

# Appendix 4D

## 1. Company Details

Name of Entity

Zelda Therapeutics Limited (Formerly Gleneagle Gold Limited)		
ABN	Half year ended ("current period")	Half year ended ("previous period")
27 103 782 378	31 December 2016	31 December 2015

## 2. Results for announcement to the market

			AUD \$
2.1 Revenues from continuing operations	Down	96% to	11,060
2.2 Profit / (loss) from continuing operations after tax attributable to members - 31 December 2015: profit of \$158,305	Down	3,288% to	(5,047,324)
2.3 Net profit / (loss) for the period attributable to members - 31 December 2015: profit of \$158,305	Down	3,288% to	(5,047,324)
2.4 Dividends	Amount per security	Franked amount per security	
Interim dividend declared	N/A	N/A	
2.5 Record date for determining entitlements to the dividend	N/A		
2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable figures to be understood			
On 18 November 2016, the Company, the formerly named Gleneagle Gold Limited, completed its acquisition of 100% of Zelda Therapeutics Pty Ltd (Zelda) together with an AUD\$4 million capital raising (Acquisition Transaction).			

## 3. Net tangible assets per security

	31 December 2015	31 December 2016
Net tangible asset backing per ordinary security	158,306	0.005

**Note:** There was only one share issued upon incorporation on 19 August 2015.

#### 4. Details of entities over which control has been gained or lost

##### 4.1. Control gained over entities

On 18 November 2016, Zelda Therapeutics Limited (formerly Gleneagle Gold Limited) completed the acquisition of Zelda Therapeutics Pty Ltd (Zelda). Under the Australian Accounting Standards, Zelda was deemed to be the accounting acquirer in this transaction.

	31 December 16	31 December 15
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	(607,309)	158,305

##### 4.2. Control lost over entities

N/A

#### 5. Dividends

##### Individual dividends per security

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Interim dividend:</b>				
Current year	N/A	N/A	N/A	N/A
Previous year	N/A	N/A	N/A	N/A

#### 6. Dividend reinvestment plans

The dividend or distribution plans shown below are in operation.

N/A	
The last date(s) for receipt of election notices for the dividend or distribution plans.	N/A

**7. Details of associates and joint entities**

N/A

**8. Foreign entities**

N/A

**9. If the accounts are subject to audit dispute or qualification, details are described below.**

N/A

Sign here:



Date:

27 February 2017

Director

Print Name:

Harry Karelis

**Zelda Therapeutics Limited**  
**(Formerly Gleneagle Gold Limited)**

**ABN 27 103 782 378**

**Half-Year Financial Report**

**31 December 2016**

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***CORPORATE DIRECTORY***

***NON-EXECUTIVE DIRECTORS***

Harry Karelis

Dr Stewart Washer

Jason Peterson

Mara Gordon

***COMPANY SECRETARY***

Tim Slate

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***AUDITORS***

HLB Mann Judd

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***SHARE REGISTRAR***

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45 St George's Terrace

PERTH WA 6000

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***SECURITIES EXCHANGE LISTING***

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: ZLD

## DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Harry Karelis	Executive Chairman – appointed 17 November 2016
Stewart Washer	Executive Director – appointed 17 November 2016
Mara Gordon	Non-Executive Director – appointed 17 November 2016
Jason Peterson	Non-Executive Director – appointed 17 November 2016
Wayne Gregory Loxton	Non-Executive Director – resigned 17 November 2016
Ian David Love	Non-Executive Director – resigned 17 November 2016
Leon Davies	Non-Executive Director – resigned 17 November 2016

### Review of Operations

During the half year, the ended 31 December 2016, Zelda reported a net loss after tax attributable to the members of Zelda Therapeutics Limited of \$5,047,324 (31 December 2015: profit of \$158,305).

#### Half year report to 31 December 2016

##### Reverse acquisition

On 18 November 2016, the Company (Zelda Therapeutics Limited), formerly named Gleneagle Gold Limited, completed its acquisition of 100% of Zelda Therapeutics Pty Ltd (Zelda) together with an AUD\$4 million capital raising (Acquisition Transaction). The acquisition of Zelda resulted in the shareholders of Zelda obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that the Company's three directors stepped down and were replaced by Zelda's nominees.

