
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Post-Effective Amendment Number 2 to
FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Propanc Biopharma, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of
Incorporation)

2834
(Primary Standard Industrial
Classification Number)

33-0662986
(IRS Employer
Identification Number)

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of registrant's principal executive offices)

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Approximate date of proposed sale to the public:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by checkmark if the registrant has not elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Commission, acting pursuant to said section 8(a), may determine.

EXPLANATORY NOTE

On May 13, 2020, Propanc Biopharma, Inc. (the “Company”) filed a Registration Statement on Form S-1 (No. 333-238240) (the “Registration Statement”) with the Securities and Exchange Commission (the “SEC”) that was subsequently declared effective on November 12, 2020. The Registration Statement registered the resale of up to 150,000,000 shares of the Company’s Common Stock, \$0.001 par value per share by the selling security holder identified in the prospectus contained therein.

This Post-Effective Amendment Number 2 is being filed pursuant to the undertakings in Item 16 of the Registration Statement to update and supplement the information to (i) include the information in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2022, as filed with the SEC on September 28, 2022, (ii) include the information in the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2022, as filed with the SEC on February 10, 2023, (iii) include the information in the Company’s Current Reports filed on Form 8-K with the SEC on October 12, 2022, November 1, 2022, February 21, 2023, and March 6, 2023, and (iv) make certain other updates as contained herein.

The Registration Statement originally covered, on an adjusted one-for-1,000 reverse stock split of the Common Stock, a primary offering of (i) 805 shares of Common Stock (ii) 10,445 shares of Common Stock underlying pre-funded warrants to purchase Common Stock, (iii) 11,250 shares of Common Stock underlying Series A Warrants to purchase Common Stock, (iv) 63,750 shares of Common Stock underlying Series B Warrants to purchase Common Stock, and (v) 63,750 shares of Common Stock underlying Series C Warrants to purchase Common Stock.

This Post-Effective Amendment covers the sale of 23,750 shares of Common Stock underlying Series B Warrants to purchase Common Stock.

All share and per-share information in this Post-Effective Amendment has been adjusted to reflect a one-for-1,000 reverse stock split of the Company’s Common Stock, which was effective on November 19, 2020.

No additional securities are being registered under this Post-Effective Amendment. All applicable registration fees were paid at the time of the original filing of the Registration Statement.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION DATED MARCH [], 2023

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Propanc Biopharma, Inc.

23,750 Shares of Common Stock Issuable Upon Exercise of Outstanding Series B Warrants

This prospectus relates to the issuance of up to 23,750 shares of Common Stock underlying warrants (the “Series B Warrant”) currently outstanding. Each Series B Warrant has an exercise price per share equal to \$40.00 per share and will expire on the three-year anniversary of its original issuance date. The Purchaser is not permitted to exercise portion of the Series B Warrants that would result in the Purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% of our outstanding Common Stock following the consummation of this offering.

Our shares of Common Stock are currently quoted on the OTCQB[®] Venture Market (the “OTCQB”) operated by the OTC Markets Group Inc., under the ticker symbol “PPCB.” On March 22, 2023, the closing price as reported on the OTCQB was \$0.0005. This price will fluctuate based on the demand for our Common Stock.

Investing in our securities involves a high degree of risk. Before buying any securities, you should read the discussion of material risks of investing in our Common Stock under the heading “Risk Factors” beginning on page [27] of this prospectus.

Neither the Securities and Exchange Commission nor any foreign or state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The Selling Stockholder of the securities and any of its pledgees, assignees and successors-in-interest may, from time to time, offer Common Stock at prevailing market prices at the time of the sale, at fixed prices, at negotiated prices, or at varying prices determined at the time of sale.

See “Plan of Distribution” beginning on page [55] of this prospectus for more information.

We will not receive any of the proceeds from the sale of shares of Common Stock by the Selling Stockholder. See “Use of Proceeds.”

This prospectus provides a general description of the securities being offered. You should read this prospectus and the registration statement of which it forms a part before you invest in any securities.

Investing in our securities involves a high degree of risk. See “Risk Factors” beginning on page [27] of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

You should rely only on the information contained in this prospectus or any prospectus supplement or amendment hereto. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely upon it. This prospectus is not an offer to sell, nor is the selling stockholder seeking an offer to buy, securities in any state where such offer or solicitation is not permitted. The information in this prospectus is complete and accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our Common Stock. Our business, financial condition, results of operations and prospects may have changed since that date.

The date of this prospectus is [], 2023.

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Propanc Biopharma, Inc., the Propanc Biopharma logo, and other trademarks or service marks of Propanc Biopharma appearing in this prospectus are the property of Propanc Biopharma, Inc. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, trademarks and tradenames referred to in this prospectus appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or that the applicable owner will not assert its rights, to these trademarks and tradenames.

You should rely only on the information contained in this prospectus or in any related free writing prospectus filed by us with the Securities and Exchange Commission (the "SEC"). We have not authorized anyone to provide you with any information or to make any representation not contained in this prospectus or incorporated by reference. We do not take any responsibility for, and can provide no assurance as to the reliability of, any information that others may provide to you. This prospectus is not an offer to sell or an offer to buy securities in any jurisdiction where offers and sales are not permitted. The information in this prospectus is accurate only as of its date, regardless of the time of delivery of this prospectus or any sale of securities. You should not assume that the information contained in this prospectus or any prospectus supplement or free writing prospectus is accurate as of any date other than the date on the front cover of those documents, or that the information contained in any document incorporated by reference is accurate as of any date other than the date of the document incorporated by reference, regardless of the time of delivery of this prospectus or any sale of a security. Our business, financial condition, results of operations and prospects may have changed since those dates.

We have not done anything that would permit a public offering of the securities or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the securities and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere or incorporated by reference in this prospectus and does not contain all of the information you should consider in making your investment decision. You should read this summary together with the more detailed information, including our consolidated financial statements and the related notes included in this prospectus, contained or incorporated by reference in this prospectus. You should carefully consider, among other things, the matters discussed under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our consolidated financial statements, before making an investment decision. You should also read and consider the information in the documents to which we have referred you in "Where You Can Find Additional Information" And "Incorporation of Certain Information by Reference."

As used in this prospectus, unless the context otherwise requires, references to "we," "us," "our," "our Company," the "Company" and "Propanc" refer to Propanc Biopharma, Inc. and our wholly owned subsidiary Propanc PPY LTD.

Business Overview

Propanc Biopharma is a biopharmaceutical company developing a novel approach to prevent recurrence and metastasis from solid tumors by using pancreatic proenzymes that target and eradicate cancer stem cells in patients suffering from pancreatic, ovarian and colorectal cancers. Our novel proenzyme therapy is based on the science that enzymes stimulate biological reactions in the body, especially enzymes secreted by the pancreas. These pancreatic enzymes could represent the body's primary defense against cancer.

Our lead product candidate, PRP, is a variation upon our novel formulation and involves proenzymes, the inactive precursors of enzymes. As a result of positive early indications of the anti-cancer effects of our technology, we have conducted successful pre-clinical studies on PRP and also commenced preparation for a clinical study in advanced cancer patients. Subject to us receiving sufficient financing, we plan to begin our Investigational Medicinal Product Dossier, study proposal and Investigator's Brochure in the 2023 calendar year. Our plan is to then commence our study preparation process with the contract research organization, analytical lab and trial site(s) selection and to begin our clinical trial application for PRP ("CTA") compilation in the first calendar quarter of 2023 and complete the CTA compilation and submit the CTA in the first half of 2023. In the second quarter of 2023, we plan to begin the preparation of logistics and trial site initiation visits. Subject to raising additional sufficient capital, we subsequently plan to commence a First-In-Human (FIH), Phase Ib study in patients with advanced solid tumors, evaluating the safety, pharmacokinetics and anti-tumor efficacy of PRP in the second half of 2023 calendar year, which study we hope to complete within twelve months thereafter. We intend to develop our PRP to treat early-stage cancer and pre-cancerous diseases and as a preventative measure for patients at risk of developing cancer based on genetic screening.

PRP is an intravenous injection proenzyme treatment designed as a therapeutic option in cancer treatment and prevention. PRP is a combination of the pancreatic proenzymes, trypsinogen and chymotrypsinogen. PRP produces multiple effects on cancerous cells intended to inhibit tumor growth and potentially stop a tumor from spreading through the body.

We received notification from the U.S. Food and Drug Administration ("FDA") that PRP had been conferred Orphan Drug Designation for the treatment of pancreatic cancer. This special status is granted when a rare disease or condition is implicated and a potential treatment qualifies under the Orphan Drug Act and applicable FDA regulations.

A Certificate for Advance Overseas Finding was received from the Board of Innovation and Science Australia to receive up to a 43.5% "cash back" benefit from overseas R&D expenses. The finding relates to the planned Phase I clinical trial – Multiple Ascending Dose Studies of proteolytic proenzymes for the treatment of advanced cancer patients suffering from solid tumors planned to be conducted at the Peter MacCallum Center, Melbourne, Australia. Overseas activities to be undertaken include the development of an analytical assay for the quantification of active pharmaceutical ingredients in the Company's lead product candidate, PRP, and its manufacture of the finished product for the Phase I clinical trial.

Our POP1 joint research and drug discovery program is designed to produce a backup clinical compound to the lead product candidate, PRP. With the aim of producing large quantities of trypsinogen and chymotrypsinogen for commercial use, exhibiting minimal variation between lots and without sourcing the proenzymes from animals, Propanc Biopharma is undertaking a challenging research project in collaboration with the Universities of Jaén and Granada. We entered into a second two-year joint research and collaboration agreement with the University of Jaén who are undertaking the research activities for the POP1 program.

OUR FOCUS

Cancer occurs when cells in the body start to divide quickly and uncontrollably with an ability to migrate from one location and spread to distant sites. A cell becomes cancerous when it becomes undifferentiated. The cell forgets to do its job and invests all its energy to proliferating. Unlike normal cells, cancer cells multiply, but do not differentiate.

Common cancer therapies take advantage of the uncontrolled proliferation of the cancer cells and kill these cells by targeting the cell division machinery. These therapies are effective but affect healthy cells as well, particularly those with a high rate of cell turnover, inducing undesirable side effects.

Our goal is to stop cancer not by targeting tumor cell death, but inducing cell differentiation. This is known as differentiation therapy. The key focus is to convince the malignant cells to stop proliferating and return to do their work as a specific cell type. Differentiation therapy does not target cell death, so healthy cells within the patient will not be compromised, unlike chemotherapeutic drugs or gamma irradiation.

Differentiation therapy induces the cancer cells into the pathway of terminal differentiation and eventual senescence (i.e., a non-proliferative state). Differentiation therapy acts not only against cancer cells, but interestingly can turn cancer stem cells (undifferentiated cells) towards completely differentiated (i.e., normal) cells.

There are natural elements within our body that could help us fight against cancer. Enzymes are natural proteins that stimulate and accelerate biological reactions in the body. Particularly enzymes secreted by the exocrine pancreas that are essential for the digestion of proteins and fats. More than one hundred years ago, Professor John Beard first proposed that pancreatic enzymes represent the body's primary defense against cancer and would be useful as a cancer treatment. Since then, several scientists have endorsed Beard's hypothesis with encouraging data from patient treatment.

We are developing a long-term therapy based on a pancreatic proenzyme formulation to prevent tumor recurrence and metastasis, the main cause of patient death from cancer. PRP is a novel, patented, formulation consisting of two proenzymes mixed in a synergetic ratio.

After extensive laboratory research and a limited amount of human data, we have evidence that PRP:

- Reduces cancer cell growth via promotion of cell differentiation;
- Enhances cell adhesion and may suppress metastasis progression;
- Exhibited no observable serious side effects and improves patient survival;
- Alters the external microenvironment of malignant tumors, preventing tumors from returning and spreading.

PRP

PRP is a mixture of two proenzymes, trypsinogen and chymotrypsinogen from bovine pancreas administered by intravenous injection. A synergistic ratio of 1:6 inhibits growth of most tumor cells. Examples include kidney, ovarian, breast, brain, prostate, colorectal, lung liver, uterine and skin cancers.

Mechanism Of Action

Metastasis occurs because a program inside the cell, called the Epithelial-Mesenchymal Transition (EMT) is activated, which causes epithelial cancer cells to become invasive and stem cell-like, features which then allow these cancer cells to spread and metastasize. PRP reverses the conversion from an epithelial to a mesenchymal phenotype and, as such, may reduce the metastatic potential of the tumor cells. PRP also promotes the acquisition of a less malignant phenotype, in addition to a decrease in proliferation due to lineage (i.e., direct descent) specific cellular differentiation.

Selectivity

PRP treatment affects the TGF β pathway, a significant tumor promoter in late-stage cancer. The likely molecular targets are proteinase-activated-receptors (PARs) type 1 and 2, which are over frequently overexpressed in many types of cancers. Trypsinogen and chymotrypsinogen are activated by proteases in the extracellular matrix of tumor cells. In turn, trypsin (activated trypsinogen) has a preference to activate PAR-2, whilst Chymotrypsin (activated chymotrypsinogen) mainly activates PAR-1.

Effects Against Cancer Stem Cells

Cancer Stem Cells are resistant to standard treatments because they remain dormant for long periods, then migrate to other organs, and trigger explosive tumor growth, causing the patient to relapse. Approximately eighty percent of cancers are from solid tumors and metastasis is the main cause of patient death. Our unique patented approach is designed to target and eradicate cancer stem cells not killed by radiation or chemotherapy.

PRP is designed to target and eradicate cancer stem cells not killed by radiation or chemotherapy. Traditional cancer therapies act on tumor replicating cells, but not cancer stem cells, so they can rebuild the tumor mass and can migrate to start a new tumor in another organ. PRP stops cancer stem cells so that a tumor loses the ability to generate new cells and therefore the tumor disappears with no option to form a metastatic tumor elsewhere.

PRP treatment regulates up to four relevant pathways related to cancer spread and metastasis of cancer stem cells. PRP acts on TGF β , Hippo, Wnt and Notch pathways. It promotes the up-regulation of RAC1b which avoids the hyper-activation of the p38 pathway induced by the TGF β pathway, leading to the phosphorylation of YAP, which sequesters B-catenin in the cytoplasm, blocking the canonical Wnt pathway and inhibiting the Notch pathway. That cascade of reactions implies the disruption of the cancer stem cell phenotype and the reversal of the malignant epithelial to mesenchymal transition process that leads to tumor invasion.

