29 June 2022

Dear Shareholder,

Attached is a Notice of Extraordinary General Meeting scheduled for 28th July 2022.

In connection with a proposed DUAL LISTING to the U.S. Nasdaq Stock Market the company is seeking shareholder approval of two (2) important resolutions:

- The first resolution regards a consolidation of Share capital.
- The second resolution regards a placement of Shares under a NASDAQ initial public offering.

Following the conclusion of a recent non-deal roadshow in the United States, the company has received an offer from a U.S. investment bank to underwrite a proposed Nasdaq listing.

As a board we have undertaken extensive meetings with the key stakeholders and subsequently agreed that this move is in the best interests of the company and our shareholders, and we recommend it unanimously.

The Board believes that a Nasdaq listing offers deeper access to sophisticated investors, specialised biotechnology and healthcare funds, and further positions Medlab Clinical as an advanced Biotech company in the world's largest market.

From an operational perspective the company is already heavily U.S. focused with development, manufacturing, and regulatory activities presently in place. We have a significant footprint in the U.S. which will continue to expand in the future.

Please read the enclosed update.

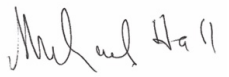
Considering the size of the U.S. financial and commercial markets, the glaring opioid problem in the region and increasing negative mental health statistics, the Board believes that Medlab's requirements, offering and vision are all appropriately met and will be well received in the U.S.

The company and the executive team are NOT relocating and will remain based in Australia for the foreseeable future. The offer and the directive for the company is to embark on a dual listing; Medlab Clinical will continue to trade on the ASX and all existing shareholders will be able to remain active on the ASX or the Nasdaq according to their choice.

RECOMMENDATION:

The Board considers that the resolutions to be put to the meeting are in the best interests of the Company and its shareholders. The Board unanimously recommends that you vote in favour of the resolutions as the directors intend to do in respect of their own beneficial holdings in the Company.

Yours sincerely,



Michael Hall
Chairman of the Board, Medlab Clinical Ltd

#19392847v2

Notice of Meeting Pre-read – 29th June 2022

Medlab Clinical Program Overview & Progression Update

Summary:

- Medlab has now significantly progressed the NanaBis™ (target indication of cancer bone pain) and NanoCBD™ (target indication of stress) Chemistry, Manufacturing and Controls **(CMC)** packages, strengthened by FDA Drug Master File **(DMF)** recognitions for the drug substances (CBD and/or THC), in preparation for submissions to the U.S. Food and Drug Authority (FDA) later this month.

- Medlab plans to make submissions to the U.S. FDA by the end of June, which is anticipated to result in a meeting with the FDA as early as July or August as part of the final progression towards Phase III trial commencement for NanaBis™ and ultimately a near future application for a new drug.

- Medlab has also announced this week that researchers at the School of Pharmacy and Medical Sciences at University of South Australia have independently confirmed that NanaBis™ has double the bioavailability over an ARTG (Australian Register of Therapeutic Goods) approved oral cannabis medicine.

- MDC2000 program (formerly NRGBiotic™, target indication depression) - an optimised molecule with an existing FDA DMF has recently been sourced and is now in transit to our Sydney laboratory. We intend to combine this molecule with our proprietary NanoCelle® platform and pursue an FDA 505(b)(2) (aka accelerated or abbreviated) pathway for a new, enhanced anti-depression drug.

Overview of R&D Programs, Products and Addressable Markets

As a biotechnology company, Medlab's primary focus is centred around the use of delivery platform technologies for drug improvements in the areas of pain and mental health.

Our goal is to disrupt a huge global marketplace and participate in the extraordinary potential to profit from a fraction of the following opportunities:

MARKET	MEDLAB OFFERING	POPULATION NUMBERS	ECONOMICS
Delivery platforms	NanoCelle®		USD 39.33 Billion (global)
Opioids	NanaBis™	100 million Americans	USD 70 Billion (global)
Stress	NanoCBD™	66% of Americans	USD 17.2 Billion (global)
Depression	MDC2000	1 billion people (global)	USD 10 Billion (global)[1]
Vaccines	Nasal Nucleic Acid		USD 239.38 Billion (global)[2]
Anti-Viral	Nasal Nucleic Acid	56% global market share[3]	USD 49.1 Billion (global)[4]
Insulin	*From* Nasal Nucleic Acid	422 million (global)[5]	USD 27.71 Billion (global)[6]

We strongly believe there are considerable unmet needs for patients in these areas and that current drug intervention therapies require gross improvement.

