
INHALE RX LIMITED
ACN 611 845 820
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 4.00pm AEDT

DATE: Thursday, 29 January 2026

PLACE: The meeting is a virtual meeting.
Please pre-register prior to the day of the meeting at:

https://us02web.zoom.us/webinar/register/WN_UCOxe6qkTC2ejUXxdYdtEw

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AEDT) on 27 January 2026.

BUSINESS OF THE MEETING

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

- (a) *“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,499,914 Shares at \$0.033 per Share on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – RATIFICATION OF TRANCHE 1 PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 17,100,000 Placement Shares subscribed for and issued to the Tranche 1 Placement Participants on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – APPROVAL TO ISSUE TRANCHE 1 PLACEMENT OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 8,550,000 Placement Options subscribed for by the Tranche 1 Placement Participants on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 4,600,000 Placement Shares and 2,300,000 Placement Options subscribed for and issued to the Tranche 2 Placement Participants on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SECURITIES TO DR RON WISE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,400,000 Placement Shares and 700,000 Placement Options to Dr Ron Wise (or his nominee(s)) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 6 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 6,000,000 Placement Options to Peak Asset Management on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

7. RESOLUTION 7 – APPROVAL TO ISSUE OF OPTIONS UNDER THE FACILITY AGREEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and all other purposes, approval is given for the Company to issue 10,892,534 Options to Linlithgow Family Office Pty Ltd (LFO) under the Facility Agreement entered into between the Company and LFO, on the terms set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

8. RESOLUTION 8 – CHANGE OF COMPANY NAME TO NEXALIS THERAPEUTICS LIMITED

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Nexalis Therapeutics Limited.”

A voting exclusion statement applies to this Resolution. Please see below.

Dated: 24 December 2025

By order of the Board

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Ratification of Prior Issue of Shares	Mr Darryl Davies (or his nominee) or an associate of that person who participated in the issue of Shares.
Resolution 2 – Ratification of Tranche 1 Placement Shares	The Tranche 1 Placement Participants or any other person who participated in the issue or an associate of that person or those persons.
Resolution 3 – Approval to issue Tranche 1 Placement Options	The Tranche 1 Placement Participants or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
Resolution 4 – Approval to issue Tranche 2 Placement Securities	The Tranche 2 Placement Participants or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
Resolution 5 – Approval to issue Tranche 2 Placement Securities to Ron Wise	Mr Ron Wise (or his nominee(s)) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 6 – Approval to Issue Placement Options to the Lead Manager	Peak Asset Management or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
Resolution 7 - Approval to issue of Options to LFO under the Facility Agreement	<i>By or on behalf of Linlithgow Family Office Pty Ltd, a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.</i>

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may

specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting online at the virtual meeting

The company is pleased to provide shareholders with the opportunity to attend and participate in the Meeting through an online meeting platform, where shareholders will be able to watch, listen, ask questions and vote online.

Shareholders are encouraged to register well prior to the day of the Meeting to ensure there is no delay in attending the Meeting.

To access the virtual meeting:

1. If you do not have a free and secure Zoom logon, please download the Zoom Mobile App from your play store or download the Zoom Client for Meetings file from your internet browser.
2. Please pre-register by opening your internet browser and going to:
https://us02web.zoom.us/webinar/register/WN_UCOxe6qkTC2ejUXxdYdtEw
3. Select the capacity in which you are attending, then enter your registered holding name, email address of your zoom account, HIN/SRN and postcode and click "register".
4. Once your details are verified, you will receive a separate personalised email with details of how to logon on the day of the Meeting.
5. Click on the personalised link you will be emailed to join the Meeting, where you can view and listen to the Meeting, vote during the poll as well as ask questions in relation to the business of the Meeting.
6. Once the Chair of the Meeting has declared the poll open for voting, select "For", "Against" or "Abstain" for each resolution.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary, James Barrie, at james.barrie@inhalerx.com.au.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1 RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

1.1 General

As announced on 22 October 2025, the Company, Mr Darryl Davies (**Mr Davies**), the Company's Chief Executive Officer, has agreed to receive Shares in lieu of his accrued salary otherwise payable to him by the Company for the period 1 October 2024 to 30 September 2025. The accrued salary payable to Mr Davies was \$149,850.00. The Company and Mr Davies reached a similar decision for Mr Davies' prior year (2024) salary, which reflects the Company's ongoing focus on cost optimisation strategies and the prioritisation of available capital towards the advancement of its drug development programs for IRX211 and IRX616a.