PRP Impairs Niche Formation and Tumor Initiation

The proenzyme treatment inhibits the expression of genes related to the cancer stem cell phenotype, changing these malignant cells toward a more differentiated and less dangerous cellular condition. PRP interferes with the signals that the primary tumor sends to other tissues to prepare the pre-metastatic niche. Several assays, *in vitro* and *in vivo* studies confirm that PRP exerts an anti-tumor effect and acts selectively against all malignant, or tumor elements without affecting the non-tumor microenvironment and preventing its malignification.

In Vivo Efficacy of PRP In Pancreatic and Ovarian Tumors

The effect of the pro-enzyme formulation PRP at different doses on tumor weight in orthotopically implanted pancreatic and ovary tumors was evaluated. In the pancreatic tumor model, there was significant (*P < 0.05) reduction in mean tumor weight in animals treated for 26 days with trypsinogen/chymotrypsinogen at 83.3/500 mg/kg (30.2 mg; 85.9% inhibition) compared with control (PBS; 214.8 mg). Furthermore, ovary tumor-bearing mice showed a significant (*P < 0.05) reduction in mean tumor weight in animals treated for 21 days with two different doses of trypsinogen/chymotrypsinogen, 9.1/54 mg/kg and 27.5/165 mg/kg, compared with control (PBS). The mean weight of control group tumors was 2062.2 mg while the treated groups presented a mean tumor weight of 1074.2 mg and 957.3 respectively, ranging in a 50% tumor inhibition (52–46%).

Overview Of Clinical Studies

The clinical efficacy of a suppository formulation containing bovine pancreatic pro-enzymes trypsinogen and chymotrypsinogen was evaluated in the context of a UK Pharmaceuticals Special Scheme and the results were published in a peer-reviewed journal, *Scientific Reports*. Clinical effects were studied in 46 patients with advanced metastatic cancers of different origin (prostate, breast, ovarian, pancreatic, colorectal, stomach, non-small cell lung, bowel cancer and melanoma) after treatment with a rectal formulation of both pancreatic pro-enzymes.

No severe or serious adverse events related to the rectal administration were observed. Patients did not experience any hematological side effects as typically seen with classical chemotherapy regimens. No allergic reactions after rectal administration of suppositories were observed.

In order to assess the therapeutic activity of rectal administration, overall survival of patients under treatment was compared to the life expectancy assigned to a patient prior to treatment start. Nineteen from 46 patients (41.3%) with advanced malignant diseases, most of them suffering from metastases, had a survival time significantly longer than expected; in fact, for the whole set of cancer types, mean survival (9.0 months) was significantly higher than mean life expectation (5.6 months). Although the number of patients per cancer indication is naturally quite low, three out of eight patients with prostate cancer and five out of 11 patients with gastrointestinal cancers appear to particularly benefit from the treatment with the proenzyme suppositories.

PRP proves to be an in vivo effective and non-toxic anti-tumor treatment, able to inhibit angiogenesis and tumor growth, cancer cell migration and invasiveness. Furthermore, a suppository formulation containing both pancreatic proenzymes increased the life expectancy of advanced cancer patients. Consequently, PRP could have relevant oncological clinical applications for the treatment of solid tumors like advanced pancreatic adenocarcinoma and advanced epithelial ovarian cancer.

Cancer Type	Life Expectation (months)	Survival * (months)
Pancreatic carcinoma (n = 4)	2	8
	4	*
	<3	7
	<3	4
	4	11
	6	12
Ovarian Cancer (n = 7)	6	11
	<12	38
	<1	1
	4	*
	3	*
	6	9
Breast Cancer (n = 6)	6	*
	2	*
	12	*
	<12	*
	12	*
	6	*
Colon Rectal Cancer (n = 5)	6	*
	12	*
	6	40
	12	*
	2	8
	<3	7
Gastric Cancer (n = 2)	4	*
	1	5
	4	*
	<12	*
	12	14
	12	*
Prostate Cancer (n = 8)	12	*
	12	*
	12	*
	12	*
Non-Hodgkin Lymphoma (n = 1)	2	9
Mesothelioma (n = 1)	3	9
Melanoma (n = 2)	6	*
	<3	4
Neuro-endocrine Tumor (n = 1)	10	24
Bladder (n = 2)	<3	*
	12	*
NSCLS (n = 2)	3	5
	6	*
Bowel (n = 2)	<12	*
	<3	3
Small Cell Carcinoma (n = 1)	<12	*
Renal Cancer (n = 1)	<3	*
Abdomen unknown primary (n = 1)	<12	*

Overview of clinical studies. Patients who met prognosis of life expectation (*). For the whole set of cancer types, mean survival (9.0 months) was statistically significantly higher than mean life expectation (5.6 months). One way ANOVA ($\alpha = 0.05$, $P < 0.05$).

POP1 JOINT RESEARCH AND DRUG DISCOVERY PROGRAM

The POP1 Joint Research and Drug Discovery Program is designed to produce a backup clinical compound to PRP, which is targeting metastatic cancer from solid tumors. According to Emergen Research, the global metastatic cancer market is projected to reach \$111 Billion by 2027.

To date, recombinant trypsinogen and chymotrypsinogen were synthesized and purified in the laboratory. In the case of trypsinogen, the initial success of producing trypsinogen synthetically has advanced to the stage where optimization of protein production is underway. Whereas purification and yield of chymotrypsinogen is currently the focus of research.

A synthetic version of trypsinogen and chymotrypsinogen could have additional benefits to the global healthcare system that could further capitalize on the new therapeutic approach to treating cancer that the Company's lead product candidate PRP offers cancer sufferers. For example, both proenzymes synthesized by an *in vivo* (living organism) system to produce crystalized proteins that could be maintained for long periods without suffering degradation, even in the absence of refrigeration. This will be particularly useful for a longer shelf life as well as global distribution of the drug product, particularly in warmer climates and developing regions where refrigeration may not be available. The program's joint researchers at the Universities of Jaén and Granada are currently collaborating with the Institute of Microbiology and Microbial Biotechnology, at the University of Natural Resources and Life Sciences, Vienna, Austria, Europe, and are working towards full scale manufacture of a synthetic recombinant formulation to PRP.

PRP TARGET INDICATIONS

The management of cancer differs widely, with a multitude of factors impacting the choice of treatment strategy. Some of those factors include:

- the type of tumor, usually defined by the tissue in the body from which it originated;
- the extent to which it has spread beyond its original location;
- the availability of treatments, driven by multiple factors including cost, drugs approved, local availability of suitable facilities, etc.;
- regional and geographic differences;
- whether the primary tumor is amenable to surgery, either as a potentially curative procedure, or as a palliative one; and
- the balance between potential risks and potential benefits from the various treatments and, probably most importantly, the patient's wishes.

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For many patients with solid cancers, such as breast, ovarian, colorectal, lung and pancreatic cancer, surgery is frequently the first treatment option, often followed by first-line chemotherapy with or without radiotherapy. While the hope is that such procedures are curative, in many instances the tumor returns, and second-line treatment strategies are chosen in an effort to achieve a degree of control over the tumor. In most instances, the benefit is temporary, and eventually the point is reached where the patient's tumor either fails to respond to treatment adequately, or the treatment has unacceptable toxicity that severely limits its usefulness.

Should the planned Phase I, II and III clinical trials confirm the efficacy of PRP, along with the favorable safety and tolerability profile suggested by pre-clinical studies conducted to date, we believe our product will have utility in a number of clinical situations including:

1. In the early-stage management of solid tumors, most likely as part of a multi-pronged treatment strategy in combination with existing therapeutic interventions;
2. As a product that can be administered long term for patients following standard treatment approaches, such as surgery, or chemotherapy, in order to prevent or delay recurrence; and
3. As a preventative measure for patients at risk of developing cancer based on genetic screening.

In the near term as part of our planned Phase I, II and III clinical trials, we plan to target patients with solid tumors, most likely ovarian and pancreatic, for whom other treatment options have been exhausted. This is a common approach by which most new drugs for cancer are initially tested. Once efficacy and safety have been demonstrated in this patient population, exploration of the potential utility of the drug in earlier stage disease can be undertaken, together with investigation of the drug's utility in other types of cancers, such as gastro-esophageal tumors, colon or rectal carcinoma might be conducted. A Phase II study in a back-up indication, such as advanced therapy refractant prostate cancer will also be considered. This indication is based on positive preclinical pharmacology studies.

Pancreatic Cancer

Pancreatic cancer is one of the most lethal malignancies with a median survival of less than six months and a five-year survival rate of less than 5%. The lethal nature of this disease stems from its propensity rapidly to disseminate to the lymphatic system and distant organs. This aggressive biology and resistance to conventional and targeted therapeutic agents leads to a typical clinical presentation of incurable disease at the time of diagnosis.

Pancreatic cancer has claimed notoriety over the last decades by proving to be one of the most recalcitrant solid tumors. As an indicator of its lethality, pancreatic cancer accounts for less than 3% of new cancers diagnosed annually in developed countries; yet, it is the third leading cause of cancer related mortality.

Since pancreatic cancer is an essentially fatal condition, disease duration is roughly equivalent with survival time. The median time of survival of patients with pancreatic cancer depends on the extend of disease at the time of diagnosis and ranges from 11 to 20 months for patients who qualified for surgical resection (Stage I/II), to 6-11 months for patients with locally advanced disease (Stage III), and only two to six months for patients with metastatic disease (Stage IV) (Amikura 1995, Richter 2003). Taking these low survival times into consideration, the yearly incidence rates for pancreatic cancer are considered the more relevant measure for this disease.

Each year the American Cancer Society estimates the numbers of new cancer cases and deaths that will occur in the United States in the current year and compiles the most recent data on cancer incidence, mortality, and survival. Incidence data are collected by the National Cancer Institute (NCI), the Centers for Disease Control and Prevention (CDC), and the North American Association of Central Cancer Registries (NAACCR). In 2020, it was estimated that a total of more than 1,806,590 new cancer cases and more than 606,520 cancer deaths occurred in the United States according to the National Cancer Institute. Amongst these, a total of almost 50,000 new cases of pancreatic cancer (3.2% of new cancer cases) were estimated, which resulted in more than 40,000 deaths (8.2% of cancer deaths). This means only 20% survival rate of patients diagnosed with pancreatic cancer.

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Ovarian Cancer

Ovarian cancer is a generic term that can be used for any cancer involving the ovaries, arising from one of the several different cell types of ovaries, including germ cells, specialized gonadal stromal cells and epithelial cells. Epithelial ovarian cancer accounts for 90% of ovarian cancers and is responsible for most ovarian cancer related deaths. Furthermore, several subtypes of ovarian cancer have been described according to different risk factors, different genetic mutations, different biological behaviors and different prognoses. This heterogeneity of the disease has impeded progress in the prevention, early detection, treatment and management of ovarian cancer.

In 2020, ovarian cancer is the eighth most diagnosed cancer among women in the world and accounts for an estimated 313,959 new cases and 207,252 deaths worldwide (World Cancer

Research Fund International), in the USA, 19,880 new cases (2015 – 2019) and 12,810 related deaths (2016 – 2020) are estimated to occur (National Cancer Institute). The disease typically presents at late stage when the five-year relative survival rate is only 29%. Few cases (15%) are diagnosed with localized tumor (stage 1), when the five-year survival rate is 92%. Strikingly, the overall five-year relative survival rate generally ranges between 30% to 40% across the globe and has seen only very modest increases since 1995.

PRP DEVELOPMENT STRATEGY

Our goal is to undertake early-stage clinical development of PRP through to a significant value inflection point, where the commercial attractiveness of a drug in development, together with a greater likelihood of achieving market authorization, may attract potential interest from licensees seeking to acquire new products. Such value inflection points in the context of cancer drugs are typically at the point where formal, controlled clinical trials have demonstrated either ‘efficacy’ or ‘proof of concept’ – typically meaning that there is controlled clinical trial evidence that the drug is effective in the proposed target patient population, has an acceptable safety profile, and is suitable for further development. From a ‘big picture’ perspective, it is our intention to progress the development of our technology through the completion of our planned Phase IIa clinical trials and then to seek a licensee for further development beyond that point.

As part of that commercial strategy, we will:

- continue research and development to build our existing intellectual property portfolio, and to seek new, patentable discoveries;
- seek to ensure all product development is undertaken in a manner that makes its products approvable in the major pharmaceutical markets, including the U.S., Europe, the UK, Australia and Japan;
- aggressively pursue the protection of our technology through all means possible, including patents in all major jurisdictions, and potentially trade secrets; and
- make strategic acquisitions to acquire new companies that have intellectual property or products that complement our future goals.

PRP DEVELOPMENT PLAN AND MILESTONES

We plan to progress PRP down a conventional early-stage clinical development pathway for:

- regulatory and/or ethics approval to conduct a Phase Ib study; and
- Phase IIa multiple escalating dose studies to investigate the safety, tolerability, and pharmacokinetics of PRP administered intravenously to patients.

Preclinical development has been completed, including pharmacology and safety toxicology studies, process development activities and bioanalytical method development. The full-scale GMP (Good Manufacturing Practice) finished product manufacture of PRP will be completed in preparation for the FIH Phase Ib study. Validation of the bioanalytical method will also be completed prior to lodging our first clinical trial application (CTA) which we plan to undertake at the Peter Mac Cancer Center in Melbourne, Victoria, Australia’s biggest cancer hospital. Propanc Biopharma is collaborating with contract research organizations, manufacturing partners and consultants to complete activities prior to preparing the CTA for the Phase Ib study.

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The Company has received expressions of interest to evaluate proenzyme therapy as a method to prevent recurrence and metastasis of solid tumors in pancreatic and ovarian cancers. The letters of interest were confirmed by medical oncologists specializing in pancreatic and ovarian cancers, from the University Hospital of Jaén, in Granada, Spain. The evaluation will most likely be conducted as separate Phase IIa proof of concept (POC), multi-trial center studies for each target indication. The expressions of interest were confirmed after their evaluation of Propanc’s scientific literature supporting the use of proenzymes in pancreatic and ovarian cancers. The Phase IIa POC studies will be conducted after the Phase Ib dose escalation study investigating the tolerability and activity of proenzyme therapy in patients with advanced solid tumors is completed at the Peter Mac Cancer Center.

In Australia, we receive up to 43.5% “cash-back” benefit in the form of a refund of our qualified research and, development costs and expenses. We received a refund of \$75,800 AUD (\$54,977 USD) and \$151,767 AUD (\$113,415 USD) for the years ended June 30, 2022 and 2021, respectively. We are continuing to evaluate all options to conduct our planned clinical trials in the most cost-efficient manner, while striving to minimize dilution to our stockholders.

We anticipate reaching the Phase IIa proof of concept milestone in approximately three to four years, subject to regulatory approval in Europe, and the results from our research and development and licensing activities.

Our overhead and expenses are likely to increase from its current level as PRP progresses down the development pathway. This increase will be driven by the need to increase our internal resources in order to effectively manage our research and development activities.

