



CROWD-SOURCED FUNDING OFFER DOCUMENT

16 January 2020

TETRAMED LIMITED

Crowd-sourced funding offer document

dated 16 January 2020

Offer of fully-paid ordinary shares in TetraMed Limited at \$0.16 per share to raise a maximum of \$1,050,000

This crowd-sourced funding offer document relates to the Offer of fully-paid ordinary shares in TetraMed Limited. This Offer is made under the crowd-sourced funding regime in Part 6D.3A of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Issuer

TetraMed Limited, ACN 624 099 038

Intermediary

On-Market Bookbuilds Pty Ltd, AFSL 421535

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Section 1: Risk warning



Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.



Section 2: Information about the Company

2.1: Letter from the CEO

Dear Investor,

On behalf of the Board, it is with great pleasure that I invite you to become a shareholder of TetraMed.

It is interesting to think how far we have come from the recent criminalised history of cannabis to now. Globally, there is an increasing trend towards legalising its use for medicinal purposes. I have had the pleasure to speak to people within the industry about TetraMed's business plan and our commercial plans for growing and processing medicinal cannabis out of Africa and selling to the world. There is no doubt that the global cannabis opportunity captures interest. Here in Australia, cannabis has only been legal for medicinal use since late 2016, and since that time we have seen an industry spring to life.

Australia was not the first to legalise cannabis for medicinal use, with Canada for example having some form of medicinal cannabis legislation in place for over a decade. It is this globalisation that is the most exciting for us here at TetraMed.

Though like with any burgeoning industry, there have been growing pains. The growing demand for medicinal cannabis and lack of supply has resulted in patients incurring significant costs to purchase cannabinoid medicines. TetraMed intends to help solve this problem by providing the pharmaceutical industry with high quality, low-cost medicinal cannabis.

We aim to achieve this through our lower capital and operating cost structure by growing, extracting, processing, and manufacturing in our facility in Lesotho, one of the world's best regions for cannabis cultivation. This will reduce the cost of manufacturing cannabinoid medicines, with this savings anticipated to be passed onto patients, while also ensuring that the product is of the highest international standards.

We are pleased to advise that our initial production capacity of 4 tonnes of medicinal cannabis flower will be sold into the European market through a signed supply agreement. We are also in the process of developing our own cannabinoid medicine into an compressed tablet and dissolvable tablet form. Current cannabinoid medicines are in the raw form of cannabis such as dry flower or an oil, requiring patients to measure each dose.

We are excited to undertake this CSF Offer to allow retail investors to invest at the early stage of what we believe is a huge global opportunity for TetraMed. We have previously raised over \$3.1 million and are currently undertaking a Wholesale Offer at the same offer price as the CSF Offer. Following the completion of these capital raisings TetraMed intends to prepare for a listing on a stock exchange this year, subject to prevailing market conditions.

Please also consider the risks involved in building this new business as detailed in Section 2.9. We hope you join TetraMed as an investor and help us build a vertically integrated medicinal cannabis business.

Sincerely,

Vincenzo Falbo
CEO, TetraMed Limited

2.2: Company Details

This Offer of Shares is made by TetraMed Limited ACN 624 099 038 (the **Company** or **TetraMed**).
TetraMed was incorporated on 30 January 2018 and converted to a public company on 5 March 2019.

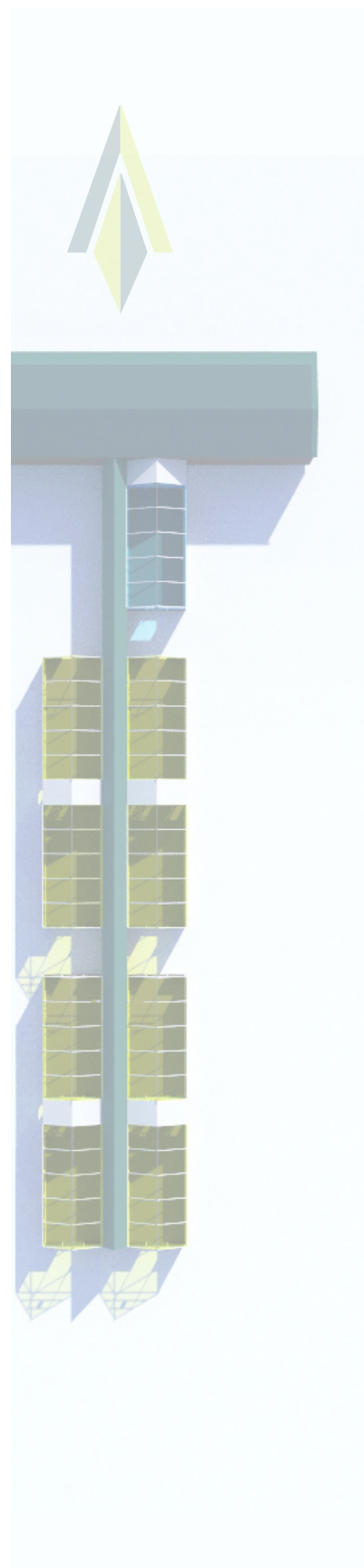
Company Details

Company name	TetraMed Limited
ACN	624 099 038
Offer type	Crowd-sourced funding
Offer date	16 January 2020 – 20 February 2020
Offer details	Offer of fully-paid ordinary shares in TetraMed Limited at \$0.16 per share to raise a maximum of \$1,050,000
Registered office and principal place of business	TetraMed Limited Suite 90, 50 St Georges Terrace Perth Western Australia 6000
Directors	Vincenzo Falbo Nicholas Fiori Lawrence Kirton
Related companies	Anifamix (Pty) Ltd (Lesotho Company Number 2012/0899) ASEAN Capital Advisors Limited (Hong Kong Company Number 2561333) Heliochem Pty Ltd (ACN 628 481 756) Medi-Kingdom Limited (Lesotho Company Number 55974) Sothocann Development (Pty) Ltd (Lesotho Company Number 63558)
Intermediary	On-Market Bookbuilds Pty Ltd, ABN 31 140 632 024, AFSL 421535, trading as OnMarket (OnMarket or the Intermediary)
Registry	Automic Pty Ltd Level 2 267 St Georges Terrace Perth WA 6000
Company website	www.tetramed.com.au

*The CSF Offer is part of a broader capital raise from sophisticated and professional investors at the same issue price.

2.3: Investment Highlights

- **A vertically integrated medicinal cannabis business**, developing cannabinoid medicine in a tablet form, providing patients with a familiar method to administer their medication.
- The business model is designed to have **significantly lower production costs** than its Canadian and Australian peers.
- Growing and processing will be undertaken in Lesotho, one of the best regions globally due to its **ideal growing conditions** for cannabis, **favourable regulations**, **low labour costs** and **supportive infrastructure**.
- TetraMed has been granted **two licenses in Lesotho** that collectively allow the cultivation of medicinal cannabis over an **area of 60,000m²**.
- **20-year low-cost lease** for a 400,000m² property in the capital of Lesotho with **on-site water** and **electricity**, providing capacity to scale up the operation.
- Capital efficient, **modular production facility** designed to mitigate cultivation risks and **allow product customisation**.
- Phase 1, 25 week build time, with an **initial production capacity of 4 tonnes** of dry medicinal cannabis flower, with a **planned expansion to 12 tonnes** by the end of 2020.
- **Test export** to Canada from R&D cultivation site **successfully completed**.
- **First harvest and revenue expected Q3 2020**, with harvesting to continue on a weekly basis.
- **\$3.1 million has been raised** from investors to date, with an intention to list on the ASX in early 2020. A Wholesale Offer at the same offer price as the CSF Offer is currently being undertaken.
- Initial 4 tonne production capacity has been contracted for sale into Europe through a **supply agreement**.



2.4.1 Overview

Progress to Date



Land and Licence

- Secured 400,000m² property through a 20-year lease.
- Received two medicinal cannabis Licences which cover all production activities, including export.



Capital Raising

- \$3.1 million raised to date.



Supply Agreement

- All initial production has been contracted for sale into Europe.
- Supply agreement discussions with Australian pharmaceutical companies.
- First company to export medicinal cannabis out of Africa.



Site Preparation Progress

- Civil works commenced.
- Water boreholes drilled.
- Existing offices and storage buildings being fitted out.



Greenhouse & Site Plan

- Designed state-of-the-art modular Production Facility complete.



Rights to Medicine

- Global rights to a proprietary cannabinoid formulation.
- Laboratory program designed to develop a cannabinoid tablet & dissolvable tablet.

2.4: Introduction

2.4.1 Overview

TetraMed is seeking to become a vertically integrated medicinal cannabis business, by cultivating and extracting cannabis in Lesotho, then manufacturing and distributing cannabinoid medicines for therapeutic administration.

TetraMed intends to produce a cannabinoid medicine in a standardised dosage form. In mid-2019 TetraMed obtained the rights to a medicinal cannabis formulation. The rationale for obtaining these rights is to reduce the time and risks associated with product development and accelerate the pathway to market. The formulation will be used to produce a cannabinoid medicine in a standardised form. If successful, this medicine will be provided to pharmaceutical companies who will distribute it globally.

TetraMed acquired two Lesotho registered companies in early to mid-2019. Each company has been issued a prohibited drug operator licence (collectively the **Licences**) by the government of Lesotho in accordance with the *Drugs of Abuse Act 2008* (Lesotho) (**Drugs of Abuse Act**).

Lesotho was the first nation in Africa to issue licenses to produce medicinal cannabis. It is fully compliant with international drug control treaties and the International Narcotics Control Board (**INCB**). Lesotho's Drugs of Abuse Act legalised the production of cannabis under licence. Regulations to govern the sector were developed in 2018.

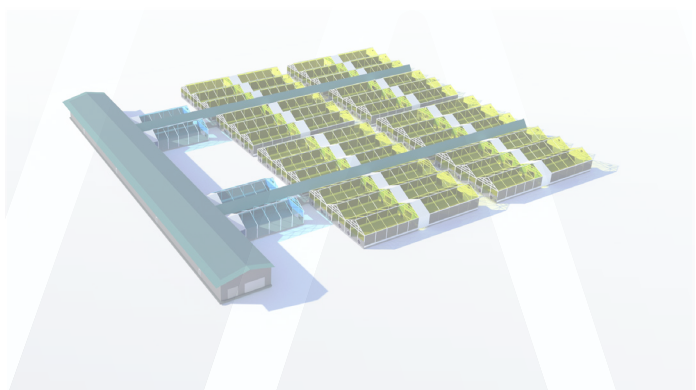
The Licences allow TetraMed:

- To cultivate, manufacture, supply or distribute, store, export, import and transit cannabis and resin for medicinal and scientific use within, into and outside of Lesotho;
- An initial term of up to 10 years with rolling annual renewals; and
- To collectively cultivate an area of 60,000m².