The Company issued Mr Davies 4,499,914 Shares (**the Davies Shares**) in the Company, calculated on the 30-day VWAP of the Company shares up to 30 September 2025, being \$0.033.

The number of Company shares for Mr Davies was calculated as follows:

Salary Period	1 October 2024 – 30 September 2025
Salary Owed (A)	\$149,850.00
30-day VWAP (B)	\$0.033
Total Company Shares (C) = A/B	4,499,914

Resolution 1 seeks Shareholder ratification in respect of the 4,499,914 Shares issued pursuant to the Company's additional placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period. ASX Listing Rule 7.1 provides additional capacity to issue shares up to 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 or 7.1A (and provided that the previous issue did not breach ASX Listing Rule 7.1 / 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue of the Davies Shares, the Company will retain the flexibility to issue equity securities in the future, namely if the Resolution is passed the issue of the 4,499,914 Shares will be excluded in calculating the Company's 15% annual placement capacity set out in ASX Listing Rule 7.1;

1.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Davies Shares issued using the capacity allowed under Listing Rule 7.1:

- (a) the Shares were issued to Mr Darryl Davies, the Company's CEO;
- (b) 4,499,914 Shares were issued;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the shares were issued effective 2 October 2025;
- (e) the issue price was \$0.033 per Share;

- (f) whilst no funds were raised pursuant to the issue of Shares, by issuing the Davies Shares the Company discharged the \$149,850 accrued salary that was otherwise payable to Mr Davies; and
- (g) a voting exclusion statement has been included in this Notice.

If this Resolution is approved, the Company will refresh its ability to issue securities under Listing Rule 7.1 without seeking Shareholder approval.

If this Resolution is not approved, the ability of the Company to issue securities under Listing Rule 7.1 without seeking Shareholder approval will be limited to the remaining securities allowed following the issue of the above-mentioned Shares. This will effectively decrease the number of equity securities the Company can issue without Shareholder approval over the 12 months following the date of the issue.

1.3 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

2 BACKGROUND TO PLACEMENT

2.1 General

On 26 November 2025, the Company announced it was conducting a capital raise of up to approximately \$1,000,000 (before costs), consisting of a placement and an entitlement offer:

(a) Placement

The placement comprised the issue of 30,000,000 ordinary shares (**Placement Shares**). Peak Asset Management Pty Ltd (**Peak**) was Lead Manager to the Placement, which was conducted with professional and sophisticated investors who are clients of Peak and a director, Mr Ron Wise, at an issue price of \$0.025 per Share to raise up to approximately \$750,000 (the **Placement**).

(b) Entitlement Issue

On 26 November 2025, the Company lodged a Prospectus for a non-renounceable entitlement offer to Eligible Shareholders of up to 9,906,734 New Shares at an offer price of \$0.025 per New Share on the basis of one New Share for every twenty-two existing Shares held, together with one free attaching New Option for every two New Shares subscribed for and issued to raise up to approximately \$250,000 (the **Entitlement Offer**)

(together, the **Offers**)

Participants in the Offers will receive one free attaching option for every two shares subscribed (1:2), exercisable at \$0.042 expiring two years from the issue date (**Placement Options**). Peak will be issued additional Placement Options as part consideration for lead Manager services for the Offers provided to the Company.

The Placement is being conducted in two tranches, comprising:

(a) Tranche 1

- a. Placement Shares of 24,000,000 raising \$600,000 (before costs) issued pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1;
 - i. Of this, a total of 17,100,000 Placement Shares have been issued as of the date of this Notice (**ratification of which is the subject of Resolution 2**);
- b. Placement Options of 12,000,000 that are to be issued subject to shareholder approval under ASX Listing Rule 7.1;
 - i. Of this, a total of 8,550,000 Placement Options are proposed to be issued as of the date of this Notice (**approval of which is the subject of Resolution 3**);

(b) Tranche 2

- a. Placement Shares of 6,000,000 raising \$150,000 (before costs) that are to be issued subject to shareholder approval under ASX Listing Rule 7.1 (**approval of which is the subject of Resolution 4**);
- b. Placement Options of 3,000,000 that are to be issued subject to shareholder approval under ASX Listing Rule 7.1 (**approval of which is also the subject of Resolution 4**).

Included in the Tranche 2 issue of securities is director, Dr Ron Wise, who has invested \$35,000, subscribing for 1,400,000 Placement Shares and 700,000 Placement Options (**approval of which is the subject of Resolution 5**).