Anticipated timelines

In second quarter of the 2023 calendar year, we anticipate the submission of the Clinical Trial Application for PRP. We anticipate receiving approval of such application in the first half of 2023. Following the clinical trial application, we plan to commence our Study Preparation, including CRO Selection and Contracts, Analytical Lab Selection Contracts and Trial Sites Selection and Contracts. In connection with the Clinical Trial Application, this product will be part of our Investigation Medicinal Product Dossier, Study Protocol and Investigator’s Brochure. In the second half of 2023 calendar year, we hope to complete the Study Preparation together with the Preparation of Logistics and Trial Sites Initiation Visits and complete our clinical trial application review. Commencing in the second half of 2023 calendar year, we intend to initiate a Phase Ib study in advanced cancer patients with solid tumors and the anticipated costs will be approximately \$6.5 million. We will need to raise additional financing to fund our planned Phase I, II and III clinical trials and for working capital.

Research Activity

Clinical Trial Application (CTA)
Investigational Medicinal Product Dossier
Phase Ib Clinical Study Protocol
Investigator’s Brochure
CTA Compilation
CTA submission
CTA Approval
CTA Review

Timeline

Nov ‘22 – Apr ‘23

Mar – May ‘23

May ‘23

Jun ‘23

June ‘23 – Jul ‘23

Jan – May ‘23

May – Sep ‘23

Sep ‘23

POPI JOINT RESEARCH AND DRUG DISCOVERY PROGRAM

As outlined previously, a joint research and drug discovery program has been established with our collaborators at the Universities of Jaén and Granada to investigate the changes in genetic and protein expression that occur in cancer cells as a consequence of being exposed to our proenzyme formulation. The objective of this work is to understand at the molecular level the targets of our proenzyme formulation, thereby providing the opportunity for new, patentable drugs which can be developed further. We plan to commence a targeted drug discovery program utilizing the identified molecular target to search for novel anticancer agents.

The POPI joint research and drug discovery program has produced synthetic recombinant versions of the two proenzymes, trypsinogen and chymotrypsinogen. Propanc Biopharma's joint scientific researchers are developing a novel expression system and are also in the process of optimizing conditions to achieve high titers of recombinant trypsinogen and chymotrypsinogen. Further, the anticancer effects of the synthetic versions will be tested against the naturally derived proenzymes from bovine origin.

FINANCIAL OBJECTIVES

Multiple factors, many of which are outside of our control, can impact our ability to achieve our target objectives within the planned time and budgetary constraints. Subject to these caveats, our objective is to complete our planned Phase IIa study for PRP within the proposed budget.

We primarily outsource services, skills and expertise to third parties as required to achieve our scientific and corporate objectives. As the business grows and gains more personnel, outsourcing will continue to be the preferred model, where fixed and variable costs are carefully managed on a project-by-project basis. This means our research and development activities are carried out by third parties. Additional third parties with specific expertise in research, compound screening and manufacturing (including raw material suppliers) have been contracted as required.

CORPORATE STRATEGY

Our initial focus is to organize, coordinate and finance the various parts of our drug development pipeline. New personnel will be carefully introduced into our Company over a period of time as our research and development activities expand. They will have specific expertise in product development, manufacture and formulation, regulatory affairs, toxicology, clinical operations and business development (including intellectual property management, licensing and other corporate activities). In the first instance, additional clinical management and development expertise is likely to be required for our lead product. Therefore, we anticipate an increase in employees in order to effectively manage our contractors as the projects progress down the development pathway.

This outsourcing strategy is common in the biotechnology sector and is an efficient way to obtain access to the necessary skills required to progress a project, in particular as the required skills change as the project progresses from discovery, through manufacturing and non-clinical development and into clinical trials. We anticipate that we will continue to use this model, thereby retaining the flexibility to contract in the appropriate resource as and when required.

We intend to seek and identify potential licensing partners for our product candidates as they progress through the various development stages, reaching certain milestones and value inflection points. If a suitable licensee is identified, a potential licensing deal could consist of payments for certain milestones, plus royalties from future sales if the product is able to receive approval from the relevant regulatory authorities where future product sales are targeted. We intend to seek and identify potential licensees based on the initial efficacy data from Phase II clinical trials. To accomplish this objective, we have commenced discussions with potential partners in our current preclinical phase of development.

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As part of our overall expansion strategy, from time to time, we investigate potential intellectual property acquisition opportunities to expand our product portfolio. While our initial focus is on the development of PRP as the lead product candidate, potential product candidates may also be considered for future preclinical and clinical development. These potential opportunities have arisen from other research and development organizations, which either own existing intellectual property or are currently developing new intellectual property, which may be of interest to us. These opportunities are possible new cancer treatments that are potentially less toxic than existing treatment approaches and are able to fill an existing gap in the treatment process, such as a systemic de-bulking method which could reduce the size and threat of metastases to a more manageable level for late-stage cancer patients.

We believe these potential treatment approaches will be complementary to existing treatment regimens and our existing product candidate, PRP. No formal approaches have been made at this stage and it is unknown whether we will engage in this discussion in the near future. However, as PRP progresses further down the development pathway, we intend to assess future opportunities that may arise to use the expertise of our management and scientific personnel for future prospective research and development projects.

CURRENT OPERATIONS

We are at a pre-revenue stage. We do not know when, if ever, we will be able to commercialize our products and to begin to generate revenue. We are focusing our efforts on organizing, coordinating and financing the various aspects of the drug research and development program outlined earlier in this document. In order to commercialize our products, we must complete preclinical development, Phase Ib, IIa and IIb clinical trials in Europe, the U.S., United Kingdom, Australia or elsewhere, and satisfy the applicable regulatory authority that PRP is safe and effective. If the results from the Phase II trials are convincing, we will seek conditional approval from the regulatory authorities sooner. Therefore, from the time we commence clinical trials, we estimate that this will take approximately three to four years if we seek conditional approval upon completion of Phase II trials. As described previously, when we advance our development projects sufficiently down the development pathway and achieve a major increase in value, such as obtaining interim efficacy data from Phase II clinical trials, we will seek a suitable licensing partner to complete the remaining development activities, obtain regulatory approval and market the product.

CURRENT THERAPIES

We are developing a therapeutic solution for the treatment of patients with advanced stages of cancer targeting solid tumors, which is cancer that originates in organs or tissues other than bone marrow or the lymph system. Common cancer types classified as solid tumors include lung, colorectal, ovarian cancer, pancreatic cancer and liver cancers. In each of these indications, there is a large market opportunity to capitalize on the limitations of current therapies.

Current therapeutic options for the treatment of cancer offer, at most, a few months of extra life or tumor stabilization. Some experts believe that drugs that kill most tumor cells do not affect cancer stem cells, which can regenerate the tumor (e.g., chemotherapy). Studies are revealing the genetic changes in cells that cause cancer and spur its growth. This research is providing scientific researchers with many potential targets for drugs. Tumor cells, however, can develop resistance to drugs.

Limitations of Current Therapies

PRP was developed because of the limitation of current cancer therapies. While surgery is often safe and effective for early-stage cancer, many standard therapies for late-stage cancer urgently need improvement; current treatments generally provide modest benefits, and frequently cause significant adverse effects. Our focus is to provide oncologists and their patients with therapies for metastatic cancer which are more effective than current therapies, and which have a substantially reduced side effect profile.

While progress has been made within the oncology sector in developing new treatments, the overall cancer death rate has only improved by seven percent over the last 30 years.

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Most of these new treatments have some limitations, such as:

1. significant toxic effects;
2. expense; and
3. limited survival benefits.

We believe that our treatment will provide a competitive advantage over the following treatments:

- Chemotherapeutics: Side effects from chemotherapy can include pain, diarrhea, constipation, mouth sores, hair loss, nausea and vomiting, as well as blood-related side effects, which may include a low cell count of infection fighting white blood cells (neutropenia), low red blood cell count (anemia), and low platelet count (thrombocytopenia). Our goal is to demonstrate that our treatment will be more effective than chemotherapeutic and hormonal therapies with fewer side effects.
- Targeted therapies: The most common type is multi-targeted kinase inhibitors (molecules which inhibit a specific class of enzymes called kinases). Common side effects include fatigue, rash, hand-foot reaction, diarrhea, hypertension and dyspnea (shortness of breath). Further, tyrosine kinases inhibited by these drugs appear to develop resistance to inhibitors. While the clinical findings with PRP are early and subject to confirmation in future clinical trials, no evidence has yet been observed of the development of resistance by the cancer to PRP.
- Monoclonal antibodies: Development of monoclonal antibodies is often difficult due to safety concerns. Side effects that are most common include skin and gastrointestinal toxicities. For example, several serious side effects from Avastin, an anti-angiogenic cancer drug, include gastrointestinal perforation and dehiscence (e.g., rupture of the bowel), severe hypertension (often requiring emergency treatment) and nephrotic syndrome (protein leakage into the urine). Antibody therapy can be applied to various cancer types, but can also be limited to certain genetic sub-populations in many instances.
- Immunotherapy: There is a long history of attempts to develop therapeutic cancer vaccines to stimulate the body's own immune system to attack cancer cells. While these products generally do not have the poor safety profile of standard therapeutic approaches, only a small number of them are FDA-approved and available compared to the number of patients diagnosed with cancer. Furthermore, only a relatively small number of the patient population is eligible to receive and subsequently respond to treatment, as defined by preventing tumor growth.

MARKET OPPORTUNITY

The global metastatic cancer treatment market is predicted to reach \$111 Billion by 2027 by Emergen Research. Demand for new cancer products can largely be attributed to a combination of a rapidly aging population in western countries and changing environmental factors, which together are resulting in rising cancer incidence rates. Worldwide, the World Health Organization estimated 19.3 million new cancer cases and almost 10.0 million cancer deaths occurred in 2020. As such, global demand for new cancer treatments which are effective, safe and easy to administer is rapidly increasing. Our treatment will potentially target many aggressive tumor types for which little or few treatment options exist.

We plan to target patients with solid tumors, most likely pancreatic and ovarian tumors, for whom other treatment options have been exhausted. Globally these cancers resulted in over 673,255 deaths combined in 2020, according to the World Health Organization. With such a high mortality rate, a substantial unmet medical need exists for new treatments. Once the efficacy and safety of PRP has been demonstrated in late-stage patient populations, we plan to undertake exploration of the utility of the drug in earlier stage disease, together with investigation of the drug's utility in other types of cancer.

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Anticipated Market Potential

It is difficult to estimate the size of the market opportunity for this specific type of product as a clinically proven, pro-enzyme formulated suppository marketed to oncologists across global territories for specific cancer indications, to the best of management's knowledge, has not been previously available. However, the markets for potential market for pancreatic and ovarian cancers may be characterized as follows:

- The world market for pancreatic cancer drugs is projected to grow to \$4.2 billion by the year 2025, according to Grandview Research. Major players operating in the pancreatic cancer therapy market include Eli Lilly and Company, Roche Holding AG, Celgene Corporation, Amgen Inc., Novartis AG, Pharmacycote Biotech Inc., Clovis Oncology, Inc., Teva Pharmaceutical Industries Ltd., Pfizer Inc., Merck & Co., Inc., among others. For instance, in May 2018, Eli Lilly and Company acquired AMRO BioSciences, Inc., which is engaged into number of drugs for cancer. developments performed by the companies are helping the market to grow in the coming years.
- The global market for ovarian cancer drugs expected to reach \$10.1 billion by 2027, according to iHealthcareAnalyst. This will be driven by continued uptake and expected launches of the approved PARP (poly adenosine diphosphate-ribose polymerase) inhibitors. Major competitors operating in the global ovarian cancer treatment market include AbbVie Inc., AstraZeneca PLC (Acerta Pharma), Boehringer Ingelheim International GmbH, Chugai Pharmaceutical Co., Ltd., GSK plc (formerly, GlaxoSmithKline plc (Tesar)), Gradalis, Inc., Incyte Corporation, MacroGenics, Inc., Oncotelic Therapeutics, Inc. (formerly, Mateon Therapeutics, Inc.), Merck & Co., Inc., Novartis AG, Kazia Therapeutics Limited (formerly, Novogen Limited), Vivesto AB (formerly, Oasmia Pharmaceutical AB), Pfizer Inc., Pharma Mar S.A., and Roche Holding AG.

New products can be defined as addition-in-class, advance-in-class, or first-in-class, depending on their degree of innovation. Addition-in-class products, defined as new Active Pharmaceutical Ingredients (API) with established mechanisms of action, are often clinically important and highly commercially successful. Advance-in-class product innovation, defined as significantly differentiated and innovative new APIs, albeit with established mechanisms of action, remains a highly attractive strategy. However, first-in-class innovation, defined as products with a molecular target and/or mechanism of action not found in any approved products globally, remains the key product development strategy in terms of providing the greatest degree of differentiation, extending to a first-mover advantage and potentially the capture of significant market share.

Based on the current situation for these two markets, we believe there is an attractive opportunity in both the pancreatic and ovarian cancer market sectors for the introduction of a first-in-class, clinically proven product which can achieve new benefits for patients in terms of survival and quality of life. The current concentration of products suggests oncologists may be willing to try newly approved products, particularly if they can exhibit a favorable safety profile, although substantive R&D activities will be necessary to both obtain regulatory approval, and to generate the clinical safety and efficacy data needed to convince clinicians to use a new product.

LICENSE AGREEMENTS

University of Bath

We previously sponsored a collaborative research project at University of Bath to investigate the cellular and molecular mechanisms underlying the potential clinical approach of our proprietary proenzyme formulation. As a result of this undertaking, we entered into a Commercialization Agreement with University of Bath (UK), dated November 12, 2009 (the "Commercialization Agreement"), where, initially, we held an exclusive license with Bath University, and where we and University of Bath co-owned the intellectual property relating to our proenzyme formulations. The Commercialization Agreement originally provided for University of Bath to assign the Patents (as defined therein) to Propanc in certain specified circumstances, such as successful completion of a clinical trial and commencement of a Phase II (Proof of Concept) clinical trial.

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On June 14, 2012, Propanc and University of Bath agreed to an earlier assignment to us of the patents pursuant to an Assignment and Amendment Deed, on the provision that University of Bath retains certain rights arising from the Commercialization Agreement, as follows:

- University of Bath reserves for itself (and its employees and students and permitted academic sub-licensees with respect to research use) the non-exclusive, irrevocable, worldwide, royalty free right to use the patents for research use;
- The publication rights of University of Bath specified in the contract relating to the original research made between the parties with an effective date of July 18, 2008 shall continue in force;
- Propanc shall pay to University of Bath a royalty of two percent of any and all net revenues;
- Propanc shall use all reasonable endeavors to develop and commercially exploit the patents for the mutual benefit of University of Bath and Propanc to the maximum extent throughout the covered territory and in any additional territory and to obtain, maintain and/or renew any licenses or authorizations that are necessary to enable such development and commercial exploitation. Without prejudice to the generality of the foregoing, Propanc shall comply with all relevant regulatory requirements in respect of its sponsoring and/or performing clinical trials in humans involving the administration of a product or materials within a claim of the patents; and
- Propanc shall take out with a reputable insurance company and maintain liability insurance coverage prior to the first human trials.