TetraMed has secured a 20-year lease from Lesotho's Ministry of Agriculture and Food Security for a 400,000m² property at an annual cost of US\$10,000 in the capital of Lesotho. TetraMed is now in the process of constructing its modular production facility (**Production Facility**) at this property.

From the Production Facility, cannabis material (such as resins, oils, active pharmaceutical ingredients (**API**), and other related products) will be cultivated and processed to supply its own manufacturing activities.

Cannabis materials will also be sold to pharmaceutical companies. TetraMed has entered into a supply agreement to sell medicinal cannabis into the European market. Additionally, TetraMed is also in advanced discussions with pharmaceutical companies in Australia for the supply of medicinal cannabis products.



2.4: Introduction

2.4.2 Medicinal Cannabis

Cannabis is a herbaceous flowering plant that has historically been used for medicinal, recreational and industrial purposes.

Cannabis flower refers to the flowering or fruiting tops of the cannabis plant (excluding the seeds and leaves when not accompanied by the tops), from which resin has not been extracted¹. Medicinal cannabis refers to a cannabis product which is administered with the aim to aid with or alleviate the symptoms of a disease, ailment or injury. This may be in the form of a regulated or non-regulated pharmaceutical product.

There are three main species of cannabis:

- *Cannabis indica*;
- *Cannabis sativa*; and
- *Cannabis ruderalis*.

Medicinal cannabis primarily involves the use of *Cannabis sativa* and *Cannabis indica* (or a hybrid of these two). Each species has distinct physical attributes, growth patterns and contains varying amounts of useful secondary metabolites, such as cannabinoids. Cannabinoids are chemical compounds that act on cannabinoid receptors found throughout the human body: nervous system, internal organs, connective tissues, glands and immune cells, collectively referred to as the endocannabinoid (**eCB**) system.

The eCB system has a homeostatic role, having been characterised as “eat, sleep, relax, forget, and protect.”² It is known that eCBs have a role in the pathology of many disorders while also serving a protective function in certain medical conditions³. The eCB system is involved in the regulation of many physiological processes including pain, mood and appetite⁴.

The two main cannabinoids contained within the cannabis flowers that interact with the eCB are tetrahydrocannabinol (**THC**) and cannabidiol (**CBD**)⁵. THC is responsible for the psychoactive properties of the cannabis plant, while CBD is a non-psychoactive compound that has physical effects on the human body⁶. Formulating differing ratios of THC and CBD in medicinal cannabis products creates the potential for a variety of medical applications in humans. In addition to THC and CBD, cannabis plants contain hundreds of other minor cannabinoids that play an important role in the medical application of cannabis⁷. These cannabinoids can act in concert with THC and CBD, in what is called the entourage effect⁸.

Applications for Medicinal Cannabis

Australia’s Therapeutic Goods Administration (**TGA**) provides guidance for the use of medicinal cannabis in the treatment of various diseases and conditions. These include:

- chronic pain;
- palliative care;
- epilepsy;
- management of nausea; and
- multiple sclerosis.

Further information on medicinal cannabis treating these conditions can be obtained from the TGA website (<https://www.tga.gov.au/medicinal-cannabis-guidance-documents>).

¹ Single Convention on Narcotic Drugs, New York, 30 March 1961, United Nations Treaty Series, vol. 520, No. 7515, p. 151, available from treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=VI-15&chapter=6

² McPartland JM, Duncan M, Di Marzo V, et al. Are cannabidiol and Δ9-tetrahydrocannabivarin negative modulators of the endocannabinoid system? A systematic review. *Br J Pharmacol*. 2014;172:737–753.

³ Kaur R, Ambwani SR, Singh S. Endocannabinoid system: A multifacet therapeutic target. *Curr Clin Pharmacol* 2016;11:110–117.

⁴ Bridgeman, M. B., & Abazia, D. T. (2017). Medicinal Cannabis: History, Pharmacology, And Implications for the Acute Care Setting. *P & T : a peer-reviewed journal for formulary management*, 42(3), 180–188, available from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5312634/pdf/ptj4203180.pdf>

⁵ El-Alfy, A. T., Ivey, K., Robinson, K., Ahmed, S., Radwan, M., Slade, D., & Ross, S. (2010). Antidepressant-like effect of delta9-tetrahydrocannabinol and other cannabinoids isolated from Cannabis sativa L. *Pharmacology, biochemistry, and behavior*, 95(4), 434–442. doi:10.1016/j.pbb.2010.03.004

⁶ Grant, I., Atkinson, J. H., Gouaux, B., & Wilsey, B. (2012). Medical marijuana: clearing away the smoke. *The open neurology journal*, 6, 18–25. doi:10.2174/1874205X01206010018

⁷ Radwan, M. M., Elsohly, M. A., Slade, D., Ahmed, S. A., Khan, I. A., & Ross, S. A. (2009). Biologically active cannabinoids from high-potency Cannabis sativa. *Journal of natural products*, 72(5), 906–911. doi:10.1021/np900067k

⁸ Russo E. B. (2019). The Case for the Entourage Effect and Conventional Breeding of Clinical Cannabis: No “Strain,” No Gain. *Frontiers in plant science*, 9, 1969. doi:10.3389/fpls.2018.01969

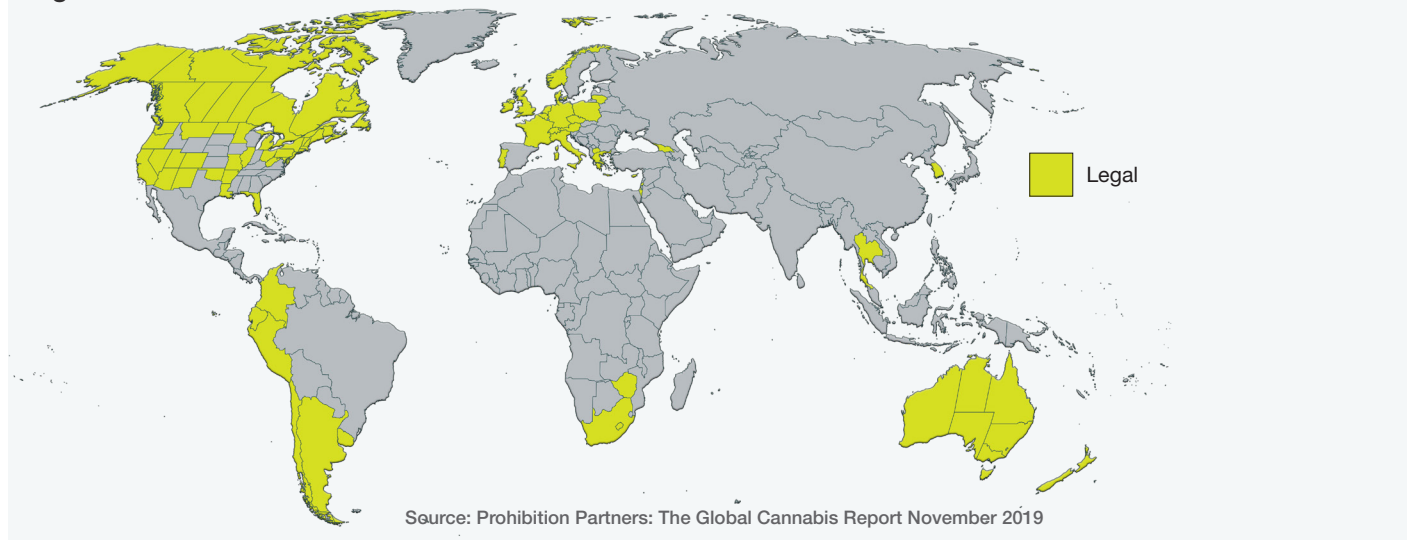
2.4: Introduction

2.4.3: Market Opportunity

Market Size

Demand for medicinal cannabis and cannabinoid medicines is increasing due to its medical applications and the number of countries that have legalised medicinal cannabis continues to grow.

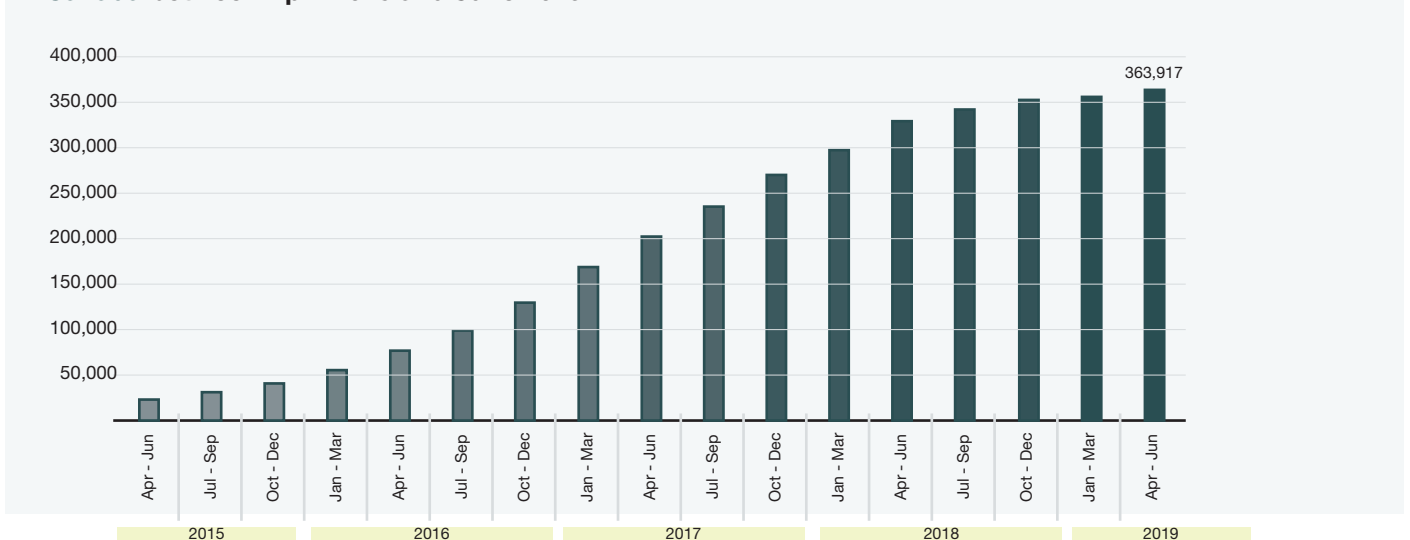
Legalised for medicinal use



The medicinal cannabis industry is estimated to have reached a total value of over \$2.24 billion in Canada⁹ alone and is expected to rapidly expand to a global value of \$27 billion by 2027¹⁰.