The combination of these factors resulted in the Acquisition Transaction being treated as a reverse acquisition for accounting purposes. Consequently, the Company (the legal parent) has been accounted for as the subsidiary and Zelda (the legal subsidiary) has been accounted for as the parent entity.

Accordingly, the consolidated financial statements of Zelda Therapeutics Limited have been prepared as a continuation of the business and operations of Zelda Therapeutics Pty Ltd. As the deemed acquirer, Zelda has accounted for the acquisition of the Company from 18 November 2016. The comparative information for the period ended 31 December 2015 is that of Zelda from date of incorporation of 19 August 2015 to 31 December 2015.

#### Business performance

Zelda Therapeutics has made significant progress in its strategy to grow the business, highlighted by the following key achievements:

- ) Establishing a Medical Advisory Board with globally recognised leaders in their field
- ) Commencing a research collaboration with the prestigious Complutense University Madrid testing our formulations in a range of breast cancer models
- ) Positive results from a proof of concept study into the anti-cancer effects of its THC-rich medicinal cannabis formulation
- ) Expansion of its pre-clinical research program to include paediatric brain cancers through a partnership with prestigious Telethon Kids Institute and pancreatic cancer with Curtin University
- ) Progression of sleep trials with multiple target locations identified, discussions underway with Clinical Research Organisations (CROs) and submissions for relevant ethics approvals in progress

The principal activities of the Company is the development of novel cannabinoid-based therapies for a range of diseases.

As noted earlier in this report, the Company successfully completed the Acquisition Transaction on 18 November 2016. The Acquisition Transaction has resulted in a change in the nature of the Company's activities from a mineral exploration company to a 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.

The Company intends to dispose of its mining tenement interests during the first half of the 2017 calendar year.

Other than set out above, there were no other significant changes to the nature of the consolidated group's principal activities during the period.

#### **About the business**

Zelda Therapeutics 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.

#### **Cash flow**

The Company's cash at bank was \$3,801,367 at 31 December 2016.

#### **Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Harry Karelis  
Executive Chairman  
27 February 2017





Accountants | Business and Financial Advisers

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Zelda Therapeutics Limited (formerly Gleneagle Gold Limited) for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
27 February 2017

A handwritten signature in blue ink, appearing to read 'M R W Ohm'.

M R W Ohm  
Partner

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Notes	31 December 2016 \$	August 2015 - 31 December 2015 \$
<b>Continuing operations</b>			
Other income		-	250,000
Interest income		11,060	284
Compliance and regulatory expenses		(4,250)	-
Consultants and professional fees		(155,054)	(11,154)
Administration		(26,685)	(30,775)
Directors' fees		(193,000)	(50,000)
Travel and accommodation expense		(39,964)	-
Share based payments	4	(824,162)	-
Research consultancy fees		(82,639)	-
Transaction related costs	2	(3,700,102)	-
Other expenses		(31,371)	-
Foreign exchange loss		(1,157)	(50)
<b>(Loss) / profit before income tax</b>		<b>(5,047,324)</b>	<b>158,305</b>
Income tax expense		-	-
<b>Net (loss) / profit for the period</b>		<b>(5,047,324)</b>	<b>158,305</b>
<b>Other comprehensive income</b>		-	-
<b>Other comprehensive income for the period, net of tax</b>		-	-
<b>Total comprehensive (loss) / profit for the period</b>		<b>(5,047,324)</b>	<b>158,305</b>
Basic (loss) / earnings per share (cents per share)		<b>(1.78)</b>	<b>0.10</b>

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	Notes	31 December 2016 \$	30 June 2016 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		3,801,367	722,064
Trade and other receivables		106,386	98,267
<b>Total Current Assets</b>		<b>3,907,753</b>	<b>820,331</b>
<b>Total Assets</b>		<b>3,907,753</b>	<b>820,331</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		365,566	44,758
Borrowings		211,070	1,000,000
<b>Total Current Liabilities</b>		<b>576,636</b>	<b>1,044,758</b>
<b>Total Liabilities</b>		<b>576,636</b>	<b>1,044,758</b>
<b>Net Assets / (Liabilities)</b>		<b>3,331,117</b>	<b>(224,427)</b>
<b>Equity</b>			
Issued capital	3	8,174,707	1
Share based payments reserve		428,162	-
Accumulated losses		(5,271,752)	(224,428)
<b>Total Equity</b>		<b>3,331,117</b>	<b>(224,427)</b>