Core to what we undertake is the safe and tolerable use of delivery platforms, specifically nanoparticles, designed to enhance the current and future drug offerings to allow for vast improvements in patient care, quality of life and side effect reduction.

NanoCelle® - *Our proprietary drug enhancement and delivery technology*

To date, NanoCelle® has safely and ethically sponsored over 350,000 units to Australian patients via compassionate use programs, clinical trials and/or sale of approved medicines. The NanoCelle® delivery platform technology is now patented in all global western territories until 2036.

The establishment of joint ventures with both the UNSW and The Woolcock Institute (Macquarie University) together with a government grant for preliminary research into NanoCelle® as a means of delivering RNA vaccines nasally is a key recent development in Medlab's penetration of the vaccine space.

NanoCelle® was originally optimised to improve small molecules, however, the new nasal RNA program is providing a unique opportunity to demonstrate the technology's capabilities in large molecules, ultimately establishing NanoCelle® as a robust and diverse delivery platform for majority of today's medicines. This is clearly an advance with enormous market potential.

[1] https://www.iqvia.com/blogs/2021/05/novel-therapies-will-boost-global-depression-market-following-recent-losses-due-to-generics

[2] https://www.gminsights.com/industry-analysis/antiviral-drugs-market

[3] https://www.gminsights.com/industry-analysis/antiviral-drugs-market

[4] https://www.gminsights.com/industry-analysis/antiviral-drugs-market

[5] https://www.who.int/health-topics/diabetes#tab=tab_1

[6] https://www.fortunebusinessinsights.com/industry-reports/human-insulin-market-100395

Medlab CEO, Dr. Sean Hall comments, “The capabilities of NanoCelle© continue to evolve, adding to the commercial reality of the delivery platform and opening doors to potential partnering opportunities inclusive of new medicines, repurposed generic or existing branded medicines. Our goal is to continue to develop NanoCelle® for a wide range of compounds to provide ongoing revenue from partnering engagements.”

NanaBis™ - target indication: *Pain Management & Opioid Sparing*

Medlab recently announced that researchers at the School of Pharmacy and Medical Sciences at University of South Australia have independently confirmed that NanaBis™ has 2 times more bioavailability than an ARTG (Australian Register of Therapeutic Goods) listed oral cannabis spray; a strong validation of the superior efficacy of NanaBis™.

Medlab has now established key partnerships for qualified, scalable manufacturing facilities and advanced the Chemical, Manufacturing and Controls (CMC) package, which makes up a significant part of the final New Drug Application (NDA) for the U.S. Food and Drug Administration (FDA).

Phase III clinical trials update:

During 2021, working with our biosynthetic partners, Medlab has a 100% synthetic THC (Dronabinol), and Drug Master File (DMF) recognition at the FDA for both a 100% CBD and a 100% Dronabinol. These Drug Master Files add immense value to the progression of our New Drug Applications (NDAs) for both NanaBis™ and NanoCBD™.

Presently utilizing these two synthetic cannabinoid compounds on advice from the FDA, we are preparing for the NanaBis™ final stages which has an **anticipated study completion of early 2024**.

In our upcoming FDA submission planned for late June, together with our advanced CMC package and IND application, Medlab intends to submit an additional DMF application for NanaBis™ as a complete product. Recognition of this DMF would represent a significant step for NanaBis™ as a protected and commercially viable compound, presenting further licensing opportunities.

Expectations are that following these submissions a meeting will be set with the FDA as early as July or August, as part of the progression toward Phase III trial commencement near term.

The importance of Drug Master Files recognition:

A Drug Master File (DMF) is a package of confidential, proprietary assets, detailing the formulae, processes, materials, test methods, and other information relevant to the manufacture of product used in the composition, packaging, and/or processing of pharmaceuticals and/or biologics.

DMFs provide the FDA with a source of detailed data for the FDA’s safety and efficacy review of the drug or biologic products and ensure compliance with regulatory requirements for disclosure of product details, whilst still protecting the confidentiality of the underlying intellectual property.

Though there are no regulatory requirements to file a DMF, the benefit of its use is overwhelming, and it ultimately expedites the FDA's timely review of Applications.

NanoCBD™ – target indication: *Stress & Mental Health*

As was recently announced, NanoCBD™ is ready to be exported to UK for compassionate use. Medlab is currently awaiting final import approval from the UK government, with all other necessary licenses granted. A Doctors' distribution network has been established.