Canada is the most established market in the world for medicinal cannabis with over 10 years of legalised use. During this time the Canadian patient count has grown rapidly.

Quarterly number of medicinal cannabis patients registered in Canada between April 2015 and June 2019¹¹



⁹ Mikuli, M. (9 August 2019). Canada's predicted medical marijuana market size 2014-2025. Retrieved from <https://www.statista.com/statistics/587568/estimated-medical-marijuana-market-size-canada/>

¹⁰ Pellechia, T (1 March 2018). Legal Cannabis Industry Poised For Big Growth, In North America And Around The World. Retrieved from <https://www.forbes.com/sites/thomaspellechia/2018/03/01/double-digit-billions-puts-north-america-in-the-worldwide-cannabis-market-lead/>

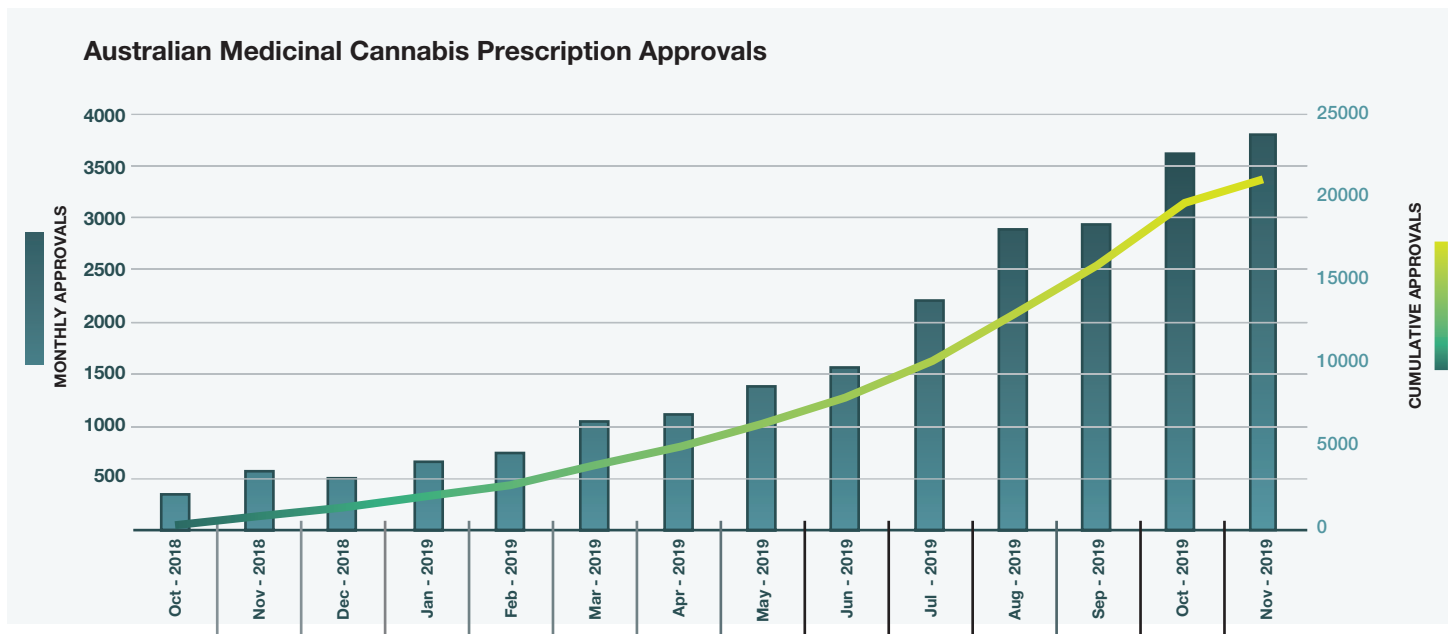
¹¹ Mikuli, M. (18 September 2019). Number of Canadian registered medical marijuana patients by quarter 2015-2019. Retrieved from <https://www.statista.com/statistics/603356/canadian-medical-marijuana-clients-registered-by-quarter/>

¹² TGA, Access to medicinal cannabis products, accessed from <https://www.tga.gov.au/access-medicinal-cannabis-products-1>

2.4: Introduction

2.4.3: Market Opportunity

Australia is experiencing a similar trend in the growth of patients. Statistics from the TGA show there have been over 19,000 approvals for medicinal cannabis prescriptions as of November 2019¹².



Source: <https://www.tga.gov.au/access-medicinal-cannabis-products-1>

Estimated Medicinal Cannabis Patients in Germany

Germany legalised medicinal cannabis in 2017. The medical cannabis market in Germany was estimated to be worth €73.7 million in 2018 and is predicted to grow to be worth €7.7 billion by 2028¹³.

By Q1 of 2019 there were approximately 60,000 patients using cannabis medicines in Germany and around 142,000 prescriptions has been issued in 2018¹⁴.

It is estimated by 2024 over a million German patients will be accessing medical cannabis.¹³

Existing Cannabinoid Medicines

Existing cannabinoid medicines on the market are provided in the naturally occurring form of medicinal cannabis, such as dry flower and oils. These medicines are largely dependent on patients self-dosing, which increases the chances for error and potentially results in fluctuations of the cannabinoid levels in each dose. Dry flower and oils may result in inconsistent levels of cannabinoids as it is dependent on the condition of the raw material. These medicines may also be at risk of degrading in quality once the medicine is exposed external elements such as the air.

¹³ Prohibition Partners (2019 October 14). The Germany Cannabis Report October 2019.

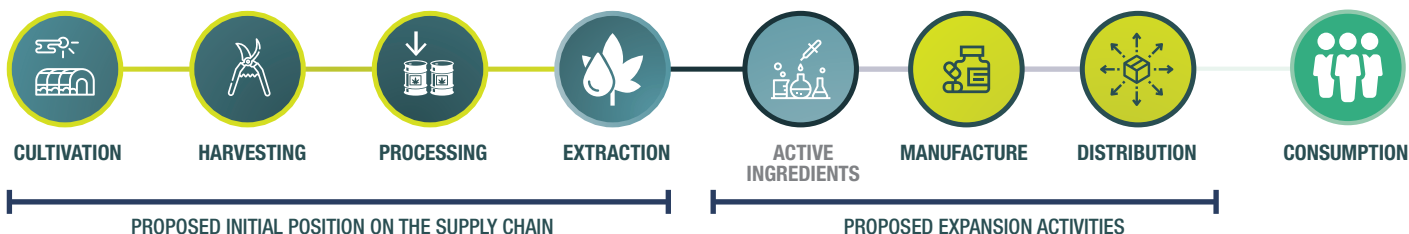
¹⁴ The Local Europe AB (2019, March 8). Two years since legalization, patients in Germany still face hurdles accessing medical marijuana. Retrieved from <https://www.thelocal.de/20190308/two-years-since-legalization-germans-still-face-hurdles-accessing-medical-marijuana>

2.5: Business Model

2.5.1 Overview

TetraMed has been established to create a fully integrated medicinal cannabis company; involved in all aspects of the supply chain from growing and cultivation to production of resin and oil, to manufacturing and distribution of cannabinoid medicinal products.

The diagram below shows TetraMed's proposed position on the medicinal cannabis supply chain and the areas it seeks to expand into.



2.5.2 Medical Technology Strategy

Tetramed intends to develop cannabinoid medicines in traditional dose forms, initially as an compressed tablet and dissolving tablet form.

The first prototype is expected to be developed by the end of 2020.

2.5.3 Production Strategy

TetraMed will construct its Production Facility in Lesotho to achieve a cost of production that is economically sustainable in a mature market environment.

The production of medicinal cannabis will involve cultivating, harvesting, and processing cannabis flowers. TetraMed also intends to use its medicinal cannabis production to manufacture its own cannabinoid medicines once they are developed and ready for patient use.



2.5: Business Model



2.5.4 Lesotho

Lesotho has a legal framework for medicinal cannabis production, which allows for a commercial scale cannabis operation to be conducted under a single licence, including export.

TetraMed holds two Licences for medicinal cannabis in Lesotho.

The Licences allow TetraMed to cultivate, manufacture, supply or distribute, store and export, import and transit within, into and outside of Lesotho.

Economical Production of High-Quality Cannabis

Lesotho is a high-altitude mountainous country with over 300 days of sunshine per year, resulting in ideal humidity and growing conditions for greenhouse cultivation.¹⁵

Lesotho provides the ability for a high-quality venture with low operation and resource cost, such as its low-cost labour force.

Lesotho's proximity to South Africa provides access to a large consumer market as well as opportunities to build on its neighbours advanced logistics capabilities, export infrastructure and support institutions.

International Narcotics Control Board Compliance

The INCB is the independent and quasi-judicial monitoring body for the implementation of the United Nations international drug control convention. Lesotho has INCB accreditation for its medicinal cannabis industry.

INCB approval allows countries to export medicinal cannabis and without it a country would be in contravention of the United Nations Single Convention on Narcotic Drugs.



Low-Cost Skilled Labour

The country provides a low-cost labour force which is skilled in harvesting agricultural crops.



Large Production Capability

Lesotho licences allow for up to 30,000m² of cultivation per harvest, significantly larger than other regions which may require cultivation permits per harvest.



A Native Plant

Cannabis grows throughout Lesotho and is used by locals for its therapeutic benefits.



