

13 December 2023

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By email: [sean.maloney@asx.com.au](mailto:sean.maloney@asx.com.au) and [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au)

Dear Sean,

**Melodiol Global Health Limited – Response to Price Query**

Melodiol Global Health Limited (ASX:ME1) (**Melodiol** or the **Company**) refers to ASX's aware query letter dated 11 December 2023 (the **Query Letter**) and provides the following responses.

Capitalised terms used in these responses have the same meaning given in the Query Letter.

**1. Does ME1 consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

No.

**2. If the answer to question 1 is “no”, please advise the basis for that view.**

Halucenex Life Sciences, Sierra Sage Herbs, LLC and impACTIVE Ltd. are wholly owned subsidiaries of the Company that represent, on a combined basis, less than 10% of group revenues, and is steadily declining. ME1 does not consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of securities. Notably, the price and value of the Company's securities have not changed since the announcement of the Information.

**3. When did ME1 first become aware of the Information? In answering this question, please specifically address the following matters:**

**3.1 At what date and time did ME1 form the decision to terminate discussions with Panacea Life Sciences in relation to the Transaction?**

On 15 November 2023 around 7 AM Perth time, ME1's board of directors met (**Board Meeting**) to consider the Transaction, as it had new information that Panacea Life Sciences may need to source an alternative source of financing for the Transaction. There was also a discussion of the potential for another buyer to make an offer for one or all the subsidiaries (which has since fallen through). At the Board Meeting, it was determined to give the employees of Halucenex Life Sciences notice, which would result in the pausing of the business in early December 2023. A view was formed that during this period, it was possible that Panacea Life Sciences may be able to source an alternative source of financing to proceed with the Transaction. It was also considered that ME1 may be able to source additional capital on its own

during the interim period, which may have negated the need to pause the business operations in question. Following this discussion, the board implicitly delegated authority to William Lay (Chief Executive Officer and Managing Director) to make the final decision on the Transaction in early December 2023 once more information about Panacea Life Sciences circumstances was known. As Panacea Life Sciences did not provide any significant update during the interim period, Mr Lay decided to terminate the transaction and pause the business operations prior to the release of the Announcement. Specifically, these decisions were made at 7 AM AEDT on 7 December 2023. This decision to pause business operations was formed on the basis that in a limited capital environment, in order to provide the most long-term upside to shareholders, the Company had to focus its resources on its top performing business operations that have the potential between them to meet the Company's core objective of reaching a cash flow positive state.

**3.2 At what date and time did ME1 communicate its decision to Panacea Life Sciences to terminate discussions in relation to the Transaction?**

The Company did not directly communicate to Panacea Life Sciences that it had terminated discussions in relation to the Transaction. Instead, the Company released the Announcement and considered this to be a sufficient notice of terminating discussions to Panacea Life Sciences. As such, the Company communicated its decision to Panacea Life Sciences at 9:46 AM AEDT on 7 December 2023.

**3.3 At what date and time did ME1 form the decision to temporarily pause operations at Halucenex Life Sciences, Sierra Sage Herbs LLC and impACTIVE Ltd?**

Please refer to responses to section 3.1.

- 4. If the answer to question 1 is “yes” and ME1 first became aware of the Information before the relevant date, did ME1 make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ME1 was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ME1 took to ensure that the information was released promptly and without delay.**

Not applicable.

- 5. Please confirm that ME1 is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

ME1 confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

- 6. Please confirm that ME1's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ME1 with delegated authority from the board to respond to ASX on disclosure matters.**

ME1 confirms that this response has been authorised and approved by Managing Director and Chief Executive Officer, William Lay.

If you have any queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads "E Dawson". The signature is written in a cursive, flowing style.

Erlyn Dawson  
Joint Company Secretary



11 December 2023

Reference: 85994

Ms Eryln Dawson  
Company Secretary  
Melodiol Global Health Limited

By email:

Dear Ms Dawson

**Melodiol Global Health Limited ('ME1'): General – Aware Query**

ASX refers to the following:

- A. ME1's announcement entitled "LOI for Sale of Sierra Sage and Halucenex to Panacea" lodged on the ASX Market Announcements Platform ('MAP') on 2 August 2023, disclosing the following, among other things:

*"Melodiol secures a non-binding LOI with Panacea Life Sciences Holdings, Inc. ('Panacea') (OTCQB: PLSH).....for the sale of Sierra Sages Herbs, LLC ('SSH') and Halucenex Life Sciences Inc. ('Halucenex') for an initial approximate US\$5m in cash and scrip"*

('Transaction').

- B. ME1's announcement entitled "Capital Raising & Corporate Update" lodged on MAP on 26 October 2023, disclosing the following, among other things:

*"Negotiations with Panacea have been proceeding since the announcement to the market, however the Company expects that if the transaction is to take place, it will likely exclude Sierra Sage Herbs, LLC, and may be adjusted to include Creso impACTIVE Ltd. which would be likely to materially reduce the overall purchase price. The Company expects to be able to provide a detailed update on this transaction imminently."*

- C. ME1's announcement entitled "Corporate Update" lodged on MAP and released at 09:46 AM AEDT on 7 December 2023 ('Announcement'), disclosing the following, among other things:

*"Further to the Company's announcements dated 2 August 2023 and 26 October 2023, the Company notes that on 4 December 2023, it terminated discussions with Panacea Life Sciences...."*

*As part of that refocusing effort, the Company has temporarily paused operations at Halucenex Life Sciences, Sierra Sage Herbs, LLC, and impACTIVE Ltd. The Company has taken this decision in order to accelerate its ability to deliver group cash flow positive results and to concurrently pursue a sale of each of these noncore business units."*

('Information').

- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*

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- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed.”*

- G. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

#### **Request for information**

Having regard to the above, ASX asks ME1 to respond separately to each of the following questions and requests for information:

1. Does ME1 consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did ME1 first become aware of the Information? In answering this question, please specifically address the following matters:
  - 3.1 At what date and time did ME1 form the decision to terminate discussions with Panacea Life Sciences in relation to the Transaction?
  - 3.2 At what date and time did ME1 communicate its decision to Panacea Life Sciences to terminate discussions in relation to the Transaction?
  - 3.3 At what date and time did ME1 form the decision to temporarily pause operations at Halucenex Life Sciences, Sierra Sage Herbs LLC and impACTIVE Ltd?
4. If the answer to question 1 is “yes” and ME1 first became aware of the Information before the relevant date, did ME1 make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ME1 was obliged to release the information under Listing Rules

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3.1 and 3.1A and what steps ME1 took to ensure that the information was released promptly and without delay.

5. Please confirm that ME1 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that ME1's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ME1 with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Thursday, 14 December 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ME1's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ME1 to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ME1's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in ME1's securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to ME1's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that ME1's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

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**Release of correspondence between ASX and entity**

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

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**Sean Maloney**  
Senior Adviser, Listings Compliance