

Gleneagle Gold

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Gleneagle talks medical cannabis ambitions in Proactive Q&A Sessions™

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Gleneagle will transition into the medical cannabis sector after entering into an acquisition agreement with Zelda Therapeutics.

We are joined exclusively by Harry Karelis, chairman, Zelda Therapeutics, in Proactive Q&A Sessions™.

Gleneagle ([ASX:GLN](#)) has positioned itself at the forefront of the medical cannabis sector, after recently entering into an agreement in relation to acquiring 100% of the issued capital of Zelda Therapeutics Pty Ltd.

Zelda is leveraging its close relationship with established California based medical cannabis company Aunt Zelda's.

Aunt Zelda's has a significant database of patient records indicating solid anecdotal evidence for treating a variety of ailments using protocols and formulations developed by Aunt Zelda's over several years.

Zelda seeks to fund clinical trials aimed at validating this anecdotal evidence in controlled conditions initially aiming for topical treatment for wound healing, eczema, post-burn itch, acne and certain cancers.

We are joined by Harry Karelis, chairman, Zelda Therapeutics, in the Proactive Q&A Sessions™.

PROACTIVE INVESTORS: Welcome Harry.

First of all, can you outline the intellectual property Zelda either directly holds or has access to, and how is this unique to other companies in the medical cannabis sector?

Harry Karelis: The founders of Zelda have taken a very considered approach to the global medical cannabis sector and spent several months learning about the sector, speaking with many different players in the ecosystem and identifying opportunities that make sense for investors.

We are taking a long term approach to one of the fastest growing sectors in the world and seeking early-mover advantages.

This culminated in identifying a gap in the market in terms of hard, clinical data where there are not more than a handful of companies globally that have approved, cannabinoid-based medicines.

These companies appear to be highly valued by investors and given our backgrounds in the life sciences sector, our knowledge and experience has guided Zelda towards obtaining an exclusive global licence to a set of actual human data via Aunt Zelda's in California.

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This potentially gives us a 10 year head-start over a typical biotech start-up company.

Our sole focus is on converting this anecdotal data into clinically validated data via conducting a series of clinical trials in a variety of indications over time.

We have built a global network of relationships both formal and informal that we will use to accelerate Zelda's progress which we think is a fairly unique proposition for investors.

A key milestone for Zelda is to fund clinical trials aimed at validating anecdotal evidence. What is an estimate on costs, potential timeline to results and where could this be conducted?

Harry Karelis: The beauty of our business plan is that we already have tremendous insights into what formulations, and importantly what protocols (what to give, how much to give and when to give it) seem to have therapeutic benefit in humans.

This means we can basically skip the lengthy and costly discovery and pre-clinical phases of your typical biotech company.

We have deliberately focused on topically-based trials to start with – that is, applying cannabinoid-based creams to the skin and focused on skin-based conditions.

These are significantly less costly and less complicated than systemic trials of new drugs.

We expect that these trials will be relatively short duration in nature – we are talking a few months and as such relatively inexpensive to conduct with all activities to be out-sourced to professional contract research organisations.

We are hopeful to have a series of trials underway generating regular results over the course of the next 12-24 months.

Positive results combined with creating new intellectual property will open doors to partnerships with third parties and help generate license and milestone fees and ongoing royalties where we choose to work with larger groups.

Working with acknowledged leaders in their respective fields also helps raise our profile amongst the bio-pharmaceutical industry.

Looking forward, how will Zelda protect its intellectual property, and is there a patent structure you will follow?

Harry Karelis: Intellectual property (IP) is the heart of what a biotech company is about especially if you want to maximise your value creation.

We are working with one of Australia's leading intellectual property firms to ensure that everything we do conforms with international expectations of the regulators and the bio-pharmaceutical sector.

It is not just about lodging a patent over a discovery it is about having a long term IP strategy that incorporates global "landscape" reviews helping to identify areas of interest and opportunities for Zelda to focus on those areas, licensing agreements, royalty arrangements, ensuring all confidentiality and employment agreements are water-tight to minimise "IP leakage".

Everything we do will work within this over-riding IP strategy and philosophy.

What has been the current interest and investor appetite to provide funding for these trials?

Harry Karelis: At this stage, Zelda is a private company that has been supported by a small group of sophisticated

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investors based in several parts of the world that have had a greater exposure and understanding of the sector.

These investors recognise the potential of Zelda.

This has allowed Zelda to build its strong global network, secure the core licence and prepare the company for its next round of funding which is now being addressed through the proposed transaction with [Gleneagle Gold](#).

Where could an investor source more knowledge on how to potentially invest in Zelda?

Harry Karelis: I would encourage investors to visit www.zeldatherapeutics.com and register their interest so that a prospectus can be sent to them when complete in early 2016.

Alternatively, if an investor qualifies as a “sophisticated investor” they are able to invest directly into Zelda now as part of a pre-deal convertible note issue.

Finally, can you outline steps that would need to be achieved to move from the current agreement to a new entity listed on the ASX?

Harry Karelis: This transaction will result in a significant change to the nature and scale of Gleneagle’s activities and as such will require shareholders’ approval and will also require the company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

This means we will be lodging a full form prospectus to raise at least \$3 million after Gleneagle Shareholders vote on the transaction in early 2016.

A Notice of Meeting will be despatched in coming weeks with the Gleneagle shareholder meeting to be held roughly four weeks later.

Following a successful capital raising Gleneagle will change its name to Zelda Therapeutics Ltd – at this stage likely to be in March 2016.

PROACTIVE INVESTORS: Thank-you Harry.

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