



Zelda Therapeutics Ltd
ACN 103 782 378
www.zeldatherapeutics.com
Level 45
108 St Georges Terrace,
Perth Western Australia 6000

19 January 2017

UNMARKETABLE PARCEL SALE FACILITY

Zelda Therapeutics Ltd (ASX: ZLD, "Zelda" or the Company) is pleased to announce an unmarketable parcel sale facility for holders of unmarketable parcels of the Company's shares.

The ASX Listing Rules define an unmarketable parcel to include a parcel of shares with a market value of less than A\$500. As at 7:00 pm (AEST) on 16 January 2017 (Record Date), an unmarketable parcel of shares is any shareholding of 15,151 ordinary shares or less, based on the closing price of \$0.033 on the Record Date (Closing Price). This represents 1,936,134 ordinary shares, held by 891 shareholders (Minority Members).

The Company is offering this sale facility to assist holders of unmarketable parcels to sell shares without having to use a broker or pay brokerage. The Company will pay all the costs of the sale for shareholders who use this facility, excluding tax consequences from the sale which remains the shareholder's responsibility.

The Company values all of its shareholders, however, it incurs significant administration costs maintaining such a large number of unmarketable parcels. By facilitating this sale, the Company expects to reduce the administrative costs associated with maintaining a large number of very small holdings. Shareholders who own more than 15,151 shares as at the Record Date will not be eligible to participate.

If Minority Members wish to sell shares through this facility, they do not need to take any action. If Minority Members do not wish to sell shares through this facility, they must complete and return a notice of retention form to the Company's share registry, Computershare Investor Services Pty Limited, by 5:00pm (AEST) on 7 March 2017 (Retention Date).

Shareholders with an Unmarketable Parcel who wish for their shareholding to be sold by the Company do not need to do anything.

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

| Event | Date |
|---|------------------------------|
| Unmarketable Parcels Record Date | 5.00pm (WST) 16 January 2017 |
| Unmarketable Parcels Announcement to ASX | 19 January 2017 |
| Letter to shareholders holding Unmarketable Parcels | 24 January 2017 |
| Closing Date for receipt of Share Retention Form | 5.00pm (WST) 7 March 2017 |

Attached is a copy of the letter to shareholders and share retention form which will be dispatched to all shareholders holding an Unmarketable Parcel of shares as at the Record Date.

CONTACTS

Corporate

Harry Karelis
Executive Chairman
+61 413 056 328
hkarelis@zeldatherapeutics.com

Investors

Dr Stewart Washer
Executive Director
+61 418 288 212
swasher@zeldatherapeutics.com

Media

Andrew Ramadge
Media & Capital Partners
+61 475 797 471
andrew.ramadge@mcpartners.com.au

About Zelda Therapeutics (www.zeldatherapeutics.com)

Zelda Therapeutics ("Zelda") is an Australian-based bio-pharmaceutical company that has secured exclusive, global access to an extensive set of human data related to medicinal cannabis based formulations and treatment protocols. This human data has been generated over several years by a California-based group (Aunt Zelda's) that has a very high profile within the USA and a growing international profile based upon its deep knowledge of the scientific rationale for certain cannabis-based formulations and protocols to treat a variety of medical conditions.

Zelda has been granted a worldwide, exclusive and perpetual licence to this data, related systems, formulations and treatment protocols. Zelda will use this information to design a series of human clinical trials that have a high probability of success given the existing patient data and experiences it has access to.

In addition, Zelda has partnered with the world's leading cancer cannabis researchers at Complutense University Madrid in Spain to conduct certain pre-clinical work testing cannabis-based formulations known to have an effect in humans in order to generate data packs in a form expected by regulators and the pharmaceutical industry.