Under an accelerated regulatory model NanoCBD™ would be approved for over-the-counter Australian pharmacy sales. Advanced joint venture discussions are currently underway with a significant manufacturing and distribution pharmaceutical company to expand the availability of NanoCBD™, with further potential for globalization. NanoCBD™ currently also has an accelerated line of sight for TGA application for occupational stress.

NanoCBD™ has been optimized to share nearly all the same components used in NanaBis™, inclusive of the synthetic CBD substance.

The vast amount of the NanaBis™ CMC package work has been designed so that NanoCBD™ shares significant process optimisation, production efficiencies and cost reductions, including the US FDA recognised Drug Master File (DMF), US manufacturing and Packaging components and CMC components – this will significantly reduce time and expense in the development and approval process for the drug.

MDC2000 – target indication: *Depression & Mental Health*

MDC2000 is the project name for our newly optimised program, formerly known as NRGBiotic™. The NRGBiotic™ product was used in earlier clinical trials to produce specific compounds in the gastrointestinal tract that reduced symptomatology of major depressive disorders.

NRGBiotic™ is currently commercially available in Australia through PharmaCare, and overseas under Medlab's recent manufacturing and distribution agreement with Cultech Ltd. (ASX announcement 20th April, 2022)

Given the prominence mental health issues have gained in recent years Medlab sees huge potential growth in the global market in conjunction with anti-depressants.

Medlab is pleased to announce that we have sourced an optimised molecule with an existing FDA Drug Master File and intend to combine this molecule with

our proprietary NanoCelle® platform and pursue an FDA 505(b)(2) pathway for a new, enhanced anti-depression drug.

A key feature of the 505 (b)(2) pathway is that it allows a manufacturer to submit their product for FDA review by including data and/or study results originally collected by another manufacturer or researcher, without having to re-run these studies themselves. This saves a great deal of time and resources compared to the New Drug Application (NDA) pathway.

Additionally, by gaining approval through the 505 (b)(2) pathway the approved product is eligible for 3-5 years of market exclusivity, similar to the 5 years exclusivity of a drug approved via the full NDA pathway. During this period of market exclusivity, the product will be protected from all competitors.

Medlab has already confirmed that MDC2000 can be incorporated into our existing U.S. partner manufacturing facility for future production.

Nasal Nucleic Acid Delivery Program - *Nasal Vaccines & antivirals*

On Jan 15, 2022, Medlab announced we had received a grant from the Government of New South Wales to collaborate with the UNSW and The Woolcock Institute (Macquarie University) to combine NanoCelle® with nucleic acid and to administer NanoCelle® by the nose. This is a NEW delivery pathway validation for NanoCelle, adding to our existing buccal inside mouth cheek delivery path.

Our goal is to have validated proof for a nasal NanoCelle® COVID-19 vaccine with optionality to 'spin-out' to other vaccines and/or anti-viral agents, effectively reducing the public health burden of administering medicines via injections.

1/3 of any intellectual property and/or commercial activity resulting from this vaccine research collaboration will belong to Medlab.

The program has additionally allowed us to demonstrate general use in large molecule and nasal administration, and effectively increase the potential commercial capabilities of the wholly owned NanoCelle® delivery platform.

In addition, whilst the program is embryonic, the nasal adherence work for the NanoCelle® platform was conducted using Insulin – the work demonstrated strong properties for nasal adherence and delivery showing NanoCelle® was appropriate for nasal delivery of Insulin.

This means that there is now validated proof of concept that a needle-free, NanoCelle® nasal delivery product for insulin is a real possibility for early partnering or joint research collaboration.

Forward looking statement:

Medlab has now significantly de-risked the funding requirements for future activities through proven access to ongoing R&D grants, pre-approval of over $12M in rebates for future overseas R&D expenditure, additional government

grants supporting new research projects such nasal vaccine delivery, and strong interest from potential overseas partners.

In conjunction with new funds generated through the proposed Nasdaq dual-listing, Medlab believes we will be well positioned financially to complete all requirements for NanaBis phase III trials and to pursue regulatory approvals and commercialization for our primary and secondary drug development programs.

NOTICE OF 2022 EXTRAORDINARY GENERAL MEETING
MEDLAB CLINICAL LIMITED
ACN 169 149 071

Notice is given that an Extraordinary General Meeting (**EGM**) of Medlab Clinical Limited (**Company**) will be held on 28 July 2022 at 10:00 am.