In consideration of such assignment, we agreed to pay royalties of two percent of net revenues to University of Bath. Additionally, we agreed to pay five percent of each and every license agreement subscribed for. The contract is cancellable at any time by either party. To date, no amounts are owed under the agreement.

University of Jaén

We have established a collaboration with the University of Jaén to carry out a Research Project aimed at the synthetic development of PRP and its subsequent validation. The University of Jaén is providing scientific research activities the Department of Health Sciences, which provides the necessary technical and human resources in order to carry out the programmed works. A Collaboration Agreement (the "Collaboration Agreement") according was established, dated October 1, 2020, with the main objective for the synthetic development of PRP and its subsequent validation. To that end, there shall be established a pre-clinical protocol of safety evaluation and antitumor efficacy on cancer stem cells and in orthotopic xenotransplantations derived from cancer stem cells isolated from tumor cell lines, of a newly developed synthetic formulation based on the two pancreatic zymogens.

The ownership of potential intellectual property rights that may arise as a result of the knowledge obtained through the project will belong to Propanc. In consideration for payment of the compensation, the University of Jaén hereby assigns and agrees to do all things reasonably required to assign to the contracting entity all industrial property rights arising from the Project.

In return for ownership of the entire right and title in all industrial property rights arising from the Project, Propanc agrees to pay the University of Jaén two percent of the net sales of any products sold by the contracting entity which fall within the scope of the protection of such industrial property rights.

A second collaborative research project is underway with the Universities of Jaén and Granada investigating the effect of pancreatic proenzymes against the tumor microenvironment and premetastatic niche. The specific tasks developed under this collaboration focuses on the effects of PRP on cancer associated fibroblasts within the tumor microenvironment. Consistent with existing rights, Propanc will own any intellectual property developed. The personnel of the investigation team of the University of Jaén and Granada whose work has contributed to the creation of knowledge that give rise to industrial property rights should be listed as inventors. Further, Professors Macarena Perán from the University of Jaén and Marchal from the University of Granada should receive one percent of the net revenue to Propanc Biopharma from sales of any products sold by the contracting entity, or on behalf of the contracting entity, which fall within the scope of protection of such industrial property rights. The commencement date for the experiments is September 1, 2022, and the estimated length of time for completion is 24 months.

Future Agreements

We continue to learn the properties of proenzymes with the long-term aim of screening new compounds for development. We anticipate engaging in future discussions with several technology companies who are progressing new developments in the oncology field as potential additions to our product line. Initially targeting the oncology sector, our focus is to identify and develop novel treatments that are highly effective targeted therapies, with few side effects as a result of toxicity to healthy cells.

INTELLECTUAL PROPERTY

The Company has filed multiple patent applications relating to its lead product, PRP. The Company's lead patent application has been granted and remains in force in the United States, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, Liechtenstein, Turkey, United Kingdom, Australia, China, Japan, Indonesia, Israel, New Zealand, Singapore, Malaysia, South Africa, Mexico, Republic of Korea, India and Brazil. In Canada, the patent application remains under examination.

In 2016 and early 2017, we filed other patent applications. Three applications were filed under the Patent Cooperation Treaty (the "PCT"). The PCT assists applicants in seeking patent protection by filing one international patent application under the PCT; thus, applicants can simultaneously seek protection for an invention in over 150 countries. Once filed, the application is placed under the control of the national or regional patent offices, as applicable, in what is called the national phase. One of the PCT applications filed in November 2016, entered national phase in July 2018 and another PCT application entered national phase in August 2018. A third PCT application entered national phase in October 2018.

Presently, there are 43 granted, allowed, or accepted patents and 22 patent applications filed, or under examination in key global jurisdictions relating to the use of proenzymes against solid tumors, covering the lead product candidate PRP.

Further patent applications are expected to be filed to capture and protect additional patentable subject matter based on the Company's field of technology relating to pharmaceutical compositions of proenzymes for treating cancer.

REGULATORY MATTERS

United States

Government oversight of the pharmaceutical industry is usually classified into pre-approval and post-approval categories. Most of the therapeutically significant innovative products marketed today are the subject of New Drug Applications ("NDA"). Preapproval activities, based on these detailed applications, are used to assure the product is safe and effective before marketing. In the United States, The Center for Drug Evaluation and Research ("CDER"), is the FDA organization responsible for over-the-counter and prescription drugs, including most biological therapeutics, and generic drugs.

Before approval, the FDA may inspect and audit the development facilities, planned production facilities, clinical trials, institutional review boards and laboratory facilities in which the product was tested in animals. After the product is approved and marketed, the FDA uses different mechanisms for assuring that firms adhere to the terms and conditions of approval described in the application and that the product is manufactured in a consistent and controlled manner. This is done by periodic unannounced inspections of production and quality control facilities by FDA's field investigators and analysts.

Prescription drug and biologic products are subject to extensive pre- and post-market regulation by the FDA, including regulations that govern the testing, manufacturing, safety, efficacy, labelling, storage, record keeping, advertising and promotion of such products under the Federal Food, Drug and Cosmetic Act, the Public Health Service Act, and their implementing regulations. The process of obtaining FDA approval and achieving and maintaining compliance with applicable laws and regulations requires the expenditure of substantial time and financial resources. Failure to comply with applicable FDA or other requirements may result in refusal to approve pending applications, a clinical hold, warning letters, civil or criminal penalties, recall or seizure of products, partial or total suspension of production or withdrawal of the product from the market. FDA approval is required before any new drug or biologic, including a new use of a previously approved drug, can be marketed in the United States. All applications for FDA approval must contain, among other things, information relating to safety and efficacy, stability, manufacturing, processing, packaging, labelling and quality control.

New Drug Applications (“NDAs”)

The FDA’s NDA approval process generally involves:

- Completion of preclinical laboratory and animal testing in compliance with the FDA’s good laboratory practice, or GLP, regulations;
- Submission to the FDA of an investigational new drug (“IND”) application for human clinical testing, which must become effective before human clinical trials may begin in the United States;
- Performance of adequate and well-controlled human clinical trials to establish the safety, purity and potency of the proposed product for each intended use;
- Satisfactory completion of an FDA pre-approval inspection of the facility or facilities at which the product is manufactured to assess compliance with the FDA’s “current good manufacturing practice” (“CGMP”) regulations; and
- Submission to and approval by the FDA of an NDA.

The preclinical and clinical testing and approval process requires substantial time, effort and financial resources, and we cannot guarantee that any approvals for our product candidates will be granted on a timely basis, if at all. Preclinical tests include laboratory evaluation of toxicity and immunogenicity in animals. The results of preclinical tests, together with manufacturing information and analytical data, are submitted as part of an IND application to the FDA. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions about the conduct of the clinical trial, including concerns that human research subjects will be exposed to unreasonable health risks. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can begin. Our submission of an IND may not result in FDA authorization to commence clinical trials. A separate submission to an existing IND must also be made for each successive clinical trial conducted during product development. Further, an independent institutional review board (“IRB”) covering each medical center proposing to conduct clinical trials must review and approve the plan for any clinical trial before it commences at that center and it must monitor the study until completed. The FDA, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk. Clinical testing also must satisfy extensive “good clinical practice” (“GCP”) regulations, which include requirements that all research subjects provide informed consent and that all clinical studies be conducted under the supervision of one or more qualified investigators.

For purposes of an NDA submission and approval, human clinical trials are typically conducted in the following sequential phases, which may overlap:

- Phase I: Initially conducted in a limited population to test the product candidate for safety and dose tolerance;
- Phase II: Generally conducted in a limited patient population to identify possible adverse effects and safety risks, to determine the initial efficacy of the product for specific targeted indications and to determine optimal dosage. A Phase IIa trial is a non-pivotal, exploratory study that assesses biological activity as its primary endpoint. A Phase IIb trial is designed as a definite dose finding study with efficacy as the primary endpoint. Multiple Phase II clinical trials may be conducted by the sponsor to obtain information prior to beginning larger and more extensive Phase III clinical trials;
- Phase III: Commonly referred to as pivotal studies. When Phase II evaluations demonstrate that a dose range of the product is effective and has an acceptable safety profile, Phase III clinical trials are undertaken in large patient populations to further evaluate dosage, to provide substantial evidence of clinical efficacy and to further test for safety in an expanded and diverse patient population at multiple, geographically-dispersed clinical trial sites. Generally, replicate evidence of safety and effectiveness needs to be demonstrated in two adequate and well-controlled Phase III clinical trials of a product candidate for a specific indication. These studies are intended to establish the overall risk/benefit ratio of the product and provide adequate basis for product labelling; and
- Phase IV: In some cases, the FDA may condition approval of an NDA on the sponsor’s agreement to conduct additional clinical trials to further assess the product’s safety, purity and potency after NDA approval. Such post-approval trials are typically referred to as Phase IV clinical trials.

Progress reports detailing the results of the clinical studies must be submitted at least annually to the FDA and safety reports must be submitted to the FDA and the investigators for serious and unexpected adverse events. Concurrent with clinical studies, sponsors usually complete additional animal studies and must also develop additional information about the product and finalize a process for manufacturing the product in commercial quantities in accordance with CGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final product. Moreover, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

The results of product development, preclinical studies and clinical trials, along with the aforementioned manufacturing information, are submitted to the FDA as part of an NDA. NDAs must also contain extensive manufacturing information. Under the Prescription Drug User Fee Act (“PDUFA”), the FDA agrees to specific goals for NDA review time through a two-tiered classification system, Standard Review and Priority Review. Standard Review is applied to products that offer at most, only minor improvement over existing marketed therapies. Standard Review NDAs have a goal of being completed within a ten-month timeframe, although a review can take significantly longer. A Priority Review designation is given to products that offer major advances in treatment, or provide a treatment where no adequate therapy exists. A Priority Review takes the FDA six months to review an NDA. It is likely that our product candidates will be granted Standard Reviews. The review process is often significantly extended by FDA requests for additional information or clarification. The FDA may refer the application to an advisory committee for review, evaluation and recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations.

The FDA may deny approval of an NDA if the applicable regulatory criteria are not satisfied, or it may require additional clinical data or additional pivotal Phase III clinical trials. Even if such data is submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Data from clinical trials is not always conclusive and the FDA may interpret data differently than Propanc. Once issued, product approval may be withdrawn by the FDA if ongoing regulatory requirements are not met or if safety problems occur after the product reaches the market. In addition, the FDA may require testing, including Phase IV clinical trials, Risk Evaluation and Mitigation Strategies (“REMS”), and surveillance programs to monitor the effect of approved products that have been commercialized, and the FDA has the power to prevent or limit further marketing of a product based on the results of these post-marketing programs. Products may be marketed only for the approved indications and in accordance with the provisions of the approved label. Further, if there are any modifications to the drug, including changes in indications, labelling or manufacturing processes or facilities, approval of a new or supplemental NDA may be required, which may involve conducting additional preclinical studies and clinical trials.

Other U.S. Regulatory Requirements

After approval, products are subject to extensive continuing regulation by the FDA, which include company obligations to manufacture products in accordance with GMP,

maintain and provide to the FDA updated safety and efficacy information, report adverse experiences with the product, keep certain records, submit periodic reports, obtain FDA approval of certain manufacturing or labeling changes and comply with FDA promotion and advertising requirements and restrictions. Failure to meet these obligations can result in various adverse consequences, both voluntary and FDA-imposed, including product recalls, withdrawal of approval, restrictions on marketing and the imposition of civil fines and criminal penalties. In addition, later discovery of previously unknown safety or efficacy issues may result in restrictions on the product, manufacturer or NDA holder.

Propanc, and any manufacturers of our products, are required to comply with applicable FDA manufacturing requirements contained in the FDA's GMP regulations. GMP regulations require, among other things, quality control and quality assurance as well as the corresponding maintenance of records and documentation. The manufacturing facilities for our products must meet GMP requirements to the satisfaction of the FDA pursuant to a pre-approval inspection before Propanc can use them to manufacture products. Propanc and any third-party manufacturers are also subject to periodic inspections of facilities by the FDA and other authorities, including procedures and operations used in the testing and manufacture of our products to assess our compliance with applicable regulations.

With respect to post-market product advertising and promotion, the FDA imposes complex regulations on entities that advertise and promote pharmaceuticals, which include, among others, standards for direct-to-consumer advertising, promoting products for uses or in patient populations that are not described in the product's approved labeling (known as "off-label use"), industry-sponsored scientific and educational activities and promotional activities involving the Internet. Failure to comply with FDA requirements can have negative consequences, including adverse publicity, enforcement letters from the FDA, mandated corrective advertising or communications with doctors and civil or criminal penalties. Although physicians may prescribe legally available drugs for off-label uses, manufacturers may not market or promote such off-label uses.

Changes to some of the conditions established in an approved application, including changes in indications, labeling, or manufacturing processes or facilities, require submission and FDA approval of a new NDA or NDA supplement before the change can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and actions in reviewing NDA supplements as it does in reviewing an NDA.

Adverse event reporting and submission of periodic reports is required following FDA approval of an NDA. The FDA also may require post-marketing testing, known as Phase IV testing, risk mitigation strategies and surveillance to monitor the effects of an approved product or to place conditions on an approval that could restrict the distribution or use of the product.

In June 2017, we were notified by the FDA that PRP had been granted orphan drug designation for the treatment of pancreatic cancer. Orphan drug designation may be granted by the FDA when a rare disease or condition is implicated and a potential treatment qualifies under the Orphan Drug Act and applicable FDA regulations. This qualifies us for various developmental incentives, including protocol assistance, the potential for research grants, the waiver of future application fees, and tax credits for clinical testing if we choose to host future clinical trials in the United States.

In October 2017, we submitted a request for a second orphan drug designation for PRP, this time for ovarian cancer.

On November 2, 2017, we were notified by the FDA that our request was not granted. The Office of Orphan Products Development ("OOPD") stated that complete prevalence is used as a measure of disease in ovarian cancer, as this reflects the number of women who have been diagnosed with disease and may be eligible for treatment with the proposed therapy. Therefore, on the date of the submission of our application, the OOPD estimated that the prevalence of ovarian cancer was 228,110 cases. Since the prevalence exceeds the threshold of 200,000 to qualify for orphan drug designation, they could not grant our request. We may consider resubmitting our application if we can identify a suitable sub-population in ovarian cancer, which may meet the target threshold.