2.2 Use of funds

The Company intends to utilise the funds raised under the Offers towards non-clinical working capital and costs of the offer.

2.3 Lead Manager Mandate

Pursuant to a Lead Manager mandate between the Company and Peak dated 12 November 2025, the Company engaged Peak to act as Lead Manager to the Offers (**Lead Manager Mandate**).

Further details of the Lead Manager Mandate are contained in section 6.3.

3. RESOLUTION 2 – RATIFICATION OF TRANCHE 1 PLACEMENT SHARES

3.1 General

This Resolution seeks Shareholder ratification for the purposes of Listing Rule 7.4 for the issue of 17,100,000 Shares at an issue price of \$0.025 per Share to professional and sophisticated investors under Tranche 1 of the Placement as outlined in section 2.1 above.

3.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of the issue.

3.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue.

3.4 Technical information required by Listing Rule 14.1A

If this Resolution is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of the issue.

If this Resolution is not passed, the issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of the issue.

3.5 Technical information required by Listing Rules 7.4 and 7.5

REQUIRED INFORMATION	DETAILS
Names of persons to whom Securities were issued or the basis on which those persons were identified/selected	Professional and sophisticated investors who were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company (the Placement Participants). The Company confirms that no Material Persons were issued more than 1% of the issued capital of the Company.
Number and class of Securities issued	17,100,000 Shares were issued.
Terms of Securities	The Shares were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
Date(s) on or by which the Securities were issued	9 December 2025.
Price or other consideration the Company received for the Securities	\$0.025 per Share.
Purpose of the issue, including the intended use of any funds raised by the issue	Refer to Section 2.2 for details of the proposed use of funds.
Summary of material terms of agreement to issue	The Securities were issued to the Placement Participants pursuant to standard form placement letter agreements broadly on the terms set out in Section 2.1.
Voting Exclusion Statement	A voting exclusion statement applies to this Resolution.
Compliance	The issue did not breach Listing Rule 7.1.

3.6 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

4. RESOLUTION 3 – APPROVAL TO ISSUE TRANCHE 1 PLACEMENT OPTIONS

4.1 General

This Resolution seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 8,550,000 options at an exercise price of \$0.042 per option expiring 2-years from issue to professional and sophisticated investors under Tranche 1 of the Placement as outlined in section 2.1 above (**Placement Options**).

4.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The proposed issue falls within exception 17 of Listing Rule 7.2 which excludes from the restrictions in Listing Rules 7.1 and 7.1A an agreement to issue equity securities that is conditional on the holders of its ordinary securities approving the issue under Listing Rule 7.1 before the issue is made. The proposed issue therefore requires the approval of Shareholders under Listing Rule 7.1.

4.3 Technical information required by Listing Rule 14.1A

If this Resolution is passed, the Company will be able to proceed with the issue. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution is not passed, the Company will not be able to proceed with the issue. If the Company is unable to proceed with the issue, it may be required to renegotiate the terms of the Lead Manager Mandate, which may require the Company to pay the Placement Participants a cash fee to satisfy its obligations.

4.4 Technical information required by Listing Rule 7.3

REQUIRED INFORMATION	DETAILS
Names of persons to whom Securities will be issued or the basis on which those persons were or will be identified/selected	Professional and sophisticated investors who were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company (the Placement Participants).
Number of Securities and class to be issued	8,550,000 Placement Options will be issued.
Terms of Securities	The Placement Options will be issued on the terms and conditions set out in Section 2.1.
Date(s) on or by which the Securities will be issued	The Company expects to issue the Placement Options within 5 Business Days of the Meeting. In any event, the Company will not issue any Placement Options later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
Price or other consideration the Company will receive for the Securities	The Placement Options will be issued at a nil issue price, being one free attaching Placement Option for every two shares subscribed (1:2) under the Placement.
Purpose of the issue, including the intended use of any funds raised by the issue	Whilst no funds are raised by the issue of the Placement Options, as outlined in section 2.1 the Company intends to utilise funds raised under the Placement towards non-clinical working capital and costs of the Offers.
Summary of material terms of agreement to issue	The Placement Options will be issued to Placement Participants pursuant to standard form placement letter agreements broadly on the terms set out in Section 2.1.
Voting exclusion statement	A voting exclusion statement applies to this Resolution.