Zelda Therapeutics Ltd
ACN 103 782 378
www.zeldatherapeutics.com
Level 45
108 St Georges Terrace,
Perth Western Australia 6000

19 January 2017

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

IMPORTANT NOTICE

Sale of your Unmarketable Parcel of Zelda Therapeutics Limited Shares

Dear Shareholder,

I am writing to advise you that Zelda Therapeutics Limited (ASX: ZLD or “the Company”) has established a small holding share sale facility (“Facility”) for holders of parcels of ZLD shares with a market value of less than A\$500 as at close of trade on the ASX Limited (ASX) on 16 January 2017 (“Unmarketable Parcels”).

The Company is offering the Facility to assist holders of Unmarketable Parcels to sell their shares. Holders of Unmarketable Parcels who take advantage of the Facility will have their shares sold without having to act through a broker or pay brokerage fees. The Company will also organise payment of the other costs associated with the sale and transfer (although any tax consequences from the sale of your shares will be your responsibility). The price you will receive for your shares is the volume weighted average sale price of ZLD shares sold on the ASX under the Facility.

Our records show that you held an Unmarketable Parcel of 15,151 shares or less based on the closing price on the ASX of A\$0.033 on 16 January 2017 (“Record Date”). Due to the high brokerage costs that you would normally incur in selling this number of shares and the expense to the Company associated with maintaining small shareholdings (eg. printing and mailing costs of distributing annual reports, notices of meeting and rights issue documentation together with share registry costs), the Company would like to take this opportunity to encourage you to sell your existing holding through the Facility.

Ultimately, it is your choice and you may elect to maintain your shareholding.

Unless you advise the Company that you do NOT wish to sell your shares through the Facility, within six (6) weeks from when this letter was sent, by signing and sending the attached Share Retention Form to the Company in accordance with the instructions on that Form, ZLD intends to sell your shares through the Facility. Payment will be sent to you following settlement of the sale or otherwise as soon as is practicable by cheque in Australian dollars to your address held on the register.

What should you do?

A. To retain your holding.

If you do NOT wish to sell your shares through the Facility, you must complete and return the attached Share Retention Form to the address on the form in the enclosed Reply Paid envelope so that it is

CONTACTS

Corporate
Harry Karelis
Executive Chairman
+61 413 056 328
hkarelis@zeldatherapeutics.com

Investors
Dr Stewart Washer
Executive Director
+61 418 288 212
swasher@zeldatherapeutics.com

Media
Andrew Ramadge
Media & Capital Partners
+61 475 797 471
andrew.ramadge@mcpartners.com.au

received by 5:00pm (WST) on 7 March 2017. Please read the instructions on your personalised Share Retention Form carefully before completing it.

B. To sell your shares through the Facility, you do not need to take any action.

If you do not sign and return a Share Retention Form or increase your shareholding to a marketable parcel (more than \$500) by 5.00pm (WST) on 7 March 2017, the Company will sell the number of shares set out in the enclosed form. The sale proceeds will be paid to you by cheque and will be forwarded to your address held on the register as soon as practicable following the sale and administrative process.

Zelda has appointed CPS Capital Pty Ltd to act as an execution-only broker on behalf of shareholders to effect any sales under this facility.

None of Zelda, CPS Capital Pty Ltd, or any other person involved in the facility shall be liable for failure to sell the shares or at a particular price. The price of Zelda shares is subject to change and an up-to-date price can be obtained from the ASX website (www.asx.com.au) under the code "ZLD".

Zelda Therapeutics Limited does not make any recommendation to you regarding whether to participate in the Facility. You may wish to elect to maintain your existing shareholding. If you wish to sell your shares, there are advantages in participating in the Facility compared to using a broker and vice versa. If you are in any doubt about whether to participate, please consult your legal, financial or taxation advisor.

Key Dates

| Event | Date |
|--|------------------------------|
| Unmarketable Parcels Record Date | 5.00pm (WST) 16 January 2017 |
| Unmarketable Parcels Announcement to ASX | 19 January 2017 |
| Letter to shareholders holding Unmarketable Parcels dispatched | 24 January 2017 |
| Closing Date for receipt of Share Retention Form | 5.00pm (WST) 7 March 2017 |

If you have any questions concerning the contents of this letter, please contact the Company on (08) 6558 0886 (within Australia) or +61 8 6558 0886 (outside Australia) with any questions.