European Union

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials, commercial sales and distribution of our products. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or market our product in those countries. The approval process varies from country to country and the time may differ than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country. Despite these differences, the clinical trials will be conducted according to international standards such as Good Clinical Practice (GCP), Good Manufacturing Practice (GMP) and Good Laboratory Practice (GLP), which is recognized by each foreign country under the International Conference of Harmonization (ICH) Guidelines. We will conduct our trials in each foreign jurisdiction according to these standards, undertaking a First-In-Human (FIH) Phase I study in patients with advanced solid tumors, evaluating the safety, pharmacokinetics, and anti-tumor efficacy of PRP. This will be followed by two Phase II studies evaluating the efficacy and safety of PRP. To ensure harmonization between the jurisdictions, we intend to conduct regulatory meetings in the country where trials are conducted, as well as the FDA and European Medicines Agency. A pre-IND (Investigational New Drug) meeting will be held with the FDA once initial patient data has been collected from the FIH study to ensure acceptability of future planned Phase II trials.

Under European Union regulatory systems, we must submit and obtain authorization for a clinical trial application in each member state in which we intend to conduct a clinical trial. After we have completed clinical trials, we must obtain marketing authorization before it can market its product. We must submit applications for marketing authorizations for oncology products under a centralized procedure. The centralized procedure provides for the grant of a single marketing authorization that is valid for all European Union member states. The European Medicines Agency (the "EMA") is the agency responsible for the scientific evaluation of medicines that are to be assessed via the centralized procedure.

On June 23, 2016, the UK government held a referendum to gauge voters' support to remain or leave the European Union. The referendum resulted in 51.9% of UK voters in favor of leaving the European Union, commonly referred to as "Brexit." On March 29, 2017, the UK invoked Article 50 of Lisbon Treaty to initiate complete withdrawal from the European Union, which was effectuated on January 31, 2020. The center for the EMA was based in London but the European Union has relocated the center to The Netherlands.

The impact of Brexit on the drug approval process in the UK is uncertain. Companies based in the UK and operating in the drug industry are urging the European Union and the UK to reach an agreement to harmonize the regulatory process.

Australia

In Australia, the relevant regulatory body responsible for the pharmaceutical industry is the Therapeutics Goods Administration (the "TGA"). Prescription medicines are regulated under the Therapeutic Goods Act 1989. Under the Therapeutic Goods Act, the Therapeutic Goods Administration evaluates new products for quality, safety and efficacy before being approved for market authorization, according to similar standards employed by the FDA and EMA in the United States and European Union, respectively. However, receiving market authorization in one or two regions does not guarantee approval in another.

Third-Party Payor Coverage and Reimbursement

Although none of our product candidates has been commercialized for any indication, if they are approved for marketing, commercial success of our product candidates will

depend, in part, upon the availability of coverage and reimbursement from third-party payors at the federal, state and private levels. In addition, in many countries outside the United States, a drug must be approved for reimbursement before it can be approved for sale in that country.

Eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies.

In many countries outside the United States, a drug must be approved for reimbursement before it can be approved for sale in that country. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries or by the FDA. The foreign regulatory approval process may include all of the risks associated with obtaining FDA approval. We may not obtain foreign regulatory approvals on a timely basis, if at all. We may not be able to file for regulatory approvals and may not receive necessary approvals to commercialize our products in any foreign market.

The regulations that govern marketing approvals, pricing and reimbursement for new drug products vary widely from country to country. In the United States, recently passed legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted.

Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products.

Other Regulations

We are also subject to numerous federal, state, and local laws relating to such matters as safe working conditions, manufacturing practices, environmental protection, fire hazard control, and disposal of hazardous or potentially hazardous substances. We may incur significant costs to comply with such laws and regulations now or in the future.

COMPETITION

The biotechnology and pharmaceutical industries are characterized by continuing technological advancement and significant competition. While we believe that our technology platforms, product candidates, know-how, experience and scientific resources provide us with competitive advantages, we face competition from major pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions, among others. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future. Key product features that would affect our ability to effectively compete with other therapeutics include the efficacy, safety and convenience of our products. The level of generic competition and the availability of reimbursement from government and other third-party payers will also significantly impact the pricing and competitiveness of our products. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

EMPLOYEES

As of March 22, 2023, we have one full-time and one part-time employee. In addition to our employees, we engage key consultants and utilize the services of independent contractors to perform various services on our behalf. Some of our executive officers and directors are engaged in outside business activities that we do not believe conflict with our business. Over time, we may be required to hire additional employees or engage independent contractors to execute various projects that are necessary to grow and develop our business. These decisions will be made by our officers and directors, if and when appropriate.

CORPORATE INFORMATION

Our principal executive office is located at 302, 6 Butler Street, Camberwell, VIC, 3124 Australia. Our telephone number is 61 03 9882 0780. Our website is www.propanc.com. We can be contacted online at www.propanc.com/contact. Our website's information is not, and will not be deemed, a part of this Registration Statement or incorporated into any other filings we make with the SEC.

RECENT DEVELOPMENTS

On November 3, 2022, the Company entered into a Common Stock Purchase Agreement (the "Coventry Purchase Agreement") with Coventry Enterprises, LLC, a Delaware limited liability company ("Coventry"), providing for an equity financing facility (the "Coventry Equity Line"). The Coventry Purchase Agreement provides that upon the terms and subject to the conditions in the Coventry Purchase Agreement, Coventry is committed to purchase up to five million dollars of shares of Common Stock over a 36-month term as set forth in the Coventry Purchase Agreement. In connection with the entry into the Coventry Purchase Agreement, and a \$100,000 promissory note in favor of Coventry, but for no additional consideration, we issued 75 million shares of our Common Stock to Coventry, which were valued, using the relative fair value method, at \$37,500. We issued the shares in reliance on the exemption from registration pursuant to Section 4(a)(2) of the Securities Act (in that the shares of Common Stock were issued by us in a transaction not involving any public offering).

Under the terms of the Coventry Purchase Agreement, Coventry will not be obligated to purchase shares of Common Stock unless and until certain conditions are met, including but not limited to a Registration Statement on Form S-1 (the "Coventry Registration Statement") becoming effective, which registers Coventry's resale of any Common Stock purchased by Coventry under the Coventry Equity Line. From time to time over the 36-month term set forth in the Coventry Purchase Agreement, commencing on the trading day immediately following the date on which the Coventry Registration Statement becomes effective, the Company, in its sole discretion, may provide Coventry with a draw down notice (each, a "Coventry Drawdown Notice"), to purchase a specified number of shares of Common Stock (each, a "Coventry Drawdown Amount Requested"), subject to the limitations discussed below. The actual amount of proceeds the Company will receive pursuant to each Coventry Drawdown Notice (each, a

“Coventry Drawdown Amount”) is to be determined by multiplying the Coventry Drawdown Amount Requested by the applicable purchase price. The purchase price of each share of Common Stock equals 80% of the lowest trading price of the Common Stock during the ten business days prior to the applicable Coventry Drawdown Notice Date. The Coventry Drawdown Notice Date shall mean (i) the Business Day a Coventry Drawdown Notice is received by email by Coventry if such notice is received on or prior to 8:00 a.m. New York time or (ii) the immediately succeeding Business Day if it is received by email after 8:00 a.m. New York time on a Business Day or at any time on a day which is not a Business Day. Coventry Drawdown Notice shall mean a written notice from the Company to Coventry setting forth the number of shares of the Company’s Common Stock which the Company intends to require Coventry to purchase pursuant to the terms of the Coventry Purchase Agreement.

The maximum number of shares of Common Stock requested to be purchased pursuant to any single Coventry Drawdown Notice cannot exceed the lesser of (i) 200% of the average daily share volume of the Common Stock in the ten (10) trading days immediately preceding the Coventry Drawdown Notice Date or (ii) an aggregate value of \$250,000.

On February 14, 2023, the Company entered into a securities purchase agreement (the “ONE44 Purchase Agreement”) with ONE44 Capital LLC (“ONE44”), pursuant to which ONE44 purchased a convertible promissory note (the “ONE44 Note”) from the Company in the aggregate principal amount of \$111,111, such principal and the interest thereon convertible into shares of Common Stock at the option of ONE44. The transaction contemplated by the ONE44 Purchase Agreement closed on February 16, 2023. The Company intends to use the net proceeds (\$100,000) from the ONE44 Note for general working capital purposes. The ONE44 Note contains an original issue discount amount of \$11,111.

The maturity date of the ONE44 Note is February 14, 2024 (the “ONE44 Maturity Date”). The ONE44 Note bears interest at a rate of 10% per annum. Interest is payable only in shares of Common Stock and is due and payable only contemporaneously with a payment of principal, whether at the ONE44 Maturity Date or upon acceleration or by prepayment, as described below. ONE44 is entitled, at its option, at any time after the six-month anniversary of the ONE44 Note, to convert all or any amount of the principal face amount of the ONE44 Note then outstanding into shares of Common Stock at a per-share price equal to 60% of the lowest trading price of the Common Stock, as reported by the OTC Markets Group (if the shares of the Common Stock are then quoted thereon) or by any securities exchange upon which the Common Stock is then listed, for the ten prior trading days including the day upon which a notice of conversion is received by the Company. In the event the Company experiences a DTC “Chill” on its shares, the conversion price shall then be decreased to 50% instead of 60% while that “Chill” is in effect. Notwithstanding the foregoing, ONE44 shall be restricted from effecting a conversion if such conversion, along with other shares of Common Stock then beneficially owned by ONE44 and its affiliates, exceeds 4.99% of the outstanding shares of Common Stock (which may be increased up to 9.9% of the outstanding shares of Common Stock upon 60 days’ prior written notice by ONE44 to the Company).

The Company may prepay the principal of the ONE44 Note and accrued interest until 180 days from the issuance date (August 13, 2023). If the ONE44 Note is prepaid within 60 days of the issuance date (April 15, 2023), then the prepayment premium shall be 120% of the face amount plus any accrued interest. If the ONE44 Note is prepaid after 60 days from the issuance date, but less than 120 days from the issuance date (June 14, 2023), then the prepayment premium shall be 130% of the face amount plus any accrued interest. If the ONE44 Note is prepaid after 120 days from the issuance date, up to 180 days from the issuance date (August 13, 2023), then the prepayment premium shall be 135% of the face amount plus any accrued interest. So long as the ONE44 Note is outstanding, the Company covenants not to, without prior written consent from ONE44, sell, lease, or otherwise dispose of all or substantially all of its assets outside the ordinary course of business, which would render the Company a “shell company” as such term is defined in Rule 144.

Other than as described above, the ONE44 Note contains certain events of default, including failure to issue shares timely upon receipt of a notice of conversion, as well as certain customary events of default, including, among others, breach of covenants, representations, or warranties, insolvency, bankruptcy, liquidation, and failure by the Company to pay the principal and interest due under the ONE44 Note. Upon the occurrence and during the continuation of certain events of default, the ONE44 Note will accrue an annual interest rate of 24% or, if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law.

AVAILABLE INFORMATION

Copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other documents that we will file with or furnish to the SEC will be available free of charge by sending a written request to our Corporate Secretary at our corporate headquarters. Additionally, the documents we file with the SEC are or will be available free of charge at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Other information on the operation of the Public Reference Room may be obtained by calling the SEC at (800) SEC-0330. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The SEC’s website is www.sec.gov.

We maintain a corporate website at www.propanc.com. You will be able to access our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports, proxy statements and other information to be filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material will be electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not part of this Annual Report

THE OFFERING

Common Stock underlying Series B Warrants to Purchase Common Stock:

The Selling Stockholder is offering up to 23,750 shares of Common Stock underlying Series B Warrants to purchase Common Stock. Each Series B Warrant has an exercise price per share equal to \$40.00 per share and will expire on the three-year anniversary of its original issuance date. The Purchaser is not permitted to exercise portion of the Series B Warrants that would result in the Purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% of our outstanding Common Stock following the consummation of this offering.

Selling Stockholder

Ionic Ventures, LLC

Use of proceeds

We will not receive any proceeds from the sale of Common Stock by the Selling Stockholder. All of the net proceeds from the sale of our Common Stock will go to the Selling Stockholder as described below in the sections entitled “Selling Stockholder” and “Plan of Distribution”. See “Use of Proceeds” on page [54] of this prospectus.

Risk factors

Investing in our securities is highly speculative and involves a high degree of risk. You should carefully consider the information set forth in the “Risk Factors” section beginning on page [27] before deciding to invest in our securities.

Trading symbol

Our Common Stock is currently quoted on the OTCQB under the trading symbol “PPCB”.

Summary of Risks

Our business is subject to a number of risks and uncertainties that you should understand before making an investment decision. For example, we have no commercial product, a history of net losses, we expect to continue to incur net losses, we will require significant additional funding and we may not achieve or maintain profitability. Furthermore, we have no cash flow from operations to sustain our operations. We have historically relied upon the issuance of equity and/or convertible debt to fund our operations, which debt we are currently unable to repay in cash. Our ability to ever generate revenues will depend solely on the commercial success of PRP, our only prospective product, which

depends upon its approval by applicable regulatory authorities and then market acceptance by purchasers in the pharmaceutical market and the future market demand and medical need for products and research utilizing PRP. At present, PRP has only been used for research and clinical trial purposes in animals, and there is no commercially approved drug product or drug product submitted in a pending marketing application that incorporates PRP as an ingredient. As a result, no marketing authority has reviewed our drug master file (DMF) for PRP as a product ingredient or inspected our Company. As of December 31, 2022, we have an accumulated deficit of \$63,069,163 since inception. We have incurred substantial net losses since our inception, including net loss of \$3,358,427 and \$2,417,696 for the fiscal years ended June 30, 2022 and June 30, 2021, respectively. We expect to incur additional losses as we continue to invest in our research and development programs and move forward with our human clinical trials application, clinical trials and commercialization activities. Additional risks are discussed more fully in the section entitled "Risk Factors" following this prospectus summary. These risks include, but are not limited to, the following:

- Our ability to continue as a going concern absent obtaining adequate new debt and/or equity financings.