The EGM is accessible to Shareholders via a live webcast with an online platform to facilitate Shareholder questions and answers in relation to the business. This facilitation will also allow shareholder voting in real time. Voting on each Resolution will occur by a poll rather than a show of hands. Please see details set out in the Proxy Form for details of how to virtually attend the EGM.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the EGM. The Explanatory Statement and the Proxy Form, form part of this Notice.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Statement.

Business of the Meeting

Agenda

Resolution 1 – Consolidation of share capital

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

> *"'That pursuant to and in accordance with section 254H of the Corporations Act and for all other purposes the issued capital of the Company be consolidated on the terms and conditions in the Explanatory Statement, on the basis that:*
>
> *(a) every 150 Shares be consolidated into 1 Share.*
>
> *(b) all Convertible Securities (except Options) be adjusted in accordance with Listing Rule 7.21; and*
>
> *(c) all Options on issue be adjusted in accordance with Listing Rule 7.22,*
>
> *and where this Consolidation results in a fraction of a security being held, the Company be authorised to round that fraction up to the nearest whole security. The Consolidation is to take effect on* 29 July 2022*.'"*

Resolution 2 – Approval of offering of Securities under a NASDAQ initial public offering

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

> *"'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 4,000,000 New Securities in connection with a US Nasdaq IPO on the terms and conditions set out in the Explanatory Statement."*

Important information

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the EGM are those who are registered members at 10.00 am AEST on 26 July 2022.

Voting in person

To vote in person, attend the EGM at the time and date using the online meeting platform (www.advancedshare.com.au/virtual-meeting) or in person at Building A, Units A5-A6, 11-13 Lord St, Botany NSW 2019

Voting by proxy

Under rule 10.24 of the Company's Constitution, each member may appoint a proxy. The proxy may be a member of the Company but does not have to be a member. A member who is entitled to cast two or more votes may appoint two proxies but must specify the proportion or number of votes each proxy is appointed to exercise.

A Proxy Form is attached to this document. To be effective, Proxy Forms must reach the Advanced Share Registry Ltd by no later than 10.00am AEST on Tuesday, 26 July 2022.

You may lodge your proxy vote:

- online at www.advancedshare.com.au/investor-login,
- by mail to Advanced Share Registry PO Box 1156, Nedlands WA 6909,
- by email to admin@advancedshare.com.au,
- by Fax on 61 8 6370 4203
- or in person to Advanced Share Registry 110 Stirling Hwy, Nedlands WA 6009.

By order of the board of Directors of the Company.

Dated: 29 June 2022

Kerem Kaya
Company Secretary
Medlab Clinical Limited

MEDLAB CLINICAL LIMITED
ACN 169 149 071
(Company)

Explanatory Statement

1. Introduction

This Explanatory Statement has been prepared to assist the Shareholders in considering the Resolutions set out in the Notice.

The purpose of this Explanatory Statement is to provide Shareholders with sufficient information that is reasonably required by Shareholders to decide how to vote on the Resolutions.

The Notice and this Explanatory Statement should be read in their entirety and in conjunction with each other.

Each of the Resolutions is an ordinary resolution, which require that a simple majority of votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the Resolution.

Certain terms and abbreviations used in this Explanatory Statement have defined meanings which are explained in the Glossary appearing at the end of this Explanatory Statement.

The voting exclusions are set out at the end of the Explanatory Statement.

2. Resolution 1 – Consolidation of share capital

2.1 General

Resolution 1 seeks Shareholder approval for the Company to undertake a consolidation of its capital on a 150 for 1 basis (**Consolidation**).

The Consolidation will result in a more appropriate and effective capital structure for the Company and a more appropriate share price for a wider range of investors.

With the exception of this Section 1 of the Explanatory Statement, all other references in this Notice of Meeting (including the Explanatory Statement and Schedules) to the Company's Securities, exercise prices of Securities or similar, are on a pre-Consolidation basis.

2.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its Shares into a larger or smaller number.

Listing Rule 7.20 provides that where an entity proposes to reorganise its capital, it must tell Equity Security holders:

(a) the effect of the proposal on the number of Securities and the amount unpaid (if any) on the Securities.

(b) the proposed treatment of any fractional entitlements; and

(c) the proposed treatment of any Convertible Securities on issue.

Listing Rule 7.21 provides that a listed entity which has Convertible Securities (except Options) on issue may only reorganise its capital if, in respect of the Convertible Securities, the number of its Convertible Securities or the conversion price, or both, is reorganised so that the holder of the Convertible Securities will not receive a benefit that holders of ordinary Securities do not receive.