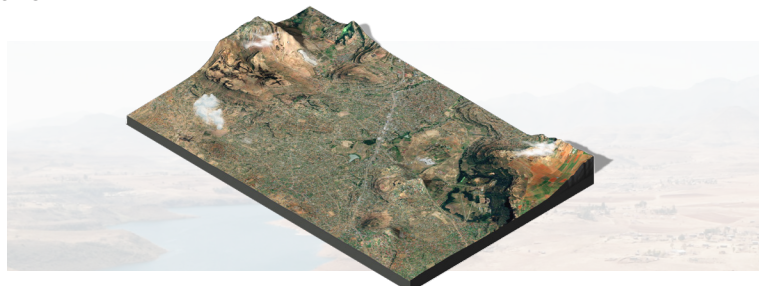
Water & Power Access

Lesotho has ample sustainable water and reliable electricity sources from hydro-power stations.



Optimal Environment

Climatic conditions create an optimal environment for cannabis cultivation, including high altitude and 300 days of sunlight.



¹⁵ May, C (5 August 2019) Global Cannabis Industry: Lesotho, Africa.
Retrieved from <https://www.pharmout.net/lesotho-africa-cannabis-licences-medicinal-cannabis-news/>

2.5: Business Model

2.5.4 Lesotho

Other Cannabis Operations in Lesotho



Transaction	Acquisition in 2018 of Lesotho licence holder, Daddy Cann	Investment in cannabis producer, Medi-Grow	Acquisition of remaining shares in Bophelo Bioscience & Wellness
Transaction Value	US\$28m for 100%	CA\$10m for 10%	US\$18m for 80%
Market Cap ¹⁶	US\$6.4b	US\$172m	US\$66m



Lesotho Fact Sheet

Location	Lesotho is an enclaved country within the border of South Africa. Only a 1hr flight south of Johannesburg.
Size	30,355km (44% the size of Tasmania)
Population	2.3 million
GDP	US \$2.13 billion (2010)
Currency	Loti, pegged to the South African Rand
Independence	Part of British Commonwealth until 1966
Parliament	Constitutional monarchy
Legal System	Mix of Roman-Dutch Civil Law, English Common Law
Religion	95% Christian
Electricity	Hydroelectric plants
Education	Invests 12% GDP into education, highest in the world. Highest literacy rates in Africa (85% female, 68%male)
Altitude	Lesotho is the only nation in the world that lies completely above 1,000 metres in elevation. Its lowest point is 1,400 metres, which is the highest lowest-point in any country in the world.
Industry	Water exports to South Africa (20% GDP) Textiles (largest exporter of garments to US from sub-saharan Africa) Diamond Mining Agriculture

Sources: The World Factbook, Lesotho, <https://www.cia.gov/library/publications/the-world-factbook/geos/lt.html>
World Bank Group. The World Bank in Lesotho. <https://www.worldbank.org/en/country/lesotho>

¹⁶ Market capitalisations as at 4 December 2019 per Capital IQ

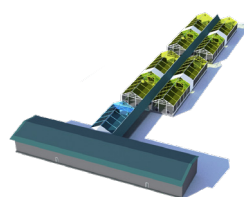
2.5: Business Model

2.5.5 Production Facility

The Production Facility has been designed as a modular complex to enable phased activations and rapid expansion.

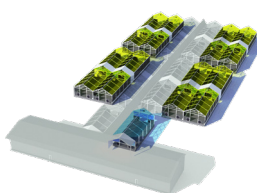
Each production complex will consist of 24 cultivation bays and a processing facility that are turnkey and Good Agricultural Practices (**GAP**)/ Good Manufacturing Practices (**GMP**) approved. Each production complex will have an annual dry flower production capacity of 12,000kg. A complex contains all facilities needed for cultivation, drying, processing, and storage.

TetraMed will activate its first production complex in two phases.



Phase 1 will include all processing areas and will have an annual dry flower production capacity of 4,000kg.

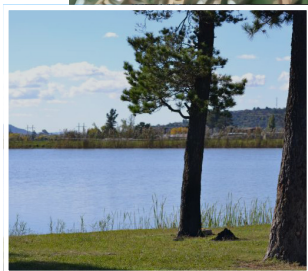
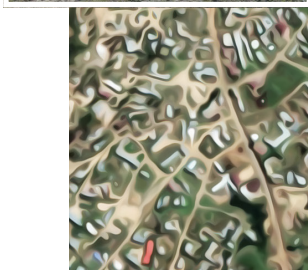
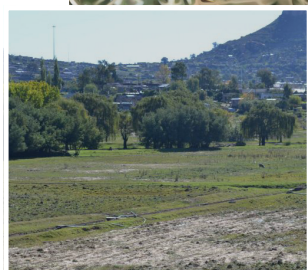
Estimated Completion Q3 2020



Phase 2 will increase annual capacity to 12,000kg.

Additional cultivation bays may be activated and the processing area expanded as demand requires.

Estimated Completion Q4 2020



2.5.6 Product: Medicinal Cannabis

The medicinal cannabis flower, resin and API must be produced to strict, international, medical grade standards required by the pharmaceutical industry.

Medicinal cannabis will be produced to the required international quality standards such as a GAP and GMP and individual country requirements, such as the TGA's Therapeutic Goods (Standard for Medicinal Cannabis) (TGO 93) Order 2017.

Good Agricultural Practices



Growing Medium

TetraMed's growing system will not use soil as its growing medium, thereby reducing the risk of contamination as well as reducing waste.



Fertilizer Usage

The growing system TetraMed proposes to adopt requires less fertilizer than traditional growing techniques. Fertilizers can be selected by the client or based on a selection of acceptable fertilizers for medicinal crops.



Water usage

The water used to produce crops is kept to a minimum and continually recycled during the grow process; reducing the risk of fertilizers entering the groundwater system.



Pesticides

The lack of soil and the tightly controlled environment within the production complex prevents soil based pests from entering the grow space. This in turn will limit the need for pesticides and herbicides.

An integrated pest management approach utilizing only pre-approved substances to control pests will ensure that there is a minimum usage of pesticides.

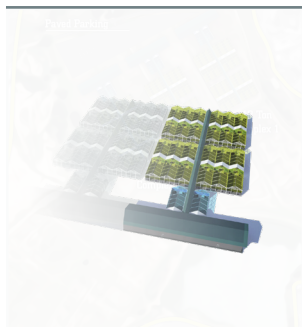
Good Manufacturing Practices

Design

The design of the production complex has considered all aspects of GMP. An example of which includes only Health Canada approved equipment and supplies being used in the production complex.

Due to the isolation of each growing system, as well as individual batch isolation, the risk of large-scale contamination is mitigated.

Each plant and batch will be individually tracked, and any contamination will be able to be traced to its source. Contamination will result in the destruction of the identified batch.



2.5.7 Product: Cannabinoid Dose Forms

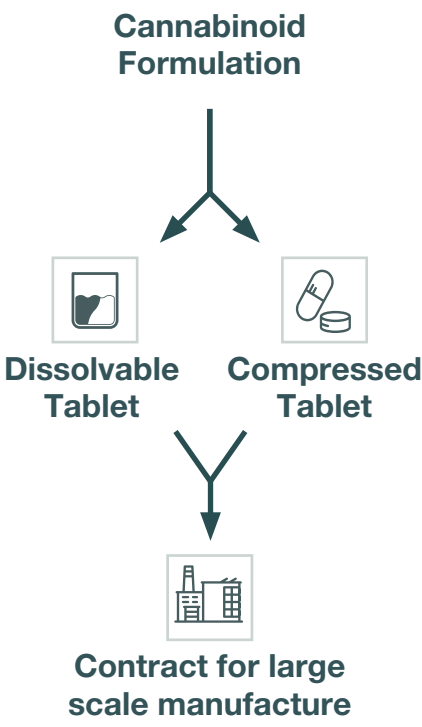
To accelerate the pathway to market of the cannabinoid medicine, TetraMed has obtained the rights to a proprietary cannabinoid formulation. This reduces the risks and time associated with medical product research and development.

TetraMed intends to develop this proprietary cannabinoid formulation in order to produce cannabinoid medicines in a standard dosage form, initially as a compressed tablet. These dosage forms will be manufactured to have consistent cannabinoid levels. These cannabinoid medicines are also expected to have a limited volatility and a longer shelf life compared to traditional medicinal cannabis flower and oil.

The compressed tablet will enable better dosage control as a known quantity of cannabinoids will be manufactured in each tablet and there will be no reliance on patients to measure doses, which is prone to patient error.

This compressed tablet can be manufactured to contain any of the different cannabinoids. The initial release of the dosage form is intended to include THC and CBD.

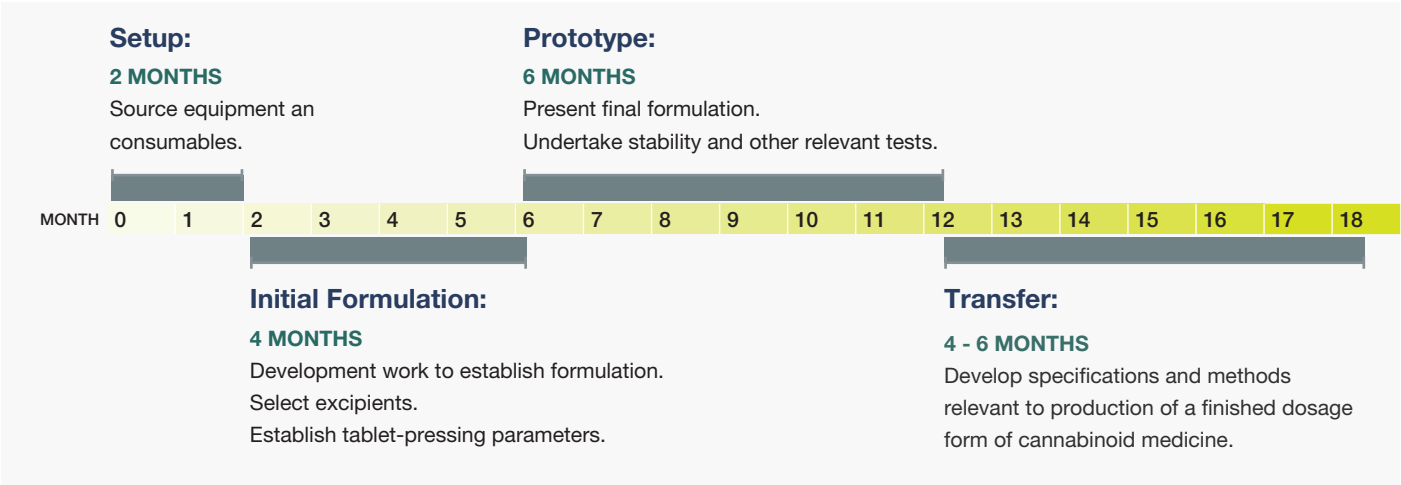
TetraMed is also proposing to develop a dissolvable version of the tablet. This enables administration to patients who may not be able to swallow.