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- We face risks related to Novel Coronavirus (COVID-19) which could significantly disrupt our research and development, operations, sales, and financial results.
- We have incurred significant losses since our inception, and we expect to incur significant losses for the foreseeable future and may never achieve or maintain profitability.
- We will continue to need substantial additional funding and raise capital when needed to initiate and continue our product development programs and commercialization efforts.
- As an early-stage company, it may be difficult for you to evaluate the success of our business to date and to assess our future viability.
- We currently rely, and may continue to rely for the foreseeable future, on substantial debt financing that we are not able to repay in cash.
- Raising additional capital is highly likely to cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidate.
- The conversion of some or all of our currently outstanding convertible notes in shares of our Common Stock will dilute the ownership interests of existing stockholders.
- It may be difficult for you to evaluate the success of our business to date and to assess our future viability.
- Our only product candidate, PRP, remains in the early stages of development and may never become commercially viable, and therefore, you may lose your investment.
- PRP may cause undesirable side effects that could negatively impact its clinical trial results or limit its use, hindering further development, subject us to possible product liability claims, and make it more difficult to commercialize PRP.
- Our ability to successfully initiate and complete our clinical trials of PRP.
- Our ability to obtain regulatory approval in jurisdictions in the United States and outside the United States to be able to market PRP in those jurisdictions.
- Our ability in the future to establish sales and marketing capabilities or enter into agreements with third parties to sell and market PRP.
- We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.
- Our ability to seek approval for reimbursement for PRP before it can be marketed, assuming successful commercialization, and us being then subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives.
- We may depend on collaborations with third parties for the development and commercialization of PRP, and these collaborations may be unsuccessful.
- Our third-party manufacturers of PRP performing satisfactorily or at all, and our reliance on any third-party for the supply of PRP.

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- Our ability to comply with our obligations under any intellectual property licenses with third parties.
- Our ability to protect our intellectual property rights.
- Our ability to obtain, or if there are delays in obtaining, required regulatory approvals, to commercialize PRP, and our ability to generate revenue.
- Our ability to obtain marketing approval in international jurisdictions to market PRP in international jurisdictions.
- Our ability to obtain marketing approval of and commercialize PRP and affect the prices we may obtain.
- PRP or any other product candidate for which we obtain marketing approval could be subject to restrictions or withdrawal from the market and our ability to comply with applicable regulatory requirements.
- We rely on the significant experience and specialized expertise of the Chief Executive Officer/Chief Financial Officer, James Nathanielsz.
- We have identified material weaknesses in our internal control over financial reporting that, if not properly remediated, could result in material misstatements in our consolidated financial statements in future periods.
- Our ability to implement and maintain an effective system of internal control over financial reporting, and accordingly, our ability to accurately report our financial results or prevent fraud.
- The market price of our Common Stock may continue to be highly volatile, and you may not be able to resell your shares at or above the public offering price and therefore, you could lose all or part of your investment.
- Our shares of Common Stock are thinly traded and there may not be an active, liquid trading market for our common shares.

- Our Chief Executive Officer/Chief Financial Officer is our controlling stockholder and will continue to control our Company for the foreseeable future due to his ownership of super-voting shares, and therefore, it is not likely that you will be able to elect directors or have any say in the policies of our Company.
- Future sales and issuances of our capital stock or rights to purchase capital stock will result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to decline.
- We are a smaller reporting company, and therefore, we are subject to scaled disclosure requirements that may make it more challenging for investors to analyze our results of operations and financial prospects.
- other risks, including those described in the “Risk Factors” discussion of this prospectus.

We operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us to predict all of those risks, nor can we assess the impact of all of those risks on our business or the extent to which any factor may cause actual results to differ materially from those contained in any forward-looking statement. The forward-looking statements in this prospectus are based on assumptions management believes are reasonable. However, due to the uncertainties associated with forward-looking statements, you should not place undue reliance on any forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and unless required by law, we expressly disclaim any obligation or undertaking to publicly update any of them in light of new information, future events, or otherwise.

RISK FACTORS

Investing in our Common Stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this prospectus, including our consolidated financial statements and the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” before deciding whether to invest in our Common Stock. The occurrence of any of the events or developments described below could harm our business, financial condition, operating results, and growth prospects. In such an event, the market price of our Common Stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

RISKS RELATED TO THIS OFFERING AND OWNERSHIP OF OUR SECURITIES

An investment in shares of Common Stock and the warrants are extremely speculative and there can be no assurance of any return on any such investment.

An investment in the shares of Common Stock and the warrants is extremely speculative and there is no assurance that investors will obtain any return on their investment. Investors will be subject to substantial risks involved in an investment in us, including the risk of losing their entire investment.

Holders of our warrants will have no rights as a Common Stockholder until they acquire our shares of Common Stock.

Until you acquire our shares of Common Stock upon exercise of your warrants, you will have no rights with respect to our shares of Common Stock issuable upon exercise of your warrants. Upon exercise of your warrants, you will be entitled to exercise the rights of a Common Stockholder only as to matters for which the record date occurs after the exercise date.

The warrants issued in this offering may not have any value.

The 23,750 Series B Warrants each have an exercise price equal to \$40.00 and will expire on the three (3) year anniversary of the date they first become exercisable.

If our shares of Common Stock are not listed on a national securities exchange, U.S. holders of the warrants may not be able to exercise their warrants without compliance with applicable state securities laws and the value of your warrants may be significantly reduced.

Our shares of Common Stock are currently quoted on the OTCQB. If our shares of Common Stock are not listed on a national securities exchange at the time of the completion of this offering, the exercise of the warrants by U.S. holders may not be exempt from state securities laws. As a result, depending on the state of residence of a holder of the warrants, a U.S. holder may not be able to exercise its warrants unless we comply with any state securities law requirements necessary to permit such exercise or an exemption applies. Although we plan to use our reasonable efforts to assure that U.S. holders will be able to exercise their warrants under applicable state securities laws if no exemption exists, there is no assurance that we will be able to do so. As a result, in the event that our shares of Common Stock are not listed on a national securities exchange at the time of the completion of this offering, your ability to exercise your warrants may be limited. The value of the warrants may be significantly reduced if U.S. holders are not able to exercise their warrants under applicable state securities laws.

We will require additional financing or financings, which would result in substantial dilution to existing stockholders.

Without additional financing or curtailing our operations, we may not have the operating capital to continue our operations through 2023. Management expects to continue incurring losses for the foreseeable future and will need to raise additional capital to pursue our business plan into 2023. This offering is part of such efforts to raise additional required capital. In addition, we may decide to expand operations, undertake strategic acquisitions or determine some other business need. Financing could include debt and/or equity financings, including transactions with strategic customers and partners that may include debt and/or equity arrangements. Such sources of financing may not be available on acceptable terms, if at all. Failure to obtain such financing may cause us to curtail or cease operations and/or result in delay or indefinite postponement of research, development and launch of PRP, expansion initiatives, capital expenditures and other operational priorities. Any transaction involving the issuance of previously authorized but unissued shares of Common Stock, or securities convertible into shares of Common Stock, are likely to result in dilution, possibly substantial, to present and prospective holders of shares of Common Stock and may be unfavorable to us.

We face risks related to Novel Coronavirus (COVID-19) which could significantly disrupt our research and development, operations, sales, and financial results.

Our business will be adversely impacted by the effects of the Novel Coronavirus (COVID-19). In addition to global macroeconomic effects, the Novel Coronavirus (COVID-19) outbreak and any other related adverse public health developments will cause disruption to our operations, research and development, and sales activities. Our third-party manufacturers, third-party distributors, and our customers have been and will be disrupted by worker absenteeism, quarantines and restrictions on employees’ ability to work, office and factory closures, disruptions to ports and other shipping infrastructure, border closures, or other travel or health-related restrictions. Depending on the magnitude of such effects on our activities or the operations of our third-party manufacturers and third-party distributors, the supply of our products will be delayed, which could adversely affect our business, operations and customer relationships. In addition, the Novel Coronavirus (COVID-19) or other disease outbreak will in the short-run and may over the longer term adversely affect the economies and financial markets of many countries, resulting in an economic downturn that will affect demand for our products and impact our operating results. There can be no assurance that any decrease in sales resulting from the Novel Coronavirus (COVID-19) will be offset by increased sales in subsequent periods. Although the magnitude of the impact of the Novel Coronavirus (COVID-19) outbreak on our business and operations remains uncertain, the continued spread of the Novel Coronavirus (COVID-19) or the occurrence of other epidemics and the imposition of related public health measures and travel and business restrictions will adversely

impact our business, financial condition, operating results and cash flows. In addition, we have experienced and will experience disruptions to our business operations resulting from quarantines, self-isolations, or other movement and restrictions on the ability of our employees to perform their jobs that may impact our ability to develop and design our products in a timely manner or meet required milestones or customer commitments.

RISKS RELATED TO OUR FINANCIAL CONDITION AND OUR NEED FOR ADDITIONAL CAPITAL

Our ability to continue as a going concern is in substantial doubt absent obtaining adequate new debt or equity financings.

We have concerns about our ability to continue as a going concern based on the absence of revenues, recurring losses from operations and our need for additional financing to fund all of our operations. Working capital limitations continue to impinge on our day-to-day operations, thus contributing to continued operating losses. For the fiscal years ended June 30, 2022 and June 30, 2021, we had net losses of \$2,658,087 and \$2,025,947, respectively. Further, as of December 31, 2022, we had \$24,476 in cash and had an accumulated deficit of \$63,069,163.

Based upon our current business plan, we will need considerable cash investments to have the opportunity to be successful. Our capital requirements and cash needs are significant and continuing. We can provide no assurance that we will be able to generate a sufficient amount of revenue, if any, from our business in order to achieve profitability. It is not possible at this time for us to predict with assurance the potential success of our business. The revenue and income potential of our proposed business and operations are unknown. If we cannot continue as a viable entity, we may be unable to continue our operations and you may lose some or all of your investment in our Common Stock.

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We have incurred significant losses since our inception. We expect to incur significant losses for the foreseeable future and may never achieve or maintain profitability.

Since inception, we have incurred significant operating losses. Our net loss was \$2,658,087 and \$2,025,947, respectively, for the fiscal years ended June 30, 2022 and June 30, 2021, respectively. As of December 31, 2022, we had a deficit accumulated of \$63,069,163. To date, we have not generated any revenues and have financed most of our operations with funds obtained from private financings.

Since October 2007, we have devoted substantially all of our efforts to research and development of our product candidates, particularly PRP, and efforts to protect our intellectual property. Most recently, from January to February 2016, and October 2016 to April 2017, we have contracted with third parties to perform a number of laboratory studies and dose range finding studies designed to examine the anti-cancer effects of PRP and prepare for human clinical trials. Since mid-2017, we developed a suitable manufacturing process for each active drug substance in the PRP formulation, capable of producing a full scale GMP manufacture of PRP for human trials. We were granted Orphan Drug Designation status from the FDA for PRP for the treatment of pancreatic cancer. In March 2018, a scientific advice meeting was conducted with the MHRA (Medicines and Healthcare Products Regulatory Agency) UK, to assist with preparation of our first Clinical Trial Application (CTA). We expect that it will be many years, if ever, before we have a product candidate ready for commercialization. We expect to incur significant expenses and increasing operating losses for the foreseeable future if and as we progress PRP into clinical trials, continue our research and development, seek regulatory approvals, establish or contract for a sales and marketing infrastructure, maintain and expand our intellectual property portfolio, and add personnel.

To become profitable, we must develop and eventually commercialize PRP or some other product with significant market potential. This will require us to successfully complete clinical trials, obtain market approval and market and sell PRP or whatever other product that we obtain approval for. We might not succeed in any one or a number of these activities, and even if we do, we may never generate revenues that are significant enough to achieve profitability. Our failure to become and remain profitable would decrease our value and could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations.

As an early-stage company, it may be difficult for you to evaluate the success of our business to date and to assess our future viability.

Despite having been founded in 2007, we remain an early-stage company. We commenced active operations in the second half of 2010. Our operations to date have been mainly limited to establishing our research programs, particularly PRP, building our intellectual property portfolio and deepening our scientific understanding of our product development. We have not yet initiated, let alone demonstrated any ability to successfully complete, any clinical trials, including large-scale, pivotal clinical trials, obtain marketing approvals, manufacture a commercial scale product, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. It will take a number of years for PRP to be made available for the treatment of cancer, if it ever is. Given our relatively short operating history compared to the timeline required to fully develop a new drug, you are cautioned about making any predictions on our future success or viability based on our activities or results to date. In addition, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will eventually need to transition from a company with a research focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

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We currently rely, and may continue to rely for the foreseeable future, on substantial debt financing that we are not able to repay in cash.

In order to maintain our operations, including our research and development efforts and our preclinical development of PRP, we have over the last few years entered into a number of securities purchase agreements pursuant to which we issued convertible debt in return for cash. We are not currently able to repay either the current principal or interest on this debt in cash. Our lenders, therefore, can convert their debt into shares of our Common Stock, at a discount to current market prices and then attempt to sell these shares on the open market in order to pay down their loans and receive a return on their investment. These financings pose the risk that as these debts are converted, our stock price will reflect the reduced prices our lenders are willing to sell their shares at, given the discount they have received. These financings contain no floor on the price our lenders can convert their debt into shares of our Common Stock and they could conceivably reduce the price our Common Stock to near zero. These types of financings negatively impact our balance sheet and the appeal of our Common Stock as an investment. While we are actively exploring various alternatives to reduce if not eliminate this debt, for the foreseeable future we will continue to carry it on our balance sheet, and we may have to enter into additional such financings in order to sustain our operations. As a result, the price of our Common Stock and our market capitalization are subject to significant declines until our convertible debt is either refinanced on a favorable basis or is eliminated.

As of December 31, 2022, the total amount of debt outstanding under convertible notes, including interest, is \$554,096 (not including redemption premium). Please see the section captioned "Management's Discussion of Financial Condition and Results of Operations - Recent Developments" for further information

We will continue to need substantial additional funding. If we are unable to raise capital when needed, we would be forced to delay, reduce or eliminate our product development programs or commercialization efforts.

We expect our expenses to significantly increase in connection with our ongoing activities, particularly if we initiate clinical trials of, and ultimately seek marketing approval for, PRP. In addition, even if we ultimately obtain marketing approval for PRP or any other product candidate, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. We also hope to continue and expand our research and development activities. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our future commercialization efforts or any research and development programs.

Our future capital requirements will depend on many factors, including, among others, the scope, progress and results of our potential future clinical trials, the costs, timing and

outcome of regulatory review of PRP, the costs of any future commercialization activities, and the costs of preparing and filing future patent applications, if any. Accordingly, we will continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all. Even if we are able to enter into financing agreements, we may be forced to pay higher interest rates, accept default provisions in financing agreements that we believe are overly punitive, make balloon payments as required, and, as noted below, if we issue convertible debt the price of our Common Stock may well be negatively affected and our existing stockholders may suffer dilution.

Raising additional capital will cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidates.