4.5 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

5. RESOLUTION 4 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SECURITIES

5.1 General

As outlined in section 2.1 above, the Company proposes to issue a second tranche of Placement Shares and Placement Options, totalling the proposed issue of 6,000,000 Placement Shares at an issue price of \$0.025, raising \$150,000 and 3,000,000 1-for-2 Placement Options at an exercise price of \$0.042 per option expiring 2-years from issue.

Included in the Tranche 2 Placement Participants is director Dr Ron Wise, who invested \$35,000, subscribing for 1,400,000 Placement Shares and 700,000 Placement Options.

Net of Dr Wise's investment which is the subject of **Resolution 5**, this Resolution seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 4,600,000 Placement Shares at an issue price of \$0.025, raising \$115,000, and 2,300,000 1-for-2 Placement Options at an exercise price of \$0.042 per option expiring 2-years from issue to professional and sophisticated investors under Tranche 2 of the Placement as outlined in section 2.1 above.

5.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The proposed issue falls within exception 17 of Listing Rule 7.2 which excludes from the restrictions in Listing Rules 7.1 and 7.1A an agreement to issue equity securities that is conditional on the holders of its ordinary securities approving the issue under Listing Rule 7.1 before the issue is made. The proposed issue therefore requires the approval of Shareholders under Listing Rule 7.1.

5.3 Technical information required by Listing Rule 14.1A

If this Resolution is passed, the Company will be able to proceed with the issue. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution is not passed, the Company will not be able to proceed with the issue. If the Company is unable to proceed with the issue, the Company will not raise \$115,000 under Tranche 2 of the Placement and may instead seek alternative forms of fundraising.

5.4 Technical information required by Listing Rule 7.3

REQUIRED INFORMATION	DETAILS
Names of persons to whom Securities will be issued or the basis on which those persons were or will be identified/selected	Professional and sophisticated investors who were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company (the Placement Participants).
Number of Securities and class to be issued	4,600,000 Placement Share will be issued 2,300,000 Placement Options will be issued.
Terms of Securities	The Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Placement Options will be issued on the terms and conditions set out in section 4.1.
Date(s) on or by which the Securities will be issued	The Company expects to issue the Securities within 5 Business Days of the Meeting. In any event, the Company will not issue any Securities later than three months after the date of the Meeting (or such later date to the extent

REQUIRED INFORMATION	DETAILS
	permitted by any ASX waiver or modification of the Listing Rules).
Price or other consideration the Company will receive for the Securities	The Placement Shares will be issued at an issue price of \$0.025 per share, together with one free attaching Placement Option for every two shares subscribed (1:2) under the Placement.
Purpose of the issue, including the intended use of any funds raised by the issue	The Company intends to utilise funds raised under the Placement towards non-clinical working capital and costs of the Offers.
Summary of material terms of agreement to issue	The Securities will be issued to Placement Participants pursuant to standard form placement letter agreements broadly on the terms set out in Section 2.1.
Voting exclusion statement	A voting exclusion statement applies to this Resolution.

5.5 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

6. RESOLUTION 5 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SECURITIES TO DR RON WISE

6.1 General

This Resolution seeks Shareholder approval for purposes of Listing Rule 10.11 for the issue of 1,400,000 Placement Shares and 700,000 1-for-2 attaching Placement Options to director Dr Ron Wise (or his nominee) on the same terms as the non-related party Placement Participants.

If this Resolution is passed, Dr Ron Wise will be enabled to participate in the Placement on the same terms as the non-related party Placement Participants.

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue constitutes giving a financial benefit and Dr Wise is a related party of the Company by virtue of being a director.

The Board, excluding Dr Wise, consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue because the Shares will be issued to Dr Wise (or his nominee) on the same terms as Shares issued to the non-related party Placement Participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

6.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;

- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

6.4 Technical information required by Listing Rule 14.1A

If this Resolution is passed, the Company will be able to proceed with the issue within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 2.2. As approval pursuant to Listing Rule 7.1 is not required for the issue (because approval is being obtained under Listing Rule 10.11), the issue will not use up any of the Company's 15% annual placement capacity.

If this Resolution is not passed, the Company will not be able to proceed with the issue and no further funds will be raised. As a consequence, the Company will not receive a further \$35,000 under Tranche 2 of the Placement.