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Issued Capital	Retained Earnings / (Accumulated Losses)	Share Based Payments Reserve	Total Equity
	\$	\$	\$	\$
<b>Balance at incorporation</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
Profit / (Loss) for the period	-	158,305	-	158,305
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>158,305</b>	<b>-</b>	<b>158,305</b>
<b>Balance at 31 December 2015</b>	<b>1</b>	<b>158,305</b>		<b>158,306</b>
<b>Balance at 1 July 2016</b>	<b>1</b>	<b>(224,428)</b>	<b>-</b>	<b>(224,427)</b>
Loss for the period	-	(5,047,324)	-	(5,047,324)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(5,047,324)</b>	<b>-</b>	<b>(5,047,324)</b>
Shares issued to acquire subsidiary	3,015,692	-	-	3,015,692
Shares issued under Prospectus	4,000,000	-	-	4,000,000
Shares issued to convertible noteholders	1,050,000	-	-	1,050,000
Transfer of issued convertible notes to equity	(50,000)	-	-	(50,000)
Shares issued to consultants	400,000	-	-	400,000
Options issued to parties related to the acquisition	-	-	428,162	428,162
Transaction costs relating to issue of shares	(240,985)	-	-	(240,985)
<b>Balance at 31 December 2016</b>	<b>8,174,707</b>	<b>(5,271,752)</b>	<b>428,162</b>	<b>3,331,117</b>

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	31 December 2016	31 December 2015
	\$	\$
	Inflows/(Outflows)	
<b>Cash flows from operating activities</b>		
Option fee income received	-	250,000
Payments to suppliers	(658,442)	(90,676)
Interest received	3,492	284
Net cash (used in) / from operating activities	(654,950)	159,608
<b>Cash flows from investing activities</b>		
Payments for research	(90,143)	-
Payments for exploration and evaluation expenditure	(4,192)	-
Cash acquired on acquisition of Gleneagle Gold Ltd	34,083	-
Payments for borrowings made to related companies	31,790	-
Net cash (used in) investing activities	(28,462)	-
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	4,000,000	1
Issue costs associated with issue of shares	(240,985)	-
Proceeds from issue of options	3,700	-
Proceeds received in relation to convertible note issue	-	250,000
Net cash from financing activities	3,762,715	250,001
Net increase in cash held	3,079,303	409,609
Cash and cash equivalents at the beginning of the period	722,064	-
<b>Cash and cash equivalents at the end of the period</b>	<b>3,801,367</b>	<b>409,609</b>

The accompanying notes form part of these financial statements

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Statement of compliance**

These half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Zelda Therapeutics Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period.

#### **Basis of preparation**

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

#### **Going Concern**

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's assets and the discharge of its liabilities in the normal course of business.

#### **Reverse Acquisition**

On 18 November 2016 Zelda Therapeutics Limited (formerly Gleneagle Gold Limited) completed the acquisition of Zelda Therapeutics Pty Ltd (Zelda). For accounting purposes, the acquisition of Zelda by the Company has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "Business Combinations" notwithstanding that the Company is the legal parent of the Group. At acquisition date, the net assets of Zelda are recorded at their book value and the Company are recorded at fair value. The acquisition has been accounted for as a share based payment by which Zelda acquires the net assets and listing status of Zelda Therapeutics Limited.

Accordingly, the consolidated financial statements of Zelda Therapeutics Limited have been prepared as a continuation of the business and operations of Zelda. As the deemed acquirer, Zelda has accounted for the acquisition of Zelda Therapeutics Limited from 18 November 2016. The comparative information for the period ended 31 December 2015 is that of Zelda from date of incorporation of 19 August 2015 to 31 December 2015. Refer to note 2 for further details of the transaction.