Listing Rule 7.22.1 requires that when a listed entity undertakes a consolidation of capital, the number of its Options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

If Resolution 1 is passed, the Company will be able to proceed with the Consolidation and the number of Securities on issue is anticipated to be adjusted as follows, based on the Securities currently on issue (in each case, subject to rounding):

Security	Pre-Consolidation	Post-Consolidation
Shares	342,000,000	2,280,000
Options	14,583,333	97,224

If Resolution 1 is not passed, the Company will not be able to proceed with the Consolidation.

2.3 Fractional entitlements

Not all Shareholders will hold that number of Securities (Shares, Options, Performance Rights, or Convertible Notes, as the case may be) which can be evenly divided by 100. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security (Shares, Options or Performance Rights, as applicable).

2.4 Taxation

It is not considered that any taxation implications will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

2.5 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis. After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities. It is the responsibility of each Shareholders to check the number of Securities held prior to disposal or exercise (as the case may be).

2.6 Effect on capital structure

The approximate effect which the Consolidation will have on the Company's current capital structure is set out in the tables below. All numbers are subject to rounding.

(a) Shares

The Company's issued share capital as a result of the Consolidation on a 150 for 1 basis will be as follows (subject to rounding)

	Pre-Consolidation	Post-Consolidation
Shares currently on issue (excluding the New Shares)	342,000,000	2,280,000

(b) Options

The Company's existing Options will be adjusted in accordance with Listing Rule 7.22 as follows (subject to rounding):

	Pre-Consolidation		Post-Consolidation	
Expiry date	**Number**	**Exercise Price (A$)**	**Number**	**Exercise Price (A$)**
31 October 2022	8,000,000	0.20	53,334	30.00
31 October 2022	4,000,000	0.18	26,667	27.00
24 June 2024	250,000	0.21	1,667	31.50
24 June 2024	833,333	0.275	5,556	41.25
16 October 2024	1,500,000	0.21	10,000	31.50
TOTAL	**14,583,333**		97,224	

2.7 Consolidation timetable

If Resolution 1 is passed, the Consolidation will take effect in accordance with the following timetable:

Event	**Date**
Company announces Consolidation using an Appendix 3A.3 and sends out Notice	29 June 2022
Meeting - Shareholders approve Consolidation	28 July 2022
Effective Date of Consolidation	29 July 2022
Last day for trading on a pre-Consolidation basis	1 August 2022
Post-Consolidation trading starts on a deferred settlement basis	2 August 2022
Record date and last day for Company to register transfers on a pre-Consolidation basis	3 August 2022
First day for Company to update its register of Securities on a post-Consolidation basis and first day for issue of holding statements	4 August 2022
Last date for Company to update its register and send holding statements on a post-Consolidation basis and notify ASX that this has	10 August 2022

occurred	
Normal trading of post-Consolidation Securities commences	11 August 2022
Lodge ASIC Form 2205 notification	No later than 29 August 2022

The timetable is a proposed indicative timetable, and the Board reserves the right to vary the dates in accordance with the Listing Rules.

2.8 Additional information

Resolution 2 is an ordinary resolution.

There are no other material terms to the Consolidation.

2.9 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

2.10 Voting Exclusions

Refer to voting exclusions set out at the end of this Explanatory Statement.

3. Resolution 2 – Approval of placement of Shares on Nasdaq under IPO

3.1 Background to IPO

The Company is proposing to undertake an IPO in the United States and obtain a listing on the Nasdaq Stock Market (**Nasdaq**)**.** The Company intends to file a registration statement on Form F-1 (**Registration Statement**) with the US Securities and Exchange Commission (**SEC**) for this purpose.

The Company proposes to undertake the IPO and list the New Shares on Nasdaq in order to access the US public equity market for funding of:

(a) further development of existing research and development programs for Medlab, specifically:

(i) NanaBis (Cancer bone pain program) as it readies the product for the next stage of clinic development ahead of US FDA filings appropriate for a new drug application; and

(ii) MDC2000 (Depression Program) which is believed best suited to an accelerated FDA 505(b)(2) regulatory pathway.

(b) hiring additional employees with experience in clinical/regulatory development and specialised pharmaceutical experience to support sales and development activities in the northern hemisphere; and

(c) general working capital

The United States maintains the world's most active and liquid capital market and the Company believes that it can most effectively access this market through an IPO and listing on the Nasdaq in the United States. The Board believes that a Nasdaq listing has the potential to promote greater value creation for the Company's current investors and future investors by facilitating access to a more efficient capital market with higher levels of investor interest, particularly in the Company's operating sector.