6.5 Technical Information required by Listing Rule 10.13

REQUIRED INFORMATION	DETAILS
Name of the persons to whom Securities will be issued	Dr Ron Wise (or his nominee).
Categorisation under Listing Rule 10.11	Dr Ron Wise falls within the category set out in Listing Rule 10.11.1 as he is a related party of the Company by virtue of being a director. Any nominee of Dr Wise who receive Shares may constitute 'associates' for the purposes of Listing Rule 10.11.4.
Number of Securities and class to be issued	1,400,000 Placement Shares and 700,000 attaching Placement Options will be issued.
Terms of Securities	The Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Placement Options will be issued on the terms and conditions set out in section 4.1.
Date(s) on or by which the Securities will be issued	The Company expects to issue the Securities within 5 Business Days of the Meeting. In any event, the Company will not issue any Securities later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
Price or other consideration the Company will receive for the Securities	The Placement Shares will be issued at an issue price of \$0.025 per share, together with one free attaching Placement Option for every two shares subscribed (1:2) under the Placement.

REQUIRED INFORMATION	DETAILS
Purpose of the issue, including the intended use of any funds raised by the issue	The Company intends to utilise funds raised under the Placement towards non-clinical working capital and costs of the Offers.
Voting exclusion statement	A voting exclusion statement applies to this Resolution.

6.6 Board recommendation

The Board, with Dr Wise not being eligible to vote, unanimously recommends that Shareholders vote in favour of this Resolution.

7. RESOLUTION 6 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS

7.1 General

This Resolution seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 6,000,000 Options to Peak Asset Management Pty Ltd (ACN 689 835 201) (**Peak**) (or their nominee) in consideration for Lead Manager services in relation to the Placement (**Lead Manager**).

7.2 Lead Manager Mandate

The Company has signed a mandate letter (**Lead Manager Mandate**) to engage Peak to act as lead manager for the Placement, the material terms and conditions of which are summarised below:

Fees	<p>Under the terms of the Lead Manager Mandate, the Company agreed to:</p> <ul style="list-style-type: none"> (a) pay a capital raising fee of 6% (ex-GST) of the gross proceeds of the Placement to the Lead Manager; (b) pay a monthly corporate advisory retainer fee of A\$5,000 (ex-GST) in cash over a 12-month period; and (c) issue 6,000,000 options to the Lead Manager (or their nominee), subject to a minimum amount raised under the Placement of \$600,000 and receiving Shareholder approval at this Meeting. <p>The Options will be issued on the same terms as Placement Options issued under the Placement.</p> <p>The Company will also pay Peak a back-office fee of \$10,000 (ex-GST) for management and execution of the DVP settlement (if required).</p>
Termination Events	<p>The Lead Manager Mandate may be terminated by:</p> <ul style="list-style-type: none"> (a) either party by giving five business days' notice to the other party; (b) the Lead Manager immediately if the Company breaches the terms of the Lead Manager Mandate; or (c) the Company because of the gross negligence, wilful misconduct, recklessness, fraud or material breach of the Lead Manager Mandate by the Lead Manager or their representatives.
Other Terms	<p>The Company has also granted the Lead Manager a right of first refusal to match any offer on the same terms on the next capital raise during the term of the agreement. If the Company fails to do</p>

so, the Company must pay the Lead Manager a fee of \$75,000 (ex-GST) (**Cash Break Fee**).

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).

7.3 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The proposed issue does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1

7.4 Technical information required by Listing Rule 14.1A

If this Resolution is passed, the Company will be able to proceed with the issue. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution is not passed, the Company will not be able to proceed with the issue. If the Company is unable to proceed with the issue, it may be required to re-negotiate the terms of the Lead Manager Mandate and remunerate the Lead Manager in alternative ways.

7.5 Technical information required by Listing Rule 7.3

REQUIRED INFORMATION	DETAILS
Names of persons to whom Securities will be issued or the basis on which those persons were or will be identified/selected	Peak Asset Management Pty Ltd (or its nominee(s)).
Number of Securities and class to be issued	6,000,000 Placement Options.
Terms of Securities	Subject to the minimum amount of \$600,000 being raised as outlined in section 7.2, the Placement Options will be issued on same the terms and conditions set out in Section 2.1.
Date(s) on or by which the Securities will be issued	the Company expects to issue the Placement Options within 5 Business Days of the Meeting. In any event, the Company will not issue any Placement Options later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
Price or other consideration the Company will receive for the Securities	The Placement Options will be issued at a nil issue price, in consideration for lead managerial services provided by the Lead Manager in relation to the Placement, summarised in Section 2.1.
Purpose of the issue, including the intended use of any funds raised by the issue	The purpose of the issue is to satisfy the Company's obligations under the Lead Manager Mandate.
Summary of material terms of agreement to issue	The Placement Options are being issued under the Lead Manager Mandate, a summary of the material terms of which is set out in Section 6.2.