Once the compressed tablet and dissolvable tablet have been developed, TetraMed intends to undertake independent clinical trials for selected diseases and conditions.

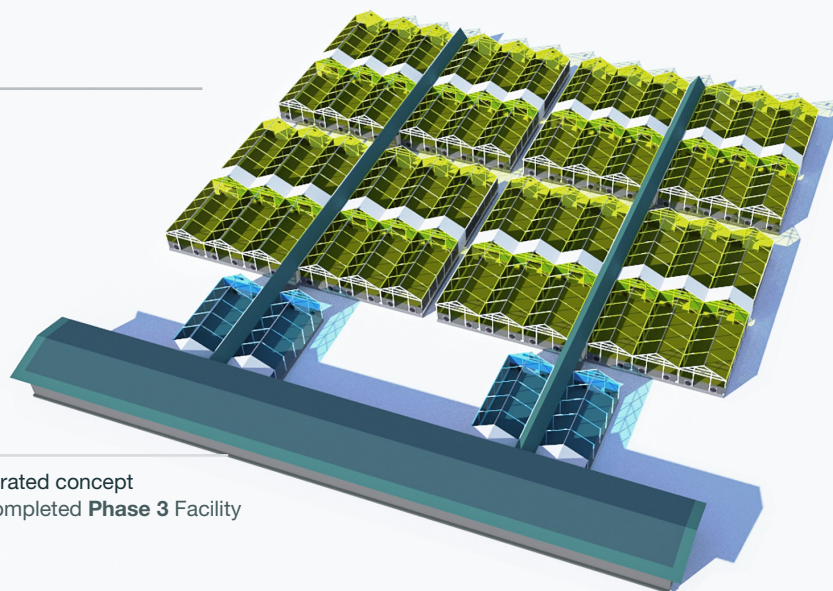
A laboratory program has been designed for the development of the cannabinoid medicine. It is estimated the prototypes will be developed within 12 months.

Product Development Timeline



2.5: Business Model

2.5.8 Implementation Strategy

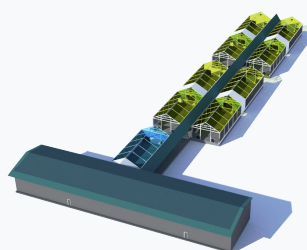


Illustrated concept
of completed **Phase 3** Facility

Phase 1 - Initial Production Capacity

- 8 Cultivation bays active.
- Annual production capacity: 4,000kg of dry flower.
- Infrastructure established capable of supporting 12,000kg of annual production.
- Extraction facility at the Lesotho site.
- Generate revenue through offtake agreements of extracts.

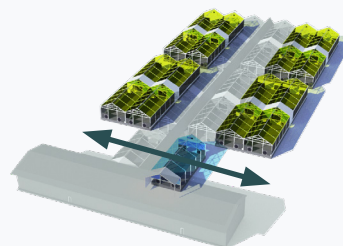
Estimated completion date Q3 2020



Phase 2 - Expansion of Production Capacity

- 24 Cultivation bays active.
- Build infrastructure to increase annual capacity by 8,000kg, annual production capacity now 12,000kg.
- Generate revenue through offtake agreements of extracts.

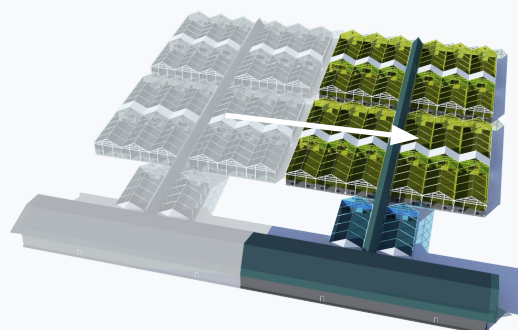
Estimated completion date Q4 2020



Phase 3 - Further Expansion

- 48 Cultivation bays active.
- Additional expansion of processing facility to increase annual capacity by a further 12,000kg, bringing annual production capacity to 24,000kg.
- Commence development of GMP API facilities.
- Develop product manufacturing and packaging facilities.
- Generate revenue from extracts and API offtakes, distribution agreements and contract manufacturing once facilities are operational.
- Manufacture proprietary dosage form of medicinal cannabis

Estimated completion date Q2 2021



2.5.9 Sales Strategy

TetraMed intends to sell its medicinal cannabis to pharmaceutical clients through supply agreements. TetraMed has contracted its first supply agreement for its initial 4 tonne production capacity. Production for this supply agreement will be sold into the European market.

Once the cannabinoid medicines have been developed, they will be provided to pharmaceutical companies on exclusive manufacturing and distribution arrangements.

2.5.10 Exit Strategy

TetraMed is presently working toward a listing on a stock exchange in the first half of 2020, subject to prevailing market conditions. While it is the intention of the Company to list within this time frame, the Directors can make no assurance that this will occur.

2.5: Business Model

2.5.11 Production Economics

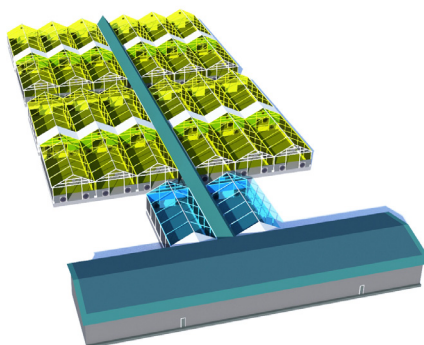
North American Projected Production Capacity

Company	Market capitalisation (USD million)	Production Capacity	Production Facilities
Aurora Cannabis Inc.	\$2,596	500 tonnes	11
Aphria Inc.	\$1,186	255 tonnes	2
HEXO Corp	\$541	80 tonnes	7
The Supreme Cannabis Company, Inc.	\$172	33.6 tonnes	1

Source: Company announcements and websites.

Comparable Production Costs

Company	USD/gram
Aurora Cannabis Inc.	\$0.64
Canopy Growth Corp	\$1.60
Aphria Inc.	\$1.08
*TetraMed Projection	<\$0.50



Source: Company quarterly financial reports

Please note, TetraMed's projection relates to direct production costs such as cultivation and extraction expenses production staff and utilities. Furthermore, North American companies are able to produce both medicinal and recreational cannabis products. TetraMed intends to operate solely in the medicinal cannabis sector. This should be taken into account when considering the peer comparisons above.

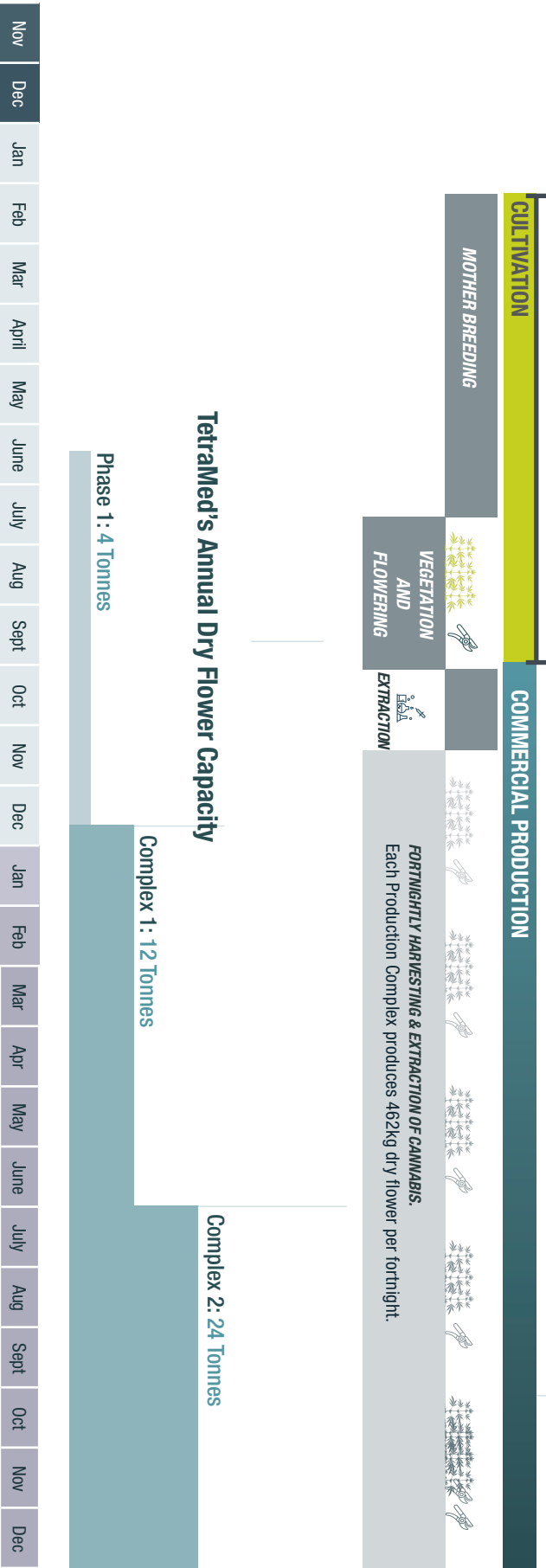
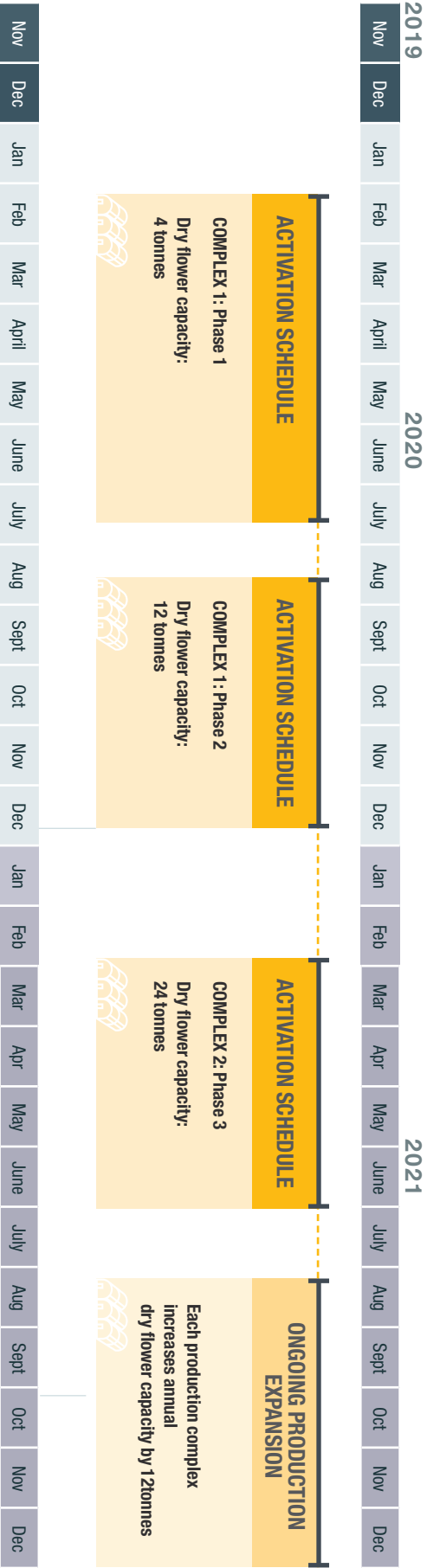
Comparable Production Facility Costs