Under the IPO, the Company proposes to issue:

(a) New Shares.

(b) New Warrants to purchase fully paid ordinary shares in the company on a 1:1 basis for the exercise price set out below; or

(c) any combination of New Shares and New Warrants,

in each case up to an aggregate of 4,000,000 Equity Securities **(New Securities**).

The actual number of New Securities and the issue price payable per Share, or exercise price payable in the case of the New Warrants, subscribed for under the IPO will be determined by negotiations between the Company and the underwriters and will be based, in part, on the prevailing price of the Company's ordinary shares on the ASX. Accordingly, the total number of New Securities to be issued will be no more than 4,000,000.

The Company has not entered into any binding commitment in relation to the placement and there can be no guarantee that the Company will enter into a binding arrangement with that firm. However, this Resolution 2 is being proposed with the understanding that should an agreement not be formalised, the Board will seek to procure a transaction on the same terms with an alternate investment bank operating in the US to act as underwriter by having regard to the following criteria:

(a) reputation and credibility in the marketplace.

(b) size and financial strength.

(c) market and industry specific knowledge.

(d) history of transactions; and

(e) other factors that the Board considers as being material to the selection of an underwriting firm.

Although the number of New Securities to be issued in connection with the IPO is yet to be determined the Company has resolved that:

(a) the issue price of New Shares will be not less than 80% of the volume weighted average price for Shares traded on the ASX calculated over the 5 Trading Days prior to the date of the execution of an underwriting agreement between the Company and the underwriters; and

(b) the exercise price of the New Warrants will be 100% – 120% of the price of New Shares issued under the IPO (as determined by the board of the Company).

Following the Company’s proposed listing on Nasdaq, the Company intends to maintain its primary listing on the ASX. As a result, the Company will need to comply with the rules and regulations applicable to companies listed on both ASX and Nasdaq (subject to receipt of any relief or waivers from either exchange).

The IPO and listing on Nasdaq are subject to market conditions and, as a result, there can be no assurance that the Company will complete the IPO and list or place the New Securities on Nasdaq (and the ASX) or, if it does, at what price the New Securities would be sold.

Any material developments in respect of the proposed IPO and listing on Nasdaq which may occur after the issue of this Notice and before the EGM will be announced to ASX.

3.2 Listing Rule 7.1

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

An issue of Equity Securities, which has been approved by shareholders of a company under ASX Listing Rule 7.1, does not count towards a company's Placement Capacity.

New Securities issued in connection with IPO

The proposed placement of New Securities in connection with the Nasdaq IPO does not fall within any of the exceptions to Listing Rule 7.1 and the Company does not have sufficient Placement Capacity remaining under the Listing Rules to accommodate the issue. The Company therefore requires the approval of Shareholders under Listing Rule 7.1 for the issue of the New Securities.

Subject to the receipt of Shareholder approval pursuant to Resolution 1 and Resolution 2, it is intended to undertake the Placement once the Consolidation is complete.

Up to 4,000,000 New Securities could be issued in connection with the IPO.

The actual number of New Securities the Company issues under the IPO may be less than the number of New Securities for which approval is being sought pursuant to this Resolution 2. The actual number of New Securities the Company issues will depend on various factors, including the level of demand under the IPO and the price at which the New Securities are able to be issued. For example, the lower the price achieved under the IPO, the greater the number of New Securities that may need to be issued to achieve the Company's funding objectives.

In addition, under ASX Listing Rule 7.1, the Company may also choose to utilise its Placement Capacity. The Company may determine to use its existing Placement Capacity in respect of any additional securities issued in connection with the IPO that exceed the number of New Securities approved by Shareholders for issue under this Resolution 2. The maximum number of New Securities proposed to be issued in connection with the IPO includes the New Shares and/or New Warrants. Accordingly, it is possible that not all New Securities to be issued in connection with the IPO will be issued on the same date.

As is customary with underwriting arrangements for an IPO in the United States, the underwriting agreement proposed to be entered into between the Company and the underwriters will be structured so that the underwriters agree (subject to usual conditions and termination events) to purchase all of the New Shares offered under the IPO**.**

If Resolution 1 and Resolution 2 are both passed, the Company will be able to proceed to issue the New Securities and complete the IPO. In addition, the New Securities approved under Resolution 2 will not be counted towards the Company's Placement Capacity.