Until such time, if ever, as we can generate substantial product revenues, we expect to continue to finance our cash needs through a combination of equity offerings and additional debt financings, and possibly also through future collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or debt securities, including convertible debt securities, the ownership interest of our existing stockholders will be diluted upon conversion, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our existing stockholders.

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Debt financing, if available, may also involve agreements that include restrictive covenants limiting or restricting our ability to take specific actions, such as merging with other companies or consummating certain changes of control, acquiring other companies, engaging in new lines of business, incurring additional debt, making capital expenditures, making certain investments, paying dividends, transferring or disposing of assets, amending certain material agreements, incurring additional indebtedness or enter into various specified transactions. We therefore may not be able to engage in any of the foregoing transactions unless we obtain the consent of the lender or terminate such debt agreements. Our debt agreements may also contain certain financial covenants, including achieving certain milestones and may be secured by substantially all of our assets. In the event we enter into such debt agreements, there is no guarantee that we will be able to generate sufficient cash flow or sales to pay the principal and interest under our debt agreements or to satisfy all of the financial covenants.

If we raise additional funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

The conversion of some or all of our currently outstanding convertible notes in shares of our Common Stock will dilute the ownership interests of existing stockholders.

The conversion of some or all of our currently outstanding convertible notes into shares of our Common Stock will dilute the ownership interests of existing stockholders. As of December 31, 2022, we had six outstanding notes convertible into approximately 930,128,205 shares of our Common Stock (based on then applicable conversion prices). Each holder of the notes has agreed to a 4.99% beneficial ownership conversion limitation (subject to certain noteholders' ability to increase such limitation to 9.99% upon 60 days' notice to us), and each note may not be converted during the first six-month period from the date of issuance. Any sales in the public market of the Common Stock issuable upon such conversion or any anticipated conversion of our convertible notes into shares of our Common Stock could adversely affect prevailing market prices of our Common Stock.

The accounting method for convertible debt securities that may be settled in cash could have a material adverse effect on our reported financial results.

Under Financial Accounting Standards Board Accounting Standards Codification 470-20, Debt with Conversion and Other Options ("ASC 470-20"), we are required to separately account for the liability and equity components of our convertible notes because they may be settled entirely or partially in cash upon conversion in a manner that reflects our economic interest cost. The effect of ASC 470-20 on the accounting for our convertible notes is that the equity component is required to be included in the additional paid-in capital section of stockholders' deficit on our consolidated balance sheet, and the value of the equity component would be treated as a discount for purposes of accounting for the debt component of our convertible notes. As a result, we will be required to record a greater amount of non-cash interest expense in current periods presented as a result of the amortization of the discounted carrying value of our convertible debt or notes to their face amount over the terms. We will report higher net loss in our financial results in part because ASC 470-20 will require interest to include both the current period's amortization of the debt discount and the instrument's coupon interest, which could adversely affect our reported or future financial results, the trading price of our Common Stock and the trading price of our convertible notes.

In addition, because our convertible notes may be settled entirely or partly in cash, under certain circumstances, these are currently accounted for utilizing the treasury stock method, the effect of which is that the shares issuable upon conversion are not included in the calculation of diluted earnings per share except to the extent that the conversion value exceeds their principal amount. Under the treasury stock method, for diluted earnings per share purposes, the transaction is accounted for as if the number of shares of Common Stock that would be necessary to settle such excess, if we elected to settle such excess in shares, are issued. We cannot be sure that the accounting standards in the future will continue to permit the use of the treasury stock method. If we are unable to use the treasury stock method in accounting for the shares issuable upon conversion of our convertible notes, then our diluted earnings per share would be adversely affected.

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We maintain our cash in Australian financial institutions that are not insured.

The Company maintains its cash in banks and financial institutions in Australia. Bank deposits in Australian banks are uninsured. The Company has not experienced any losses in such accounts through to date.

RISKS RELATED TO THE DISCOVERY, DEVELOPMENT AND COMMERCIALIZATION OF OUR PRODUCT CANDIDATES

Because PRP remains in the early stages of development and may never become commercially viable, you may lose your investment.

At present, our only product candidate, PRP, is still in preclinical development. While we are hopeful that the preclinical testing we have completed will lead to our initiating human clinical trials in 2023 as noted elsewhere we expect that it will be several years, at least, before PRP can be commercialized. Further, if clinical trials for PRP fail to produce statistically significant results, we would likely be forced to either spend several more years in development attempting to correct whatever flaws were identified in the trials, or we would have to abandon PRP altogether. Either of those contingencies, and especially the latter, would dramatically increase the amount of time before we would be able to generate any product-related revenue, and we may well be forced to cease operations. Under such circumstances, you may lose at least a portion of, and perhaps your entire, investment.

PRP may cause undesirable side effects that could negatively impact its clinical trial results or limit its use, hindering further development, subject us to possible product liability claims, and make it more difficult to commercialize PRP.

In addition to the possibility that the clinical trials we hope to initiate for PRP could demonstrate a lack of efficacy, if we alternatively identify adverse and undesirable side effects caused by it this will likely interrupt, delay, or even halt our further development, or possibly limit our planned therapeutic uses for it, and may even result in adverse regulatory action by the FDA or other regulatory authorities.

Moreover, this may subject us to product liability claims by the individuals enrolled in our clinical trials; while we intend to obtain product liability insurance in connection with

our clinical trials, it is possible that the potential liability of any claims against us could exceed the maximum amount of this coverage, or at least increase our premiums. Either would result in an increase in our operating expenses, in turn making it more difficult to complete our clinical development, or in the suspension or termination of the clinical trial. Any negative information concerning PRP, however unrelated to its composition or method of use, could also damage our chances to obtain regulatory approval.

Even if we are able to complete PRP's development and receive regulatory approvals, undesirable side effects could prevent us from achieving or maintaining market acceptance of the product or substantially increase the costs and expenses of commercializing it.

Because successful development of our products is uncertain, our results of operations may be materially harmed.

Our development of PRP and future product candidates is subject to the risks of failure inherent in the development of new pharmaceutical products that are based on new technologies, including but not limited to delays in product development, clinical testing or manufacturing; unplanned and higher expenditures; adverse findings relating to safety or efficacy; failure to receive regulatory approvals; the emergence of superior or equivalent products; an inability by us or one of our collaborators to manufacture our product candidates on a commercial scale on our own, or in collaboration with third parties; and, ultimately, a failure to achieve market acceptance.

Because of these risks, our development efforts may not result in PRP, or any other product we attempt to develop, becoming commercially viable. If even one aspect of these development efforts is not successfully completed, required regulatory approvals will not be obtained, or if any approved products are not commercialized successfully, our business, financial condition and results of operations will be materially harmed.

A variety of factors, either alone or in concert with each other, could result in our clinical trials of PRP being delayed or unsuccessful.

While we have conducted a variety of preclinical studies, which we have concluded provide evidence to support the potential therapeutic utility of PRP, comprehensive human clinical trials in order to demonstrate the product's safety, tolerability and efficacy will now need to be completed. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical testing and even early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products.

Among the numerous unforeseen events that may occur during, or as a result of, clinical trials that alone or in concert with each other could either delay or prevent our ability to receive marketing approval or commercialize PRP are the following:

- regulators or institutional review boards may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may have delays in reaching or fail to reach an agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- as noted previously, clinical trials of PRP may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development altogether;
- the number of patients required for clinical trials may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, or participants may drop out of these clinical trials at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or fail to meet their contractual obligations to us in a timely manner, or at all;
- regulators or institutional review boards may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials may be greater than we anticipate;
- the supply or quality of PRP or other materials necessary to conduct its clinical trials may be insufficient or inadequate; and
- PRP may, as also noted above, have undesirable side effects or other unexpected characteristics, causing us or our investigators, regulators or institutional review boards to suspend or terminate the trials.

If we are required to conduct additional clinical trials or other testing of PRP beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of PRP or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- be delayed in obtaining marketing approval;
- not obtain marketing approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings, including boxed warnings;
- be subject to additional post-marketing testing requirements; or
- fail to obtain that degree of market acceptance necessary for commercial success.

Any delay in, or termination of, our clinical trials may result in increased development costs, which would very likely cause the market price of our shares to decline and severely limit our ability to obtain additional financing and, ultimately, our ability to commercialize our products and generate product revenues. This in turn would likely materially harm our business, financial condition and operating results, and possibly lead us to cease operations.

If we fail to obtain regulatory approval in jurisdictions outside the United States, we will not be able to market PRP in those jurisdictions.

We intend to seek regulatory approval for PRP in the United Kingdom, Europe, Australia and/or other countries outside of the United States and expect that these countries will be important markets for our product, if approved. Marketing our product in these countries will require separate regulatory approvals in each market and compliance with numerous and varying regulatory requirements. The regulations that apply to the conduct of clinical trials and approval procedures vary from country to country and may require additional testing. Moreover, the time required to obtain approval may differ from that required to obtain FDA approval.

If, in the future, we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market PRP, we may not be successful in commercializing our product candidates if and when they are approved.

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing or distribution of pharmaceutical products. To achieve commercial success for PRP or any other approved product, we must either develop a sales and marketing organization or outsource these functions to third parties. In the future, we may choose to build a focused sales and marketing infrastructure to market or co-promote some of our product candidates if and when they are approved.

There are risks involved with both establishing our own sales and marketing capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

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Factors that may inhibit our efforts to commercialize our products on our own include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or persuade an adequate number of physicians to prescribe any future products;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we enter into arrangements with third parties to perform sales, marketing and distribution services, our product revenues or the profitability of these product revenues to us are likely to be lower than if we were to market and sell any products that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell and market our product candidates or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing PRP.

We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.

The development and commercialization of new drug products is highly competitive. We face competition with respect to our current product candidate and will face competition with respect to any product candidates that we may seek to develop or commercialize in the future from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we are developing our product candidates. Some of these competitive products and therapies are based on scientific approaches that target and eradicate cancer stem cells to treat metastatic cancer. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

We are developing PRP for the treatment of pancreatic, ovarian and colorectal cancer. There are a variety of available therapies marketed for cancer. In many cases, these drugs are administered in combination to enhance efficacy. Some of these drugs are branded and subject to patent protection, and others are available on a generic basis. Many of these approved drugs are well-established therapies and are widely accepted by physicians, patients and third-party payors. Insurers and other third-party payors may also encourage the use of generic products. We expect that if our product candidate is approved, it will be priced at a significant premium over competitive generic products. This may make it difficult for us to achieve our business strategy of using PRP in combination with existing therapies or replacing existing therapies with PRP.

There are also a number of products in clinical development by other parties to treat and prevent metastatic cancer. Our competitors may develop products that are more effective, safer, more convenient or less costly than any that we are developing or that would render our product candidate obsolete or non-competitive. In addition, our competitors may discover biomarkers that more efficiently measure their effectiveness to treat and prevent metastatic cancer, which may give them a competitive advantage in developing potential products. Our competitors may also obtain marketing approval from the FDA or other regulatory authorities for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

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Most of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. In addition, to the extent that product or product candidates of our competitors demonstrate serious adverse side effects or are determined to be ineffective in clinical trials, the development of our product candidates could be negatively impacted.

Even if we are able to commercialize PRP, we will need to seek approval for reimbursement before it can be marketed, and it may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives, which would harm our business.

The regulations that govern marketing approvals, pricing and reimbursement for new drug products vary widely from country to country. In the United States, recently passed legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for PRP in a particular country, but then be subject to price regulations that delay our commercial launch of it, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of PRP in that country. Adverse pricing limitations may hinder our ability to recoup our investment in PRP, even after it has obtained marketing approval.

Our ability to commercialize PRP successfully also will depend in part on the extent to which reimbursement for it will be available from government health administration authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for PRP that we commercialize and, if reimbursement is available, the level of reimbursement. Reimbursement may impact the

demand for, or the price of, PRP. Obtaining reimbursement for it may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize PRP.

There may be significant delays in obtaining reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside the United States. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

RISKS RELATED TO OUR DEPENDENCE ON THIRD PARTIES

We will depend on collaborations with third parties for the development and commercialization of PRP and other product candidates, and these collaborations may be unsuccessful.

We currently seek third-party collaborators for the development and commercialization of PRP, contract manufacturers (CMOs), contract research organizations (CROs), regulatory and development consultants, and hospitals for clinical trial sites. We intend to continue to rely on third-party collaborators for current and future product candidates for the foreseeable future. Our likely collaborators for any collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. If we do enter into any such arrangements with any third parties, we will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of our product candidates. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

Collaborations involving our product candidates would pose the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborator's strategic focus or available funding or external factors such as an acquisition that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- collaborators with marketing and distribution rights to one or more products may not commit sufficient resources to the marketing and distribution of such product or products;
- collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our proprietary information or expose us to potential litigation;
- disputes may arise between the collaborators and us that result in the delay or termination of the research, development or commercialization of our products or product candidates or that result in costly litigation or arbitration that diverts management attention and resources; and
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all. If a present or future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program could be delayed, diminished or terminated.

If we are not able to establish collaborations, we may have to alter our development and commercialization plans.

Our potential commercialization of PRP will require substantial additional cash to fund clinical trial and other expenses. As noted above, we may decide to collaborate with other pharmaceutical and biotechnology companies for the development and potential commercialization of PRP and perhaps future product candidates as well.

We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such collaboration could be more attractive than the one with us for our product candidate. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of such product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

We currently contract with a third party for the manufacture of PRP and this third party may not perform satisfactorily or at all, and our reliance on any third-party for the supply of PRP carries material risks.

We do not have any manufacturing facilities or personnel. We currently obtain all of our supply of PRP for clinical development through our Manufacturing Service Agreement (the "MSA") with Eurofins Amatsigroup ("Amatsigroup"), and we expect to continue to rely on Amatsigroup for the manufacture of clinical and, if necessary, commercial quantities of PRP. We anticipate that our payments to Amatsigroup under the MSA will range between \$2.5 million and \$5.0 million over three years, when the finished drug product is manufactured and released for clinical trials. The Company has spent a total of \$1,689,146 of costs to date under this contract of which \$49,854 was expensed in fiscal 2019, \$701,973 in fiscal 2018 and \$937,319 in fiscal 2017. The MSA shall continue for a term of three years unless extended by mutual agreement in writing. Either party to the MSA has the right to terminate. The MSA expired in 2019 and it is likely a new agreement to be established upon mutual satisfaction from both parties.

This reliance on a third party includes the risk that we will not have sufficient quantities of PRP on hand at any given time, which could delay, prevent or impair our development efforts.

PRP and any other product that we may develop may compete with other product candidates and products for access to manufacturing facilities. Although we believe that there are several potential alternative manufacturers who could manufacture PRP, we may incur added costs and delays in identifying and qualifying any such replacement, as well as producing the drug product. In addition, we would then have to enter into technical transfer agreements and share our know-how with the new third-party manufacturers, which can be time-consuming and may result in delays.