	Cann Group	TetraMed
Projected Production Capacity	25,000 kg	4,000kg
Land	Acquired for \$10.75m	20 year lease for ~US\$10,000 per annum
Estimated Cost of Facility	\$89 million	\$9 million
Estimated Activation Date	Late 2020	Q3 2020

Source: Cann Group ASX Announcements 27 August 2019 and 21 November 2019

2.5.12 Production Facility

Indicative Production Schedule



*Indicative only and subject to change.
It has been prepared having regard to certain assumptions which may differ from the ultimate outcome.

2.6 People and Organisation

2.6.1 Directors



Vincenzo Falbo | Director & CEO

Mr Falbo is a founding member of TetraMed. Mr Falbo has extensive asset management and banking experience as previous CEO of Eaton Vance Management (International) Ltd, and as Partner and Head of the International Business for Calamos Investments. He has managed the wealth management and insurance business of Citibank.

Mr Falbo holds Bachelor of Economics and Bachelor of Languages degrees from Siena College, Loudonville, New York, a Master of Business Administration from the Lally School of Management of Rensselaer Polytechnic Institute, Troy, New York, and an Islamic Finance Qualification jointly from L'Ecole Supérieure des Affaires (Beirut) and Securities Investment Institute (UK) and has GMP certification.

Mr Falbo is fluent in English, Italian, Spanish, and French, which will assist TetraMed in accessing European markets.



Nicholas Fiori | Director & CFO

Mr Fiori is a founding member of TetraMed. He is a Chartered Accountant with extensive experience in corporate accounting and restructuring.

Mr Fiori's areas of expertise include corporate finance, mergers, and acquisitions, restructuring, financial modelling, strategic advice, and financial analysis, valuation, and due diligence.

Mr Fiori holds a Bachelor of Commerce (Accounting and Finance) from Curtin University and is a member of Chartered Accountants Australia & New Zealand.



Lawrence Kirton | Non-Executive Director and Agricultural Officer

Mr Kirton is an agri-scientist by profession. He holds a Bachelor (Honours) of Horticultural Science majoring in Soil Science, Plant Physiology and Production from the University of Natal. His area of expertise includes water, soil and plant nutrition, physiology, irrigation, and intensive horticulture.

In 2009, Mr Kirton co-founded AgGrow Energy Resources Pty Ltd with a goal to create sustainable renewable fuel and energy solutions through converting biomass to fuel for regional resource project and indigenous communities. Over the last 4 years, Mr Kirton has researched and developed the commercialisation of biomass and biodiesel crops to produce renewable fuels and timber, and to sequester carbon.

2.6 People and Organisation

2.6.2 Advisors & Management



Cameron Scadding | Technical Advisor

Mr Scadding is a Forensic and Analytical Chemist with extensive complex investigation experience. He possesses expertise in supply chain security and managing supply chain risks.

Mr Scadding is a sought-after consultant and an experienced and respected business leader, with skills in packaging complex scientific approaches and technologies for broad commercial application.

Mr Scadding is also a founder and CEO of Source Certain International Pty Ltd advises a number of ASX-listed companies, Australian private companies and foreign governments on a range of areas and services, including in relation to medicinal cannabis.

Mr Scadding has assisted a number of medicinal cannabis businesses in Australia with their licence applications, business model development and formulation of finished dosage form medications.

It is proposed that Mr Scadding will be appointed as a Non-Executive Director of TetraMed on listing on a stock exchange.



Robin Koehorst | Director of Cultivation

Mr Koehorst will oversee the cultivation of medicinal cannabis plants at the Production Facility, including conducting ongoing research and development activities.

Mr Koehorst is an experienced horticulturist who has worked in areas of greenhouse design and management, hydroponics, lab work, and significant experience in plant growing facilities to GAP and GMP standards. Robin has a deep knowledge of organic and inorganic plant production techniques, including technical and operating skills in cannabis propagation, including seed, cuttings, and tissue culture.

Mr Koehorst has a Masters of Technology (Cum Laude), Bachelor of Technology (Cum Laude) and National Diploma, from the Cape Peninsula University of Technology Department of Horticultural Sciences.



Nahuel G | Director of Operations

Mr Graziani will manage the construction of TetraMed's Production Facility and ensure ongoing maintenance and optimisation of the on-site infrastructure.

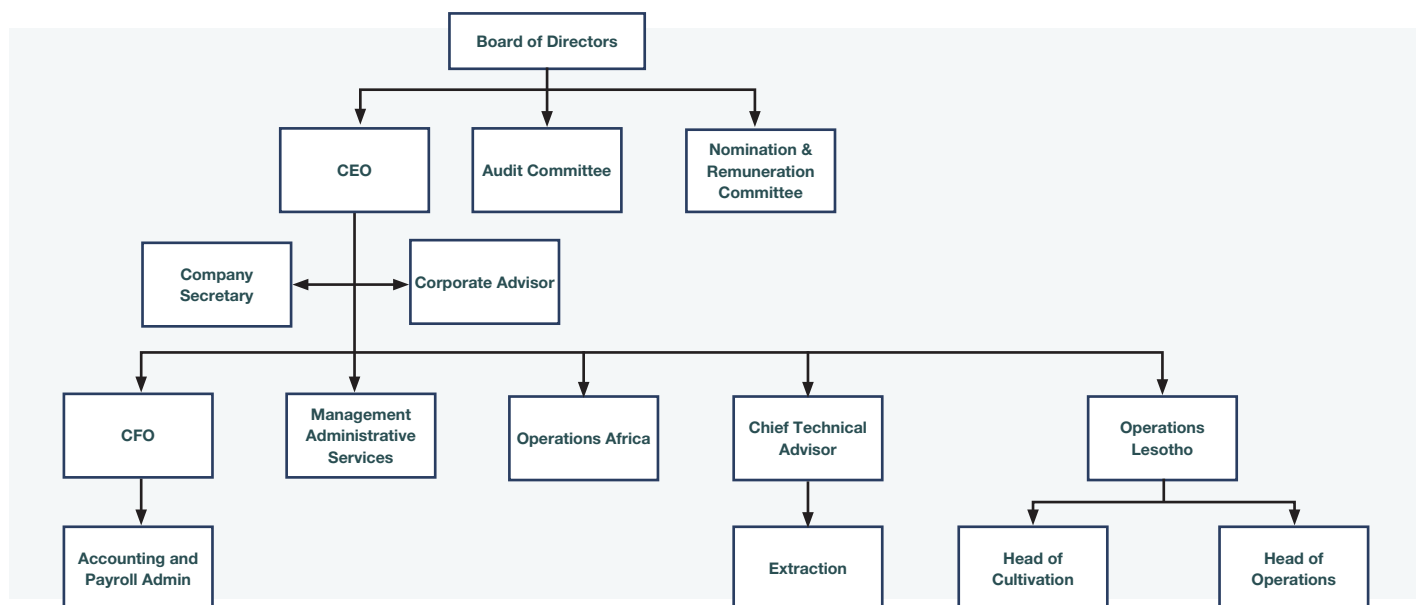
Mr Graziani is a qualified quantity surveyor and project estimator. He has experience in managing construction of large mining and oil & gas construction projects, including procurement, cost-control, project scheduling and document management.

Mr Graziani has worked on large projects such as water injection, alkylation, vapour recovery in southern Africa for BP, Siemens and Sasol.

2.6 People and Organisation

2.6.3 Organisational Structure

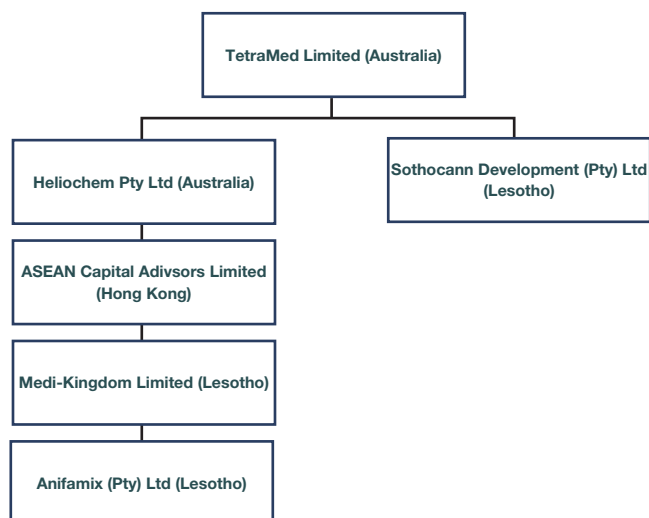
Shown in the figure below is the proposed organisational structure upon listing on a stock exchange



2.6.4 Corporate Structure

Subsequent to 30 June 2019, the Company completed transactions with Heliocem Pty Ltd, ASEAN Capital Advisors Limited and Medi-Kingdom Limited for the purpose of acquiring medicinal cannabis licences for the extraction and cultivation of medicinal cannabis in Lesotho. Additionally, these transactions resulted in the Company acquiring significant property holdings (via long term lease) to undertake its medicinal cannabis operations, and access to potential counterparties for medicinal cannabis offtake arrangements. Additionally, the transactions provide a platform for procuring rights to manufacture finished dosage form of cannabinoid medicine intellectual property.