If Resolution 1 and Resolution 2 are both not passed, the Company will be limited to issuing New Securities pursuant to the Company's existing Placement Capacity under Listing Rule 7.1. This would not be sufficient to achieve the Company's funding objectives, and as a result, the Company will not be able to complete the IPO and list the New Securities on Nasdaq and may need to raise additional funds through an equity capital raising of a lesser amount using its Placement Capacity, debt financing, joint ventures, licensing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and projects may result in delay and indefinite postponement. There can be no assurance that additional finance will be available when needed or, if available, that the terms of the financing will be favourable to the Company.

3.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the issue of the New Securities:

(a) Identity of allottees:

(i) as the New Shares are being issued under an IPO, the names of the allottees are unknown at this time, but it is anticipated that the potential subscribers for the New Shares will be primarily American investors; and

(ii) as the New Warrants are being issued under an underwriting agreement which has not been finalised the names of the allottees are unknown at this time, but it is anticipated that the allottees for the New Warrants will be US based investors and underwriter(s).

(b) The maximum number of New Securities for which approval is sought is 4,000,000.

(c) Terms of Issue:

(i) any New Shares to be issued in connection with the IPO will be fully paid, ordinary Shares of the Company, issued on the same terms and conditions as existing Shares; and

(ii) any New Warrants will be issued to the underwriter(s) on the terms set out in the table below.

Ratio	1 warrant for 1 fully paid ordinary share
Exercise Period	From the date of the IPO to 60 months after the IPO
Exercise Price	100% – 120% of the sale price of New Shares under the IPO (as determined by the board of the Company)

(d) The New Securities will be issued within 3 months of the date of the EGM or such longer period agreed by the ASX. In this regard, should there be any delay in implementation of the IPO or the issue of securities in connection with the IPO the Company may apply to the ASX to extend this period of time. In the event that the ASX agrees to extend the time, the Company will issue the securities within that extended time period as agreed with ASX.

(e) The issue price per New Security has not yet been determined but the Company has resolved that:

(i) the issue price of New Shares will be not less than 80% of the volume weighted average price for Shares traded on the ASX calculated over the 5 Trading Days prior to the date of the execution of an underwriting agreement between the Company and the underwriters; and

(ii) the exercise price of the New Warrants will be 100% – 120% of the price of New Shares issued under the IPO (as determined by the board of the Company).

(iii) By way of illustration, the table below shows hypothetical examples of the minimum prices of New Shares and the exercise price of New Warrants at an $A:$US exchange rate of $0.7 and a ratio of 1 New Share to 1 Share, based on the share price prior to the anticipated consolidation which is the subject of Resolution 1.

5 Day VWAP ($A)	Minimum New Share Price ($A)	Minimum New Share Price ($US)[1]	Minimum Exercise Price of New Warrants ($US)[2]
0.05	0.040	0.028	0.0308
0.055	0.044	0.031	0.0341
0.06	0.048	0.034	0.0374
0.065	0.052	0.036	0.0396
0.07	0.056	0.039	0.0429
0.075	0.060	0.042	0.0462

[1]Based on $A:$US exchange rate of US$0.70.
[2] Based on the proposed terms of the New Warrants which provide for an exercise price which is 100% – 120% of the price of New Shares issued in the IPO (as determined by the board of the Company).
Note: the price of New Shares in the table above is presented on a pre-consolidation basis.

(f) The proceeds from the issue of the New Shares are intended to be used towards:

(i) further development of existing research and development programs for Medlab, specifically:

(A) NanaBis (Cancer bone pain program) as it readies the product for the next stage of clinic development ahead of US FDA filings appropriate for a new drug application.

(B) MDC2000 (Depression Program) which is believed best suited to an accelerated FDA 505(b)(2) regulatory pathway; and

(ii) hiring additional employees with experience in clinical/regulatory development and specialised pharmaceutical experience to support sales and development activities in the northern hemisphere, and general working capital.

The amounts and timing of any expenditures may vary from expectations depending upon numerous factors, including the progress of the Company's research and development efforts and its operating costs. Accordingly, the Company's management will have significant flexibility in applying the net proceeds of the IPO.

3.4 Additional information

Resolution 2 is an ordinary resolution.

There are no other material terms to the agreement for the subscription of the New Shares.

3.5 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

3.6 Voting Exclusions

Refer to voting exclusions set out at the end of this Explanatory Statement.

Voting Exclusions

The Corporations Act and the Listing Rules require that any voting restrictions that may apply to the Resolutions be stated in this Explanatory Statement.