The implications of the acquisition by Zelda on the financial statements are as follows:

#### **a) *Statement of Profit or Loss and Other Comprehensive Income***

- The statement of profit or loss and other comprehensive income comprises the total comprehensive income for Zelda for the period ended 31 December 2016 and Zelda Therapeutics Limited over the period since acquisition to 31 December 2016.
- The statement of profit or loss and other comprehensive income comparatives comprises the period from incorporation of 19 August 2015 to 31 December 2015 for Zelda.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

**b) Statement of Financial Position**

- The statement of financial position as at 31 December 2016 represents the combined Zelda Therapeutics Group.
- The statement of financial position comparative represents Zelda only as at 30 June 2016.

**c) Statement of Changes in Equity**

- The statement of changes in equity comprises:
  - The equity balances of Zelda as at the beginning of the financial year (1 July 2016).
  - The total comprehensive income for the financial year and transactions with equity holders, being 6 months for Zelda for the period ended 31 December 2016 and the period from 18 November 2016 until 31 December 2016 for the combined Zelda Therapeutics Group.
  - The equity balances of the combined Zelda and Zelda Therapeutics Limited at the end of the financial half-year (31 December 2016).
  - The statement of changes in equity comprises the financial half-year for Zelda for the 6 months ended 31 December 2015.

**d) Statement of Cash Flows**

- The statement of cash flows comprises:
  - The cash balance of Zelda at the beginning of the financial period (1 July 2016).
  - The transactions for the financial half-year for the 6 months from Zelda for the period ended 31 December 2016 and the period from 18 November 2016 until 31 December 2016 for Zelda Therapeutics Limited.
  - The cash balance of the combined Zelda and Zelda Therapeutics Limited the end of the period (31 December 2016).
  - The statement of cash flows comparatives comprises the financial half year of Zelda for the half-year ended 31 December 2015.

**e) Equity Structure**

The equity structure (the number and type of equity instruments issued) in the financial statements reflects the consolidated equity structure of Zelda and Zelda Therapeutics Limited. The comparatives reflect the equity structure of Zelda.

**f) Earnings Per Share**

The weighted average number of shares outstanding for the period ended 31 December 2016 is based on the weighted average number of shares of Zelda Therapeutics Limited outstanding in the period following the acquisition. The comparative weighted average number of shares are based on the weighted average shares outstanding on Zelda multiplied by the exchange ratio in the acquisition agreement.

### Significant accounting judgments and key estimates

The preparation of half-year financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2016.

### Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2016, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2016.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2017.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to Group accounting policies.

### NOTE 2: REVERSE ACQUISITION ACCOUNTING

On 18 November 2016, Zelda Therapeutics Limited (formerly Gleneagle Gold Limited) completed the acquisition of Zelda Therapeutics Pty Ltd (Zelda). Under Australian Accounting Standards Zelda was deemed to be the accounting acquirer in this transaction.

The acquisition has been accounted for as a share based payment by which Zelda acquires the net assets and listing status of Zelda Therapeutics Limited. At acquisition date, the net assets of Zelda Therapeutics Ltd are recorded at their book value and the company are recorded at fair value. The acquisition has been accounted for as a share based payment by which Zelda acquires the net assets and listing status of Zelda Therapeutics Limited.

#### **(a) Deemed Consideration**

The purchase consideration was the issue of 320,000,000 shares in Zelda Therapeutics Limited (legal parent) to the shareholders of Zelda.

#### **(b) Other equity issues**

Zelda Therapeutics Limited also issued a total of 16,000,000 Shares and 23,000,000 options to acquire shares at a price equal to the issue price under the Capital Raising on or before the date that is 5 years after the date of the issue (Options) in consideration for professional services provided to Zelda Therapeutics Ltd in connection with the Acquisition. The Shares were deemed to have a value of \$400,000 and Options issued were deemed to have a total value of \$243,893.

Zelda Therapeutics Limited also issued a total of 17,000,000 Options in consideration for past and future services to be provided to Zelda Therapeutics Ltd. The Options issued were deemed to have a total value of \$180,269.