Shown in the figure below is the current corporate structure of TetraMed Limited.



2.7 Capital Structure

2.7.1 Pro-Forma Capital Structure

Under this CSF raise the Company is offering up to 6,562,500 Shares at an issue price of \$0.16 each to raise up to \$1,050,000. This CSF raise is part of a broader capital raise sophisticated and professional investors at the same issue price (**Wholesale Offer**). Shares from the Wholesale Offer will be issued as funds are received.

The Company currently has 78,474,790 Shares on issue as well as convertible notes that would result in an additional 22,681,907 Shares being issued on conversion.

There are also 35,000,000 options and 65,000,000 performance rights on issue.

Shares	Minimum Subscription	Maximum Subscription	Options	Performance Rights
Existing shares	78,474,790	78,474,790	35,000,000	65,000,000
Convertible notes	22,681,907	22,681,907	-	-
Wholesale Offer shares	18,750,000	18,750,000	-	-
CSF Offer shares	1,562,500	6,562,500	-	-
Total (on completion of Wholesale Offer and CSF Offer)	121,469,197	126,469,197	35,000,000	65,000,000

2.7.2 Valuation

This CSF Offer is being undertaken on a pre-money valuation of \$16.1 million, based on current shares on issue and the assumption all convertible notes are converted at their conversion price.

If the full \$1,050,000 is raised from the CSF Offer and the full \$3,000,000 is raised from the Wholesale Offer, this would give the Company a post-money equity valuation of \$20.1 million.

2.7.3 Significant shareholders

There are currently 3 shareholders who each own more than 5% in the Company:

Shareholder	Shares	%*
THC Securities Pty Ltd ATF The THC Trust**	26,050,100	33.20%
James Nicholas Mather	24,999,960	31.86%
Owen Page ATF The Seed Trust	10,060,000	12.82%

* Percentage does not take into account the convertible notes

** Directors have a beneficial interest in THC Securities Pty Ltd ATF the THC Trust

2.8 Historical Financials

The accounts provided here have been audited by Bentleys Audit and Corporate (WA) Pty Ltd and have been prepared in accordance with Australian Accounting Standards. They have been signed by the Directors, confirming they fairly present the Company's financial position.

The accounts represent the consolidation of TetraMed and Sothocann Development (Pty) Ltd.

Subsequent to 30 June 2019, the Company completed the acquisition of Heliochem Pty Ltd, ASEAN Capital Advisors Limited and Medi-Kingdom Limited for the purpose of acquiring medicinal cannabis licences for the extraction and cultivation of medicinal cannabis in Lesotho. The accounts presented do not represent the consolidation of these entities with the Company.

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year Ended 30 June 2019

	2019 \$	2018 \$
Revenue	-	-
Other income	1,324	-
Professional Fees	(576,926)	(43,555)
Travel Expenses	(185,403)	(24,314)
Other Expenses	(80,455)	(750)
Share Based Payments	(233,860)	(9,278)
Finance Cost	(68,018)	-
Amortisation Expense	(1,533)	-
(Loss) / Profit before income tax expense	(1,144,871)	(77,897)
Income tax benefit / (expense)	-	-
(Loss)/Profit for the year	(1,144,871)	(77,897)
Other comprehensive income/(loss)		
Translation of foreign currency	95	-
Total comprehensive income/(loss) for the year	(1,144,776)	(77,897)

2.8 Historical Financials

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year Ended 30 June 2019

	2019 \$	2018 \$
CURRENT ASSETS		
Cash and cash equivalents	568,995	46,510
Trade and other receivables	14,897	1,310
Other assets	43,439	-
TOTAL CURRENT ASSETS	627,331	47,820
NON-CURRENT ASSETS		
Intangible assets	1,302,366	673
Financial assets	250,382	
TOTAL NON-CURRENT ASSETS	1,552,748	673
TOTAL ASSETS	2,180,079	48,493
CURRENT LIABILITIES		
Trade and other payables	42,252	32,112
Convertible note	1,768,569	-
TOTAL CURRENT LIABILITIES	1,810,821	32,112
TOTAL LIABILITIES	1,810,821	32,112
NET ASSETS	369,258	16,381
EQUITY		
Issued capital	1,403,914	85,000
Reserve	188,112	9,278
(Accumulated losses) / retained earnings	(1,222,768)	(77,897)
TOTAL EQUITY	369,258	16,381

2.8 Historical Financials

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2019

	Issued capital	Foreign Currency Translation Reserve	Convertible Note Reserve	Share based payment reserve	Retained earnings / (Accumulated Losses)	Total
	\$	\$	\$	\$	\$	\$
As at 1 July 2018	85,000	-	-	9,278	(77,897)	16,381
Loss for the period	-	-	-	-	(1,144,871)	(1,144,871)
Foreign currency translation	-	95	-	-	-	95
Total comprehensive income	-	95	-	-	(1,144,871)	(1,144,776)
Shares issued during the year	1,318,914	-	-	-	-	1,318,914
Options issued during the year	-	-	-	46,360	-	46,360
Issue of convertible notes	-	-	132,379	-	-	132,379
Balance at 30 June 2019	1,403,914	95	132,379	55,638	(1,222,768)	369,258

For the Year Ended 30 June 2018

	Issued capital	Foreign Currency Translation Reserve	Convertible Note Reserve	Share based payment reserve	Retained earnings / (Accumulated Losses)	Total
	\$	\$	\$	\$	\$	\$
As at 30/01/2018 (incorporation date)	-	-	-	-	-	-
Loss for the period	-	-	-	-	(77,897)	(77,897)
Foreign currency translation	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(77,897)	(77,897)
Shares issued during the year	85,000	-	-	-	-	85,000
Options issued during the year	-	-	-	9,278	-	9,278
Issue of convertible notes	-	-	-	-	-	-
Balance at 30 June 2018	85,000	-	-	9,278	(77,897)	16,381

2.8 Historical Financials

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2019

	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	1,324	-
Payment to suppliers	(993,693)	(38,490)
Net cash flows (used) / from operating activities	(992,369)	(38,490)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for intangible assets	(1,320,998)	-
Net cash flows used in investing activities	(1,320,998)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,131,414	85,000
Proceeds from convertible notes	1,954,820	-
Loans provided	(250,382)	-
Net cash flows (used in) / from financing activities	2,835,852	85,000
Net (decrease) / increase in cash and cash equivalents	552,485	46,510
Cash at the beginning of the financial year	46,510	-
Cash at the end of the financial year	568,995	46,510

2.9 Risks facing the business

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact our business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general, risks associated with the Company (for example, risks relating to general economic conditions or the inability to sell our shares).

Risk	Description and Mitigation
Stage of Development	<p>TetraMed is an early stage business. The opportunity is significant, but there is a degree of risk associated with any early stage company seeking to break into competitive markets. While the Board has confidence in the future revenue-earning potential of TetraMed, there cannot be any certainty that TetraMed will achieve or sustain profitability or achieve or sustain positive cash flow from its proposed operating activities.</p>
Limited operating history	<p>The Company does not have a significant operating history. No assurances can be given that the Company will achieve commercial viability through its proposed activities.</p>
Dependencies of Proposed Business Model	<p>TetraMed's proposed business model will be largely dependent upon:</p> <ul style="list-style-type: none">• licensing: its ability to maintain the licences that it has secured and keep same in good standing, and have access to any future licences, permits and approvals required to cultivate, extract, produce, supply, export and import cannabis and cannabis related pharmaceutical products in each jurisdiction that it proposes to operate, including in Lesotho and Australia;• leases: its ability to secure and maintain access to necessary leasehold (including by sublease) land interests on which to conduct the activities under the above licences, permits or approvals, including in Lesotho;• commercial contracts: its ability to identify and contract with strategic parties to which it will supply cannabis related products, including pursuant to offtake agreements;• demand: market demand for cannabis and cannabis related pharmaceutical products and that market not becoming oversupplied;• facilities: the continued availability of suitable agricultural land, infrastructure and facilities required for the cultivation of medicinal cannabis plants at commercially viable rates;• materials: the continued availability of materials used to cultivate medicinal cannabis plants at commercially viable prices, such as clean water and fertilisers; and• legal regimes: the legal and regulatory regimes applicable to the proposed business model not undergoing any material change which may adversely impact TetraMed's proposed activities.
Construction of Production Facility	<p>TetraMed medicinal cannabis business is dependent upon construction and commissioning of this facility so that it is able to cultivate and produce medicinal cannabis and related products.</p> <p>Delay in completing the construction and commissioning of this facility may result in additional costs being incurred by TetraMed, as well as having a material impact on the timetable for TetraMed implementing its business plan.</p>

2.9 Risks facing the business

Risk	Description and Mitigation
Competition Risk	<p>The medicinal cannabis industry in which TetraMed proposes to operate is subject to competition. Certain competitors in this industry have significantly greater capital and resources. TetraMed will seek to undertake reasonable due diligence in its business decisions and operations. However, the activities of market competitors will largely be outside of TetraMed's control or influence.</p> <p>Activities or actions by competitors may positively or negatively affect the TetraMed's operations and financial performance. They may lead to loss of revenue or market share or reduce the profit margins on products of TetraMed. Further, any future revenues may be reduced as the industry consolidates and seeks revenue accretion at the expense of profit margin.</p>
Future Capital Requirements	<p>Future capital requirements of the Company will depend on many factors including its business development activities. Although a successful capital raising at this time should be adequate to fund the business development activities and other Company objectives in the medium term, changes to operational requirements, market conditions and business opportunities may mean further funding is required at an earlier stage than anticipated.</p> <p>Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than existing shareholders paid on their investment, or may involve restrictive conditions which limit TetraMed's operations and business strategies. There cannot be any assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to TetraMed or at all.</p>
Reliance on key personnel	<p>The responsibility of overseeing the day to day operations and the strategic management of the Company depends on a small core leadership team. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these individuals ceases to work for the Company.</p>



Section 3: **Information about the Offer**

3.1 Terms of the Offer

Under the CSF raise the Company is offering up to 6,562,500 Shares at an issue price of \$0.16 each to raise up to \$1,050,000. The CSF Offer is part of a broader capital raise from sophisticated and professional investors at the same issue price (Wholesale Offer).