REQUIRED INFORMATION	DETAILS
Voting exclusion statement	A voting exclusion statement applies to this Resolution.

7.6 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

8. RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS TO LFO UNDER THE FACILITY AGREEMENT

8.1 Background

On 17 October 2024 Clendon Biotech Capital Pty Ltd (ACN 674 054 267) (**Original Lender**) entered into a Facility Agreement (**Facility Agreement**) with the Company under which the Original Lender agreed to provide certain loan facilities to the Borrower.

At the General Meeting held 28 October 2024, shareholders approved the issue of 38,449,145 Options to the Lender under the terms of the Facility Agreement.

As announced on 26 November 2025 and further detailed in the announcement dated 4 December 2025, the Company (as borrower) and Linlithgow Family Office Pty Ltd (ACN 687 841 998) (**LFO or Lender**) entered into an amended Facility Agreement, whereby the Original Lender's present and future rights and obligations were assigned to LFO, who agreed to extend its funding commitment under the Facility Agreement to incorporate future clinical trials of the Company's new fixed-dose combination therapy to address a significant unmet need for treatment resistant depression: SRX-25. The additional funding available under the Facility Agreement is conditional upon the Company being able to issue the Options to the Lender (**LFO Options**).

A summary of the Facility Agreement is contained in Schedule 1.

Under the amended Facility Agreement, the Lender is to provide a total of \$64,582,932 for three separate projects to be undertaken by the Company. The maximum commitment of \$64,582,932 is comprised of:

- (a) a commitment of up to \$15,487,555 for the IRX-211 Facility;
 - (b) a commitment of up to \$16,087,555 for the IRX-616a Facility;
 - (c) a commitment of up to \$22,000,000 for the SRX-25 Facility; and
 - (d) a commitment of up to \$11,007,822 for interest capitalisation, comprising \$3 million in respect of the IRX-211 Facility, \$3,900,000 in respect of the IRX-616a Facility, and \$4,107,822 in respect of the SRX-25 Facility,
- (together, the **Facility**).

The Facility is secured by a general security deed granted by the Company in favour of the Lender over all of its assets and undertaking.

The Company must repay the money owed in cash, however, may use the proceeds from the exercise of the Options held by LFO to make the repayments.

The exercise price of the LFO Options is at the higher of:

- (a) \$0.025 per Option; and
- (b) a price equal to 90% of the 90-day volume-weighted average price (VWAP) of the Shares in the Company ending one business day before the date of exercise of the Option.

The material terms of the facility are set out in Schedule 2.

8.2 General

This Resolution seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 10,892,534 LFO Options to LFO (or their nominee) in relation to additional funding made available by LFO for the Company's new SRX-25 compound under the Facility Agreement.

8.3 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The proposed issue falls within exception 17 of Listing Rule 7.2 which excludes from the restrictions in Listing Rules 7.1 and 7.1A an agreement to issue equity securities that is conditional on the holders of its ordinary securities approving the issue under Listing Rule 7.1 before the issue is made. The proposed issue therefore requires the approval of Shareholders under Listing Rule 7.1.

8.4 Technical information required by Listing Rule 14.1A

If this Resolution is passed, the Company will be allowed to issue the LFO Options to the Lender under the Facility Agreement. In addition, the issue will be excluded from calculating the number of equity securities the Company can issue without Shareholder approval under Listing Rule 7.1.

If the Resolution is not passed, the Company will not be able to proceed with the issue of the LFO Options and therefore the Lender will not provide the additional funding to the Company.

8.5 Technical information required by Listing Rule 7.3

REQUIRED INFORMATION	DETAILS
Names of persons to whom Securities will be issued or the basis on which those persons were or will be identified/selected	Linlithgow Family Office Pty Ltd (ACN 687,841 998) or their nominee.
Number of Securities and class to be issued	10,892,534 unlisted LFO Options exercisable at the higher of: (a) \$0.025 per LFO Option; and (b) a price equal to 90% of the 90-day volume-weighted average price (VWAP) of the Shares in the Company ending one business day before the date of exercise of the Option.
Terms of Securities	A summary of the terms is contained in Schedule 2.
Date(s) on or by which the Securities will be issued	The Company expects to issue the LFO Options within 5 Business Days of the Meeting. In any event, the Company will not issue any Options later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
Price or other consideration the Company will receive for the Securities	The LFO Options will be issued at a nil issue price; therefore no funds will be raised from the issue of the LFO Options.
Purpose of the issue, including the intended use of any funds raised by the issue	The purpose of the issue is to secure the funds under the Facility Agreement by incentivising the Lender to assist the Company in completing the clinical trials for IRX-211, IRX-616a and SRX-25.
Summary of material terms of agreement to issue	The LFO Options are being issued under the Facility Agreement, a summary of the material terms of which is set out in Schedule 1.
Voting exclusion statement	A voting exclusion statement applies to this Resolution.

