



ASX Release

27 March 2017

ZELDA THERAPEUTICS LIMITED
ACN 103 782 378

Level 45
108 St Georges Terrace,
Perth Western Australia 6000
Tel: +61 8 6558 0886
Fax: +61 8 6316 3337
E: enquiries@zeldatherapeutics.com
Web: www.zeldatherapeutics.com

Contacts

Corporate

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

Investors

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

Directors

Mr Harry Karelis
Dr Stewart Washer
Ms Mara Gordon
Mr Jason Peterson

ASX Code:

ZLD

Ordinary Shares:

669,127,649

Options:

48,000,000

6,000,000 (\$0.04 - 6/2/2020 -
subject to vesting conditions)
2,000,000 (\$0.04 - 6/2/2020)
40,000,000 (\$0.03125-17/11/2021)

Zelda Therapeutics Enters Strategic Partnership with Animal Health Company, CannPal

-) **Zelda Therapeutics executes a binding term sheet with CannPal to assist in the development of opportunities in the animal health market utilising cannabinoid-based treatments**
-) **Zelda to be granted first rights for human applications over any data generated in CannPal's veterinary trials, substantially increasing Zelda's treatment pipeline.**
-) **Leverages the knowledge, relationships and expertise of Zelda in a non-dilutive relationship**
-) **Zelda to be granted options over 10% of CannPal**
-) **CannPal is aiming to list on the ASX in the latter part of 2017**

The Board of **Zelda Therapeutics Ltd (ASX: ZLD, Zelda or the Company)** is pleased to announce it has executed a Binding Term Sheet (Agreement) entering into a strategic partnership with CannPal Pty Ltd (CannPal), an Australian company focused on developing cannabis based prescription and non-prescription medicines, and animal feed nutrition for the emerging global pet pharmaceutical market. The Agreement is to promote and encourage collaborative activity to improve the offerings of both CannPal and Zelda and exploit opportunities of mutual interest in both the human and animal pharmaceutical markets.

Zelda will be issued options over 10% of fully diluted issued capital in CannPal. CannPal is aiming to list on the Australian Securities Exchange (ASX) in the latter part of 2017, providing Zelda with meaningful exposure to the large and growing animal health market. **This Agreement is strategic in nature and no cash payments from either party will be made.**

In exchange, Zelda Therapeutics will grant CannPal access to certain data owned by Zelda including pre-clinical research protocols, formula innovation, and clinical trial designs. Zelda will also grant CannPal access to its intellectual property portfolio, provide technical assistance through its world class advisory board and technical personnel, and introduce Cannpal to its global network of relationships. CannPal will also be granted first rights for the animal market over any data generated in Zelda's human trials.

This Agreement opens up new opportunities for Zelda, in particular exposure to a potentially very large market for alternative animal therapies, and access to a pipeline of new medicines being developed for the animal market, which Zelda will have the first rights to pursue commercialisation within the human market.

Zelda Therapeutics continues to strive towards its core business focus of producing cannabis based therapies for humans. This new Agreement will assist Zelda to deliver on this and provides further opportunity to potentially expand Zelda's current research focus areas and also capitalise on the pet pharmaceutical market.

Harry Karelis, Executive Chairman said *“The CannPal partnership brings exciting opportunities, it effectively outsources Zelda’s animal studies while retaining our focus on human studies for a zero cost. It also provides Zelda with exposure to pet pharmaceuticals, a whole new market segment which is growing at rapid pace. There are tremendous opportunities in the rapidly expanding global medical cannabis sector and this strategic partnership reaffirms Zelda’s position as a leader in the field of cannabis based medicines”.*

Layton Mills, Managing Director of CannPal said *“We established CannPal with a mission of being a science-driven pet pharmaceutical company that can provide a new standard of care in animal health. As a start-up company we recognise speed is critical and we believe the global networks, profile and reputation of the Zelda team are incredibly valuable to our future development”.*

DISCLOSURE:

The Company would like to disclose that Mr Harry Karelis is a founding shareholder in CannPal Pty Ltd and currently holds a stake of approximately 13.9%. Mr Karelis is not and has never been a director of CannPal and he will not receive any financial benefit as a result of Zelda and CannPal entering into this partnership.

The Company would like to disclose that Ms Mara Gordon has agreed to be a member of the CannPal advisory board and will be entitled to remuneration comprising cash and options on arms-length commercial terms for serving as a member of the CannPal advisory board.

**Tim Slate
Company Secretary**

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 embarked on a programme of human clinical trials initially in sleep disorder (insomnia) and eczema indications.

In addition, Zelda is building a pre-clinical research portfolio targeting cancer. It 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. A similar programme is in place with the Australian Telethon Kids Institute targeting paediatric brain cancer and Curtin University targeting pancreatic cancer.

About CannPal (www.cannpal.com.au)

CannPal is an Australian pet pharmaceutical company founded in 2016 by a team of experienced fast moving consumer goods (FMCG), medicinal cannabis and veterinary executives to use data driven, cannabinoid research to produce novel, first-in-class, therapeutic pet products for emerging global pet pharmaceutical markets. Focusing on animal conditions such as wound healing, osteosarcoma pain, appetite stimulation, otitis externa, periodontal disease, anxiety, osteoarthritis and atopic dermatitis, the company has a strong activity pipeline planned over the next two years and has already developed a lead drug candidate for bone cancer induced pain which has been granted a fee waver by the FDA.

The company has its head office in Canberra and is expected to list on the Australian Stock Exchange in the second half of 2017.