The pre-combination carrying amounts of the assets and liabilities of the company as at acquisition date (being 18 November 2016) were as follows: -

	\$
Cash and cash equivalents	34,083
Trade and other receivables	8,125
Total assets	<u>42,208</u>
Trade and other payables	350,549
Borrowings	211,070
Total liabilities	<u>561,619</u>
Net liabilities	<u>(519,411)</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

### NOTE 2: REVERSE ACQUISITION ACCOUNTING (CONT)

#### *Listing Expense*

	\$
Deemed consideration	3,015,692
Add: Net liabilities of Zelda Therapeutics Limited	519,411
Add: Other transaction costs	164,999
Total Zelda Therapeutics Limited listing expense	<u>3,700,102</u>

### NOTE 3: ISSUED CAPITAL

	Six months to 31 December 2016 \$	Year to 30 June 2016 \$
<i>Ordinary shares</i>		
Issued and fully paid	<u>8,174,707</u>	<u>1</u>

	Six months to 31 December 2016 No.	Year to 30 June 2016 No.	Six months to 31 December 2016 \$	Year to 30 June 2016 \$
<i>Movements in ordinary shares on issue</i>				
At start of period	100,449,102	-	1	-
Issue of shares for cash	-	-	-	1
Issue of shares to MJ Life Science Pty Ltd shareholders and Founding Director	-	100,449,102	-	-
Zelda Therapeutics Limited shares on issue at acquisition date	120,627,649	-	16,307,505	-
Elimination of historical value of Zelda Therapeutics Limited	-	-	(16,307,505)	-
Elimination of historical shares of Zelda Pty Ltd	(100,449,102)	-	-	-
Shares issued to vendors	320,000,000	-	3,015,692	-
Shares issued under Prospectus	160,000,000	-	4,000,000	-
Shares issued to convertible noteholders	52,500,000	-	1,050,000	-
Shares issued to consultants	16,000,000	-	400,000	-
Share issue expenses	-	-	(290,985)	-
At end of period	<u>669,127,649</u>	<u>100,449,102</u>	<u>8,174,707</u>	<u>1</u>

### NOTE 4: OPTIONS

The following share-based payment arrangements were entered into during the half-year:

Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date	Vesting date
40,000,000	18 November 16	17 November 2021	\$0.03125	\$0.0106	Held in escrow for 24 months from reinstatement to official quotation.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

### **NOTE 4: OPTIONS (CONT)**

The fair value of the equity-settled options granted is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which they were granted.

Expected volatility (%)	80
Risk-free interest rate (%)	2
Expected life of option (years)	5
Exercise price (cents)	3.125
Grant date share price	2.5

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

### **NOTE 5: SEGMENT REPORTING**

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

During the half-year ended 31 December 2016, the Company only operated in one segment, being conducting research with medicinal cannabis.

Where applicable, corporate costs, finance costs, interest revenue and foreign currency gains and losses are not allocated to segments as they are not considered part of the core operations of the segments and are managed on a group basis.

### **NOTE 6: CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

### **NOTE 7: RELATED PARTY TRANSACTIONS**

There are no related party transactions requiring disclosure since the last annual reporting date.

### **NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to period end, on 19 January 2017, the Company announced it would carry out 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. This represented 1,936,134 ordinary shares, held by 891 shareholders.

Furthermore, of 6 February 2017, the Company has issued a total of 8,000,000 Employee Share Option Plan (ESOP) Options pursuant to the ESOP to the members of its Medical Advisory Board, or their nominees.

Other than the events disclosed above, there are no events subsequent to the reporting date that require disclosure.

**DIRECTORS' DECLARATION**

In the opinion of the directors of Zelda Therapeutics Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Harry Karelis

Executive Chairman



27 February 2017



## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Zelda Therapeutics Limited (formerly Gleneagle Gold Limited)

### **Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Zelda Therapeutics Limited (formerly Gleneagle Gold Limited) ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Zelda Therapeutics Limited (formerly Gleneagle Gold Limited) is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

A handwritten signature in blue ink, appearing to read 'M R W Ohm'.

**M R W Ohm**  
**Partner**

**Perth, Western Australia**  
**27 February 2017**