The key terms and conditions of the Offer are set out in the table below.

Term	Details
Shares	Fully paid ordinary shares
Price	\$0.16 per share
Minimum Subscription	\$250,000
Maximum Subscription	\$1,050,000
Opening date	16 January 2020
Closing date	20 February 2020, unless closed earlier by the Intermediary

A description of the rights associated with the shares is set out in Section 3.3. To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this Offer Document.

The Offer is not underwritten.

3.2 Use of funds

The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Intended use	Minimum Subscription	Maximum Subscription
Development of cannabinoid dosage form	\$200,000	\$200,000
Construction of Production Facility	-	\$600,000
Working capital	\$32,500	\$182,000
Offer costs	\$17,500	\$68,000
Total funds	\$250,000	\$1,050,000

'Working capital' includes overhead expenses and Lesotho employee wages.

Details of payments to be made to directors and senior managers are itemised below:

- Total Directors' remuneration: \$75,600 (\$25,200 each)
- Total senior manager remuneration in Lesotho: \$260,000.

Director remuneration is currently not being expensed, listed amounts are per appointment documents.

The costs of the Offer include the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are a maximum of 7.0% for the first \$500,000 raised and 6.0% for any funds raised above this amount.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

The stated use of funds is current as at the Offer. The use of funds may change depending on any intervening events or changes in TetraMed's circumstances. The Board reserves the right to change the way funds are used and applied as it considers appropriate.

The Company is in the process of a Wholesale Offer and intends to undertake an initial public offering of its securities with the view to listing on a stock exchange in 2020. We expect these capital raising initiatives, including the CSF Offer subscription range, will be sufficient to meet the Company's short-term objectives over the next 18-24 months.

3.3 Rights associated with the shares

The following is a summary of the more significant rights attaching to Shares under the Company's Constitution. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of rights attaching to Shares are set out in the Constitution, a copy of which is available on the Company's website.

3.3.1 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

3.3.2 Election and removal of directors

Shareholders may vote to elect and remove Directors at a general meeting by way of ordinary resolution (50%).

3.3.3 General meetings and notices

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporation Act and the Constitution.

3.3 Rights associated with the shares

3.3.4 Dividends

- a) Subject to any rights or restrictions attached to a class of Shares and the Corporations Act, the Company may pay dividends on Shares as the Directors resolve but only to the extent that:
- (i) the Company's assets exceed its liabilities by at least the amount of the dividend to be paid;
 - (ii) it is fair and reasonable to the Shareholders as a whole; and
 - (iii) The payment of the dividend does not materially prejudice the Company's ability to pay its creditors.
- b) The Directors may determine that a Dividend is payable on Shares and fix:
- (i) the amount of the Dividend;
 - (ii) whether the Dividend is franked, the franking percentage and the franking class;
 - (iii) the time for determining entitlements to the Dividend;
 - (iv) the time for the payment of the Dividend; and
 - (v) the method of payment of the Dividend.
- c) The Directors may establish a dividend selection plan or bonus share plan on any terms, under which participants may elect in respect of all or part of their Shares:
- (i) to receive a Dividend from the Company paid in whole or in part out of a particular fund or reserve or out of profits derived from a particular source; or
 - (ii) to forego a Dividend from the Company and receive some other form of distribution or entitlement (including securities) from the Company or another body corporate or a trust.
- d) The Directors may establish a dividend reinvestment plan on any terms, under which participants may elect in respect of all or part of their Shares to apply the whole or any part of a Dividend from the Company in subscribing for securities of the Company or a related body corporate of the Company.

3.3.5 Winding-up

Distributions proportional to paid up capital: Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the Shares of a Shareholders is of the total amounts paid and payable (including amounts credited) on the Shares of all Shareholders.

Distributions of assets: Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the Shareholders:

- (i) distribute among the Shareholders the whole or any part of the property of the Company; and
- (ii) decide how to distribute the property as between the Shareholders or different classes of Shareholders.

3.3.6 Shareholder liability

As the Shares under the Offer Document are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

3.3 Rights associated with the shares

3.3.7 Other rights and powers

Performance Rights

The Performance Rights form part of vendor consideration under the Wholesale Offer and are to be issued on a 30-day volume weighted average price (VWAP) basis (at a minimum price of \$0.20 per share) to the value of \$4.33million per tranche, if the Company lists on an stock exchange:

- Tranche 1: producing at least 7 tonnes of medicinal cannabis product which is either sold on arm's length commercial terms or is of commercially saleable quality;
- Tranche 2: achieving US\$8,000,000 in cumulative revenue; and
- Tranche 3: achieving cumulative earnings before interest, tax, depreciation, and amortisation (EBITDA) of US\$4,000,000.

(collectively **Performance Milestone**)

The Performance Rights are not transferable, do not have any right to vote (except as otherwise required by law), do not confer any entitlement to a dividend (whether fixed or at the discretion of the directors), do not confer any right to a return of capital (whether in a winding up, upon a reduction of capital or otherwise), do not confer any right to participate in the surplus profit or assets of the entity upon a winding up, do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues (unless and until the applicable Performance Milestone is achieved and the Performance Rights convert into Shares). The Performance Rights are not intended to be quoted.

Options

Each Option entitles the holder to one Share at the price of \$0.30 per share exercisable on or before 31 December 2022. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued with a Share ranking equal with the then issued Shares. The Options are not intended to be quoted.



Section 4: **Information about investor rights**

4.1 Cooling-off rights

You have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (the **Cooling-off Period**).

You may withdraw your application via the Intermediary's platform by logging into your OnMarket account via the mobile app or website (www.onmarket.com.au). In the History panel, selecting "Manage" and "Cancel" and your application will be withdrawn. If you have any questions around this process, please contact OnMarket via email (support@onmarket.com.au).

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

4.2 Disposal of shares

We advise that under the Corporations Act there are restrictions on disposing of shares acquired under this Offer during the first 12 months from issue.

4.3 Communicating with you as an investor

As part of being an investor and owner of TetraMed, we hope that you will be actively involved with the business not only as an investor but as an advocate for our plans in the medicinal cannabis industry. As such we expect to be in regular communication, and we look forward to your involvement.

Our website, www.tetramed.com.au, will contain information about our progress including annual general reports.

4.4 Public company corporate governance

4.4.1 Annual general meetings

The Company is required to hold an annual general meeting (**AGM**) within five months of the Company's financial year end.

Shareholders will be provided with an opportunity to directly question the Directors and management in an open forum about the management, business operations, financial position or performance of the Company at the AGM.

4.4.2 Annual report

The Company is required to prepare annual financial reports and directors' reports at the end of each financial year and lodge these with ASIC (within four months of the Company's financial year end). The Company has a 30 June 2019 year end and its financial reports must be lodged by 31 October each year.

The company is a public company, and this means that the Company's financial reports are subject to auditor oversight which provides independent assurance of the Company's financial statements.

4.4.3 Distribution of annual report

The Company is required to notify shareholders in writing of the options to receive or access the annual report.

Shareholders will receive a copy of the annual report by way of email. Shareholders will be able to access the annual report on the Company's website at the following address www.tetramed.com.au or from ASIC.

4.5 Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

Glossary

\$ means an Australian dollar.

API or Active pharmaceutical ingredient means any substance or mixture of substances intended to be used in the manufacture of a medicine and that, when used in the production of a medicine, becomes an active ingredient of that medicine. These substances are intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease or to affect the structure and function of the body.

ASIC or Australian Securities and Investments Commission is an independent Australian government body that acts as Australia's corporate regulator.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by the ASX.

Board means the Board of Directors as constituted from time to time.

Closing Date means the closing date of the Offer as set out in the indicative timetable in Section 2.2 of the Information Memorandum (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or TetraMed means TetraMed Limited (ACN 624 099 038).

Constitution means the constitution of the Company.

Cooling-off Period means the period ending five business days after an application is made under this Offer, during which an investor has a right to withdraw their application and be repaid their application money.

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

CSF means crowd-sourced funding under Part 6D.3A of the Corporations Act.

Directors means the directors of the Company at the date of the Offer Document.

GAP or good agricultural practice is a term used internationally that applies available knowledge to addressing environmental, economic and social sustainability for on-farm production and post-production processes resulting in safe and healthy food and non-food agricultural products.

GMP or good manufacturing practice is a term used internationally to describe a set of principles and procedures which, when followed by manufacturers of therapeutic goods, helps ensure that the products manufactured will have the required quality.

INCB or International Narcotics Control Board is the independent and quasi-judicial monitoring body for the implementation of the United Nations international drug control conventions.

Intermediary means On-Market Bookbuilds Pty Ltd (ACN 600 703 848, AFSL 421 535).

Maximum Subscription means the amount specified in the Offer Document as the maximum amount sought to be raised by the Offer.

Minimum Subscription means the amount specified in the Offer Document as the minimum amount sought to be raised by the Offer.

Offer means the offer of Shares pursuant to the Offer Document.

Offer Document means this Offer Document dated 16 January 2020.

Opening Date means the opening date of the Offer as set out in the indicative timetable in Section 2.2.

Professional Investor means a professional investor as defined under section 708(11) of the Corporations Act.

Section means a section of the Offer Document.

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

Shareholder means the holder of a Share.

Sophisticated Investor means a sophisticated investor as defined under section 708(8) of the Corporations Act.

TGA means the Therapeutic Goods Administration, a regulatory body for therapeutic goods in Australia. It is a Division of the Australian Department of Health established under the *Therapeutic Goods Act 1989* (Cth).

Wholesale Offer means the offer of \$3,000,000 of Shares at \$0.16 per share to professional and sophisticated investors in accordance with section 708 of the Corporations Act.



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