Resolution 1 – Consolidation of share capital

No voting exclusions apply to this Resolution.

Resolution 2 – Approval of placement of Securities under a NASDAQ initial public offering

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

(a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder); or

(b) any associates (as defined in the ASX Listing Rules) of any of those persons.

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

(c) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the proxy or attorney to vote on the Resolution in that way; or

(d) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Glossary

In this document, unless the context requires otherwise, defined terms have the following meaning:

$ or A$ means Australian Dollars.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the Board of Directors of the Company.

Chair means the Chair of the Meeting.

Company means Medlab Clinical Ltd ACN 169 149 071.

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

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Statement means this explanatory statement accompanying the Notice.

EGM or Meeting means the Extraordinary General Meeting convened by the Notice.

Glossary means this Glossary set out in the Explanatory Statement.

IPO has the meaning given in the Explanatory Statement for Resolution 2.

Listing Rules means the ASX Listing Rules.

Material Investor means, in relation to the Company:

(a) a related party;

(b) Key Management Personnel;

(c) a substantial Shareholder;

(d) an advisor; or

(e) an associate of the above,

who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.

Nasdaq means The Nasdaq Stock Market LLC.

New Shares means any new Shares issued by the Company under or in connection with the Nasdaq IPO as further specified in the Explanatory Statement for Resolution 2.

New Securities means New Shares and New Warrants.

New Warrants means any warrants issued to purchase New Shares on a 1:1 basis as further specified in the Explanatory Statement for Resolution2.

Notice means the Notice of the Meeting accompanying this Explanatory Statement.

Placement Capacity has the meaning given in the Explanatory Statement for Resolution 2.

Proxy Form means the Proxy Form accompanying the Notice.

Resolution means a Resolution proposed pursuant to the Notice.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Trading Day has the meaning given in the Listing Rules.

US means the United States of America

US$ means US Dollars.

VWAP means Volume Weighted Average Price.

LODGE YOUR PROXY APPOINTMENT ONLINE

ONLINE PROXY APPOINTMENT
www.advancedshare.com.au/investor-login

MOBILE DEVICE PROXY APPOINTMENT
Lodge your proxy by scanning the QR code below, and enter your registered postcode.
It is a fast, convenient and a secure way to lodge your vote.

SAMPLE ONLY

Individual Proxy Forms to come from Share Registry

Important Note: The EGM is accessible to Shareholders via a live webcast with an online platform to facilitate Shareholder questions and answers in relation to the business. This facilitation will also allow shareholder voting in real time. Voting on each Resolution will occur by a poll rather than a show of hands. Please refer overleaf for details of how to virtually attend the EGM.

2022 EXTRAORDINARY GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Medlab Clinical Limited and entitled to attend and vote hereby:

STEP 1 APPOINT A PROXY

☐ The Chair of the Meeting **OR** _____

PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Extraordinary General Meeting of the Company to be held at **Building A, Units A5-A6, 11-13 Lord St, Botany NSW 2019 and virtually on 28 July 2022 at 10.00am (AEST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

STEP 2 VOTING DIRECTIONS

Resolutions		For	Against	Abstain*
1	Consolidation of share capital	☐	☐	☐
2	Approval of offering of Securities under a Nasdaq initial public offering	☐	☐	☐

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address _____

☐ Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

MEDLAB CLINICAL LIMITED - EXTRAORDINARY GENERAL MEETING

Given the current COVID-19 situation, the Directors have decided that the Meeting will be held virtually via an online meeting platform provided by the Company's share registry.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to listen to the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on your personalised proxy form to login to the website. Once logged in Shareholders may submit questions ahead of the Meeting via the portal from date the Notice of Meeting (NOM) is issued until 10:00 am (AEST) Tuesday 26 July 2022, and then again from one (1) hour before the start of the Meeting. Voting on each resolution will occur by a poll, rather than a show of hands.

Shareholders can also submit any questions in advance of the Meeting by emailing questions to Mr Kerem Kaya, Company Secretary at investor@medlab.co by no later than 10:00 am (AEDT) on Tuesday 26 July 2022.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance to Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:
Where the holding is in one name, the security holder must sign.

Joint Holding:
Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:
If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:
Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10.00am (AEST) on 26 July 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.

ONLINE PROXY APPOINTMENT
www.advancedshare.com.au/investor-login

BY MAIL
Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909

BY FAX
+61 8 6370 4203

BY EMAIL
admin@advancedshare.com.au

IN PERSON
Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009

ALL ENQUIRIES TO
Telephone: +61 8 9389 8033