8.6 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

9. RESOLUTION 8 – CHANGE OF COMPANY NAME TO NEXALIS THERAPEUTICS LIMITED

9.1 General

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

For note, a special resolution is a resolution requiring at least 75% of votes cast by shareholders present and eligible to vote at the meeting in favour of the resolution.

This Resolution seeks the approval of shareholders to change its name to Nexalis Therapeutics Limited.

The Board proposes the change of name on the basis that it believes the proposed name more accurately reflects the current and future operations of the Company.

The proposed name has been reserved with ASIC and if this Resolution is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

If this Resolution is passed, the change of name will take effect when ASIC alters the details of the Company's registration.

The Board will also request that ASX change the Company's ASX listing code from "IRX" to "NX1" after the change of name takes effect. The ASX listing code "NX1" has been reserved by the Company.

9.2 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time as observed in Melbourne, Victoria.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- 3.1.1 a spouse or child of the member;
- 3.1.2 a child of the member's spouse;
- 3.1.3 a dependent of the member or the member's spouse;
- 3.1.4 anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- 3.1.5 a company the member controls; or
- 3.1.6 a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means InhaleRx Limited (ACN 611 845 820).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Lead Manager has the meaning given in Section 7.2.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager Mandate has the meaning given in Section 3.2.

LFO Option has the meaning given in Section 8.1, terms and conditions of which are contained in Schedule 2.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Peak means Peak Asset Management Pty Ltd (ACN 689 835 201).

Placement has the meaning given in Section 2.1.

Placement Option has the meaning given in Section 2.1, terms and conditions of which are contained in Schedule 1.

Placement Participants has the meaning given in Section 2.1.

Placement Share has the meaning given in Section 2.1

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Securities means a Share, Option or Performance Rights (as applicable).

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

Shareholder means a registered holder of a Share.

SCHEDULE 1 – SUMMARY OF MATERIAL TERMS OF FACILITY AGREEMENT

Facility Agreement	Material Terms
Lender	Linlithgow Family Office Pty Ltd (ACN 687 841 998)
Borrower	InhaleRX Limited (ACN 611 845 820)
Facility Limit	The Lender will make available to the Borrower up to \$64,582,932 which will be used for clinical trial costs, including the associated non-clinical work and trial drug manufacturing costs in respect of the IRX-211 Facility, IRX-616a Facility and the SRX-25 Facility.
Termination Date	<p>The Termination Date is:</p> <ul style="list-style-type: none"> (a) For the IRX-211 Facility – the date that is 24 months after the earlier of the first drawdown date with the option at the Lender's sole discretion to extend the termination for another 12 months; (b) For the IRX-616a Facility – the date that is 30 months after the earlier of the first drawdown date with the option at the Lender's sole discretion to extend the termination for a further 12 months; and (c) For the SRX-25 Facility – the date that is 30 months after the earlier of the first drawdown date with the option at the Lender's sole discretion to extend the termination for a further 12 months.
Repayment	On the Termination Date, the Borrower must pay the principal outstanding and all other secured moneys owing in full to the Lender.
Security Documents	A general security deed dated on or about the date of the Facility Agreement and granted by the Borrower in favour of the Lender over all of its assets and undertaking.
Interest	15.00% per annum
Options	Subject to shareholder approval, the Borrower will issue a further 10,892,534 Options to the Lender, bringing the total number to 49,341,678 Options on the terms contained in Schedule 2.
Fees	No establishment fee is payable on the facility.

SCHEDULE 2 – OPTION TERMS

(a) Definitions

Capitalised terms used but not defined in these Option Terms have the meanings they have been given in the Facility Agreement.