Yours sincerely,

Harry Karelis
Chairman
Zelda Therapeutics Ltd



Terms and Conditions – Small Holding Share Sale Facility

1. Zelda Therapeutics Limited (the “Company”) is authorised under its constitution to operate the small holding share sale facility (“Facility”). This document, as well as the letter and Share Retention Form which accompany this document, satisfy the notice requirements set out in the Company’s constitution.
2. If you wish for the Company to have your Company shares **sold** for you with the proceeds being sent to you (without you paying any brokerage or handling charges), you **do not** need to respond to this correspondence.
3. The Company will bear the brokerage and handling costs associated with sales of Company shares under the Facility. However, you will bear any other tax or charge on the sale of your shares.
4. You can **retain** your Company shares if you wish to do so. If this is the case, **before 5.00 pm (WST) on 7 March 2017** you **must** do one of the following:
 - (a) complete the enclosed Share Retention Form and return it in accordance with the instructions on the form so that it is received by **5.00 pm (WST) on 7 March 2017**; or
 - (b) purchase additional Company shares so that your shareholding becomes a marketable parcel. For such purchases to be an effective notification to the Company that you wish to retain your shares, any additional shares must be held in the same holding as your current shares (ie. you must advise your broker to purchase the shares under the same holder number (Holder Identification Number (HIN) or Securityholder Reference Number (SRN)) that is stated on the enclosed form) and must be registered by the time referred to above. If none of those events occur before **5.00 pm (WST) on 7 March 2017**, the Company will be entitled to have your Company shares sold for you.
5. The Company is appointed to arrange sales of shares under the Facility. Any sales are currently intended to take place as soon as practicable after **5.00pm (WST) on 7 March 2017**. The shares will be sold on the Australian Securities Exchange (ASX) in the ordinary course of business (including by crossings).
6. If your shares are in a CHESS holding, the Company may, without further notice to you, initiate a holding adjustment to move those shares to an issuer sponsored holding or a certificated holding for the purposes of sale under the Facility.
7. **The price that you receive for your Company shares if they are sold under the Facility will be the volume weighted average sale price of all Company shares sold under the Facility.**
8. **You should note that the price obtained for your Company shares for the volume weighted average sale price of all Company shares sold under the Facility will depend on a number of factors (including market conditions prevailing at the time) and that you will not have control over the time at which your Company shares are sold. The price may be different to the price appearing in the newspaper or quoted by ASX on any day, and may not be the best execution price on the trading day or trading days that your shares are sold.**
9. No interest will be payable to you in relation to the proceeds of sale of your Company shares. Interest (if any) earned on such amounts deposited in the account maintained by the Company will be retained by the Company.
10. If your Company shares are sold under the Facility, within 10 business days after the settlement of the last sale under the Facility:
 - (c) sale proceeds calculated in accordance with clause 7 above will be paid to you in Australian dollars by cheque made out to your name as shown in the Company’s share register; and
 - (d) the Company will notify you, by way of a transaction confirmation statement issued on behalf of the Broker, of the number of your Company shares sold through the Facility and the total sale proceeds you have received.
 - (e) The relevant cheque and transaction confirmation statement will be sent by post, at your risk, to your address as shown on the Company’s share register.
11. In accordance with the Company’s constitution, the Facility will lapse if a takeover bid for the Company is announced before sales under the Facility are completed, although it may be started again after the close of offers made under the takeover

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:**
(within Australia) 08 6558 0886
(outside Australia) +61 8 6558 0886

ZLD

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 7 March 2017

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 Zelda Therapeutics Limited. If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your shares in Zelda Therapeutics Limited, do not complete or return this form. If you have more than one shareholding on Zelda Therapeutics Limited'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 if any of the details are incorrect.

If you have a CHESS 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 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 →



I 1111111111 I ND

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 Monday 16 January
2017:

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. 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 or see our Privacy Policy at <http://www.computershare.com/au>.