dollars as soon as practicable after settlement of the sale of all Shares under the Facility. Payment will be made via a direct credit to your bank account at an Australian Financial Institution (where we have your details or upon nomination by you of a relevant bank account), or otherwise by cheque in Australian dollars to your postal address as recorded in the Company's share register.

**If I buy more Shares, will I retain my holding?** Yes, the Company will treat any purchase of additional Shares taking your shareholding total to above \$500 registered at 5.00pm (AWST) on Friday 7 August 2020 as an indication that you do not want your Shares to be sold through the Facility. For a purchase to be an effective notification that you wish to retain your Shares, any additional Shares must be registered by 5.00pm (AWST) on Friday 7 August 2020 under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

**Where can I get further information?** If you have any questions, you can contact the Company on +61 8 6382 3390.

### Important notes

The Company reserves the right to change any of the dates referred to in this letter by notice to the ASX.

After Friday 7 August 2020, for the purpose of selling Unmarketable Parcels that are held in a CHES Facility holding, the Company may initiate a holding adjustment to move those Shares from the CHES Facility holding to an issuer sponsored holding or certificated holding. This letter does not constitute advice nor a recommendation to buy, sell or hold Shares nor that the Facility is the best way to sell Shares.

If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.

**If you currently have more than one holding on the MGC share register, you may wish to consider amalgamating them. This may result in your amalgamated holding no longer being an Unmarketable Parcel and therefore no longer eligible to participate in the Facility. For further advice in this regard, please contact the Company's share registry, Computershare Investor Services Pty Ltd, on 1300 850 505 (inside Australia) or on +61 (03) 9415 4000 (international).**

**Return your Form to the  
Company's share registry:**

✉ **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

**For all enquiries:**

☎ **Phone:**  
MGC Pharmaceuticals Ltd +61 8 6382 3390

MXC

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Share Retention Form

 **If you wish to retain your shares, your form must be received by 5:00pm (AWST) on Friday, 7 August 2020**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

### Step 1: Shareholding Details

Use this form if you wish to retain your shares in MGC Pharmaceuticals Ltd. If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your shares in MGC Pharmaceuticals Ltd, do not complete or return this form. If you have more than one shareholding on MGC Pharmaceuticals Ltd's register and you do not wish to sell your shares under the Small Shareholding Sale Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited (CIS) on the number above.

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHES sponsored shareholding, please contact your Controlling Participant to notify a change of address.

### Step 2: Signing Instructions

**Individual:** Where the shareholding is in one name, the shareholder must sign.

**Joint Shareholding:** Where the shareholding is in more than one name, all of the shareholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

**Companies:** Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

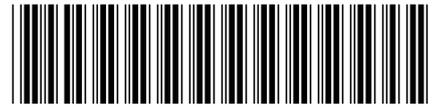
**Overseas Companies:** Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website [www.computershare.com](http://www.computershare.com) or by calling Computershare Investor Services Pty Limited on 1300 850 505 or +61 3 9415 4000. If the shareholding is in more than one name the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

### Step 3: Contact Details

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** →



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# Share Retention Form

For your security keep your SRN/  
HIN confidential.

## STEP 1 Shareholding Details

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001



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

Shares held as at Friday, 19 June 2020:

2000

## STEP 2 Signature of Shareholder(s) *This section must be completed.*

By signing and returning this form, in accordance with the requirements set out in 'Step 2: Signing Instructions' overleaf, I/we confirm that I/we understand that my/our **SHARES WILL NOT BE SOLD** under the Small Shareholding Sale Facility.

Individual or Shareholder 1

Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

Shareholder 2

Director

Shareholder 3

Director/Company Secretary  
(cross out titles as applicable)

## STEP 3 Contact Details

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Email Address \_\_\_\_\_

## Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.