The following definitions apply in these Option Terms:

LFO		means Linlithgow Family Office Pty Ltd ACN 687 841 998.
Commencement Date		means the date which is the earlier of: <ul style="list-style-type: none">(i) the date that the Company notifies LFO in writing that it wishes to repay all amounts owing to LFO in respect of the Secured Moneys;(ii) 10 Business Days prior to the date on which the repayment of any of the Secured Moneys is due to be paid by the Company to LFO;(iii) all of the Secured Moneys are declared by the Lender to be immediately due and payable;(iv) the date on which the Company announces to the ASX that:<ul style="list-style-type: none">(A) a takeover bid for the Company's shares has become unconditional; or(B) a scheme of arrangement with respect to the Company has been approved by the Court; and(v) such other date as is agreed in writing by the parties
Company		means InhaleRx Limited ACN 611 845 820.
Corporations Act		means the <i>Corporations Act 2001</i> (Cth).
Exercise Date		means the date the Company receives the Notice of Exercise from LFO.
Exercise Period		means the period commencing on the Commencement Date and expiring on the Expiry Date.
Exercise Price		means the higher of: <ul style="list-style-type: none">0.025 per Option; and(ii) a price equal to 90% of the 90-day volume-weighted average price (VWAP) of the Shares in the Company ending one business day before the date of exercise of an Option,
Expiry Date		means the date which is the earlier of: <ul style="list-style-type: none">(i) ten Business Days following the Commencement Date; or(ii) 5 years from the date of issue of the Options.
Facility Agreement		means the Facility Agreement entered into between LFO (as Lender) and the Company (as Borrower) dated on or about 26 October 2025 to which these Option Terms are attached.
Notice of Exercise	of	has the meaning given to it in paragraph (h).

Option	means an option to subscribe for a Share for the Exercise Price.
Option Holder	has the meaning given to it in paragraph (i).
Related Entity	has the meaning given to that term in the Corporations Act.
Share	means a fully paid ordinary share in the capital of the Company.

(b) Entitlement

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

(c) Subscription price

The Options will be issued for nil consideration.

(d) Exercise Price

The amount payable upon exercise of each Option will be the Exercise Price.

(e) Commencement Date

Each Option is exercisable on and from the Commencement Date.

(f) Expiry Date

Each Option will expire at 5:00 pm (AEDT) on the Expiry Date. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(g) Exercise Period

- (i) Each Option is exercisable during an Exercise Period.
- (ii) Subject to paragraph (g)(iii), an Option not exercised during an Exercise Period lapses.
- (iii) If the Commencement Date of the Exercise Period is as a result of:
 - (A) the Facility in respect of IRX 211 maturing and becoming due and payable by the Company to LFO under the Facility Agreement;
 - (B) a Voluntary Prepayment being made under the Facility Agreement;
 - (C) the Lender declaring the Secured Moneys to be immediately due and payable; or
 - (D) a takeover bid becoming unconditional or a scheme of arrangement being approved by the Court that does not result in all of the issued shares in the Company being transferred,

then an Option not exercised during the Exercise Period will not lapse and is capable of being exercised by LFO during a subsequent Exercise Period.

(h) Notice of Exercise

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

(i) Exercise Restrictions

The number of Options that may be exercised at one time must be not less than 10,000, unless the holder of the Options (**Option Holder**) holds less than 10,000 Options in which case all Options must be exercised at one time.

(j) Exercise Date

A Notice of Exercise is only effective on and from the Exercise Date.

(k) Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date, the Company will:

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

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

(l) Shares issued on exercise

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

(m) Reconstruction of capital

In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

- (i) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the Option holders are not conferred on Shareholders; and
- (ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.

(n) Participation in new issues

- (i) There are no participation rights or entitlements inherent in the Options.
- (ii) LFO will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(o) Dividends

Option Holders do not participate in any dividends unless the Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.

(p) Bonus Issue

If there is a bonus issue to the Shareholders of the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue.

(q) Change of Option Terms

The terms of the Options shall only be changed if the Shareholders (whose votes are not to be disregarded) of the Company approve of such a change. However, unless all necessary waivers of the Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for the exercise of the Options.

(r) Transferability

The Options are personal to LFO and are not transferable or assignable, other than to a party that is Related Entity of LFO or to a person to whom all or any part of the Secured Moneys are assigned.

(s) Set off

Without any demand or notice, the Lender may, set off and apply any amount that it owes to the Company under paragraph (h) against any money owing to it by the Company under any Finance Document whether the amount owed by the Lender or the other person is owed by it alone or with any other person and whether or not the amount owed by the Lender or the other person is immediately payable. The Company irrevocably authorises the Lender to do anything necessary (including to sign any document) for the purpose of effecting the set off including by prepaying the Secured Moneys in an amount at least equal to the Exercise Price.