Even if we were able to quickly establish agreements with other third-party manufacturers, our general reliance on third-party manufacturers entails many of the same risks as our agreement with Amatsigroup, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party, including the misappropriation of our proprietary information, trade secrets and know-how;
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us; and
- disruptions to the operations of our manufacturers or suppliers caused by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or supplier or a catastrophic event affecting our manufacturers or suppliers.

Our anticipated future dependence upon others for the manufacture of PRP may adversely affect our future profit margins and our ability to commercialize any products that receive marketing approval on a timely and competitive basis. We intend to minimize this risk by tendering our contract agreement with several third-party manufacturers with a plan to engage in a dual supplier strategy for the contract manufacture of PRP.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY

If we fail to comply with our obligations under any intellectual property licenses with third parties, we could lose license rights that are important to our business.

We are currently a party to a joint commercialization agreement with the University of Bath and hope to enter into other license agreements in the future. If we fail to comply with the obligations included in any future license we may enter into in the future, such licensors may have the right to terminate these agreements, in which event we might not be able to market any product that is covered by the agreements, or to convert the exclusive licenses to non-exclusive licenses, which could materially adversely affect the value of the product candidate being developed under these license agreements. As a general matter, termination of license agreements or reduction or elimination of our licensed rights may result in our having to negotiate new or reinstated licenses with less favorable terms.

If we are unable to obtain and maintain patent protection for our technology and products, or if any licensors are unable to obtain and maintain patent protection for the technology or products that we may license from them in the future, or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and products similar or identical to ours, and our ability to successfully commercialize our technology and products may be adversely affected.

We have 43 granted, allowed, or accepted patents and 22 patent applications filed, or under examination in key global jurisdictions relating to the use of proenzymes against solid tumors, covering the lead product candidate PRP. Our future success depends in large part on our and, as applicable, our licensors', ability to obtain and maintain patent protection in the United States and other countries with respect to our proprietary technology. We cannot be certain that patents will be issued in those countries where our applications are still under examination.

The patent process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are uncertain. Our pending and future patent applications may not result in patents being issued which protect our technology or products or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection.

The laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing. Therefore, we cannot be certain that we or our licensors were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we or our licensors were the first to file for patent protection of such inventions.

Assuming the other requirements for patentability are met, in the United States, for patents that have an effective filing date prior to March 15, 2013, the first to make the claimed invention is entitled to the patent, while outside the United States, the first to file a patent application is entitled to the patent. In March 2013, the United States transitioned to a first inventor to file system in which, assuming the other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent. We may be subject to a third party pre-issuance submission of prior art to the U.S. Patent and Trademark Office, or become involved in opposition, derivation, reexamination, inter parties review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights.

Even if our owned and licensed patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from

competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our owned or licensed patents by developing similar or alternative technologies or products in a non-infringing manner.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

We may become involved in lawsuits to protect or enforce our patents, which could be expensive, time consuming and unsuccessful.

Competitors may infringe our patents. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming. In addition, in an infringement proceeding, a court may decide that a patent of ours is invalid or unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, our licensors may have rights to file and prosecute such claims and we are reliant on them.

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Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.

Our commercial success depends upon our ability and the ability of our collaborators to develop, manufacture, market and sell PRP and any other product candidates and use our proprietary technologies without infringing the proprietary rights of third parties. We have yet to conduct comprehensive freedom-to-operate searches to determine whether our use of certain of the patent rights owned by or licensed to us would infringe patents issued to third parties. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our products and technology, including interference proceedings before the U.S. Patent and Trademark Office and their European Union and global equivalents. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future. If we are found to infringe a third party's intellectual property rights, we could be required to obtain a license from such third party to continue developing and marketing our products and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing technology or product. In addition, we could be found liable for monetary damages. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business.

Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our Common Stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to seeking patents for some of our technology and products, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

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RISKS RELATED TO REGULATORY APPROVAL OF OUR PRODUCT CANDIDATES AND OTHER LEGAL COMPLIANCE MATTERS

If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals, we will not be able to commercialize PRP, and our ability to generate revenue will be materially impaired.

PRP and the activities associated with its development and commercialization, including design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, are subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by comparable authorities in other countries. Failure to obtain marketing approval for PRP will prevent us from commercializing it. We have not received approval to market PRP or any other product candidate from regulatory authorities in any jurisdiction. We have only limited experience in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third-party contract research organizations to assist us in this process. Securing FDA approval requires the submission of extensive preclinical and clinical data and supporting information to the FDA for each therapeutic indication to establish PRP's safety and efficacy. Securing FDA approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the FDA. PRP may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive, may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. The FDA has substantial discretion in the approval process and may refuse to accept any application or may decide that our data is insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate. Any marketing approval we ultimately obtain may be limited or subject

to restrictions or post-approval commitments that render the approved product not commercially viable.

If we experience delays in obtaining approval or if we fail to obtain approval of PRP, the commercial prospects for PRP may be harmed and our ability to generate revenues will be materially impaired.

Failure to obtain marketing approval in international jurisdictions would prevent PRP from being marketed abroad.

We intend to seek regulatory approval for PRP in a number of countries outside of the United States and expect that these countries will be important markets for it, if approved. In order to market and sell our products in the European Union, the UK, Australia and many other jurisdictions, we or our third-party collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. We or these third parties may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. We may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our products in any market.

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PRP or any other product candidate for which we obtain marketing approval could be subject to restrictions or withdrawal from the market and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products, when and if any of them are approved.

PRP, or any other product candidate for which we obtain marketing approval, along with the manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for such product, will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. Even if marketing approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the product. The FDA closely regulates the post-approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers' communications regarding off-label use and if we do not market our products for their approved indications, we may be subject to enforcement action for off-label marketing.

In addition, later discovery of previously unknown problems with our products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing clinical trials;
- warning or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- fines, restitution or disgorgement of profits or revenue;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our products;
- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

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Our current attempts to both expand our patent protection and seek regulatory approvals from multiple countries, as well as our future relationships with customers and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

As we seek to obtain patent protection from multiple jurisdictions and eventually to seek marketing approval for PRP in those counties, we are and will continue to be subject to the Foreign Corrupt Practices Act, which makes it illegal for any U.S. business, even one like Propanc that is physically located in another country, to influence foreign officials with personal payments and rewards.

Moreover, healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of PRP and any other product candidate for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the federal healthcare anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid;

- the federal False Claims Act imposes criminal and civil penalties, including civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program and also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;
- the federal transparency requirements under the Health Care Reform Law requires manufacturers of drugs, devices, biologics and medical supplies to report to the Department of Health and Human Services information related to physician payments and other transfers of value and physician ownership and investment interests; and
- analogous state laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, and some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines and exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Recently enacted and future legislation, particularly in the United States, may increase the difficulty and cost for us to obtain marketing approval of and commercialize PRP and affect the prices we may obtain.

In the United States and some foreign jurisdictions there have been many legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 ("Medicare Modernization Act"), changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced a new reimbursement methodology based on average sales prices for physician-administered drugs. In addition, this legislation provided authority for limiting the number of drugs that will be covered in any therapeutic class. Cost reduction initiatives and other provisions of this legislation could decrease the coverage and price that we receive for any approved products. While the Medicare Modernization Act applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the Medicare Modernization Act may result in a similar reduction in payments from private payors.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act ("Affordable Care Act"), a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for health care and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. Among other things, the Affordable Care Act revised the definition of "average manufacturer price" for reporting purposes, which could increase the amount of Medicaid drug rebates to states, and it imposed a significant annual fee on companies that manufacture or import branded prescription drug products.

At present, the future of the Affordable Care Act is the subject of significant debate in the U.S. Congress, with proposals to either partially or entirely repeal it being considered and the likelihood that there will be a new law to replace it is uncertain. It is not yet possible for us to determine the impact, if any, the enactment of any of these proposals will have on our future ability to obtain approval of or commercialize PRP.

The UK's decision to leave the European Union could significantly increase regulatory burdens on obtaining approvals for PRP within the UK.

On March 29, 2017, the UK invoked Article 50 of Lisbon Treaty to initiate complete withdrawal from the European Union that was effectuated on January 31, 2020, and, therefore, the regulatory drug approval process in that country may be significantly different from the current drug regulatory policies in the European Union. We currently are considering holding our clinical trials in the UK or Australia, among other countries, and therefore this event could significantly impact our efforts to bring PRP to market successfully. It is not yet possible for us to determine the impact of the UK's withdrawal from the European Union, but any additional costs or delays in obtaining approvals may hinder our ability to conduct clinical trials or market PRP in the UK.

RISKS RELATING TO EMPLOYEE MATTERS AND MANAGING GROWTH

Our future success depends on our ability to retain our chief executive officer and our chief scientific officer and, as we continue to develop and grow as a company, to attract, retain and motivate qualified personnel.

We are highly dependent on our management team, specifically Mr. James Nathanielsz, our Chief Executive Officer, Chief Financial Officer, and Dr. Julian Kenyon, our director who also serves as our chief scientific officer in a non-executive officer capacity. While we have a current employment agreement with Mr. Nathanielsz and a director agreement with Dr. Kenyon, both such employment agreement and director agreement permit each of the respective parties thereto to terminate such agreements upon notice. If we lose this key employee and/or the services of our other director, our business will suffer and we may have to cease operations.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our future success, as we continue to develop PRP and attempt to grow as a company. We may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors, including our scientific co-founders, may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us.

We expect to expand our development, regulatory and future sales and marketing capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of drug development, regulatory affairs and sales and marketing. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The physical expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

We have identified material weaknesses in our internal control over financial reporting that, if not properly remediated, could result in material misstatements in our consolidated financial statements in future periods.

In connection with the audits of our consolidated financial statements for the fiscal years ended June 30, 2022 and 2021, and in accordance with management's assessments of internal controls over financial reporting, we identified certain deficiencies relating to our internal control over financial reporting that constitute a material weakness under the Internal Control Integrated Framework issued by COSO in 2013. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

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The following material weaknesses in our internal control over financial reporting continued to exist at June 30, 2022 and currently:

- we do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act");
- we do not have sufficient segregation of duties within accounting functions, which is a basic internal control. Due to our limited size and early-stage nature of operations, segregation of all conflicting duties may not always be possible and may not be economically feasible; however, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals;
- lack of independent audit committee of our board of directors; and
- insufficient monitoring and review controls over the financial reporting closing process, including the lack of individuals with current knowledge of U.S. GAAP.

We outsource certain functions that would normally be performed by a principal financial officer to assist us in implementing the necessary financial controls over the financial reporting and the utilization of internal management and staff to effectuate these controls.

We believe that these material weaknesses primarily relate, in part, to our lack of sufficient staff with appropriate training in U.S. GAAP and U.S. Securities and Exchange Commission (the "SEC") rules and regulations with respect to financial reporting functions, and the lack of robust accounting systems, as well as the lack of sufficient resources to hire such staff and implement these accounting systems.

We plan to take a number of actions in the future to correct these material weaknesses including, but not limited to, establishing an audit committee of our board of directors comprised of at least two independent directors, adding additional experienced accounting and financial personnel and retaining third-party consultants to review our internal controls and recommend improvements, subject to receiving sufficient additional capital. If we receive sufficient capital, we hope to increase the chief financial officer's role from part-time to full-time as the next step in building out our accounting department. We will need to take additional measures to fully mitigate these issues, and the measures we have taken, and expect to take, to improve our internal controls may not be sufficient to (1) address the issues identified, (2) ensure that our internal controls are effective or (3) ensure that the identified material weakness or other material weaknesses will not result in a material misstatement of our annual or interim financial statements. In addition, other material weaknesses may be identified in the future. If we are unable to correct deficiencies in internal controls in a timely manner, our ability to record, process, summarize and report financial information accurately and within the time periods specified in the rules and forms of the SEC will be adversely affected. This failure could negatively affect the market price and trading liquidity of our Common Stock, cause investors to lose confidence in our reported financial information, subject us to civil and criminal investigations and penalties, and generally materially and adversely impact our business and financial condition.

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If we fail to implement and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or the subsequent testing by our independent registered public accounting firm, if and when required, may reveal additional deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our consolidated financial statements or identify other areas for further attention or improvement. If in the future we identify other material weaknesses in our internal control over financial reporting, including at some of our acquired companies, if we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Common Stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are then listed, the SEC, or other regulatory authorities, which could require additional financial and management resources. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our Common Stock.

Additionally, we currently do not have an internal audit group nor an audit committee of our board of directors, and we will eventually need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge to have effective internal controls for financial reporting.

We will continue to incur significant increased costs as a result of operating as a public company.

As a public company, we will continue to incur significant legal, accounting and other expenses. For example, we are subject to mandatory reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which require, among other things, that we continue to file with the SEC annual, quarterly and current reports with respect to our business and financial condition. We have incurred and will continue to incur costs associated with the preparation and filing of these SEC reports. In addition, the Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and national stock exchanges have imposed various other requirements on public companies. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and

impact (in ways we cannot currently anticipate) the manner in which we operate our business. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have and will continue to increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we will incur additional expense to increase our director and officer liability insurance.

In addition, if and when we cease to be a smaller reporting company and become subject to Section 404(b) of the Sarbanes-Oxley Act, we will be required to furnish an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed time period, we will continue to be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to dedicate substantially greater internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that our independent registered public accounting firm, when required, will not be able to conclude within the prescribed timeframe that our internal control over financial reporting is effective as required by Section 404. This could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

Judgments that our stockholders obtain against us may not be enforceable.

Substantially all of our assets are located outside of the United States. In addition, our Chief Executive Officer/Chief Financial Officer, James Nathanielsz, and our independent director Josef Zelinger, reside in Australia and our other director, Dr. Julian Kenyon, resides in the UK. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It is uncertain whether the courts of Australia or the UK would recognize or enforce judgments of the United States or state courts against us or such persons predicated upon the civil liability provisions of the laws of the United States or any state.

RISKS RELATED TO OUR COMMON STOCK

The market price of our Common Stock may continue to be highly volatile, you may not be able to resell your shares at or above the public offering price and you could lose all or part of your investment.

The trading price of our Common Stock may continue to be highly volatile. Our stock price could continue to be subject to wide fluctuations in response to a variety of factors, including the following:

- actual or anticipated results of our clinical trials;
- actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- issuance of our equity and/or debt securities, or disclosure or announcements relating thereto;
- additional shares of our Common Stock being sold into the market by us or our existing stockholders and/or holders of convertible debt or the anticipation of such sales;
- stock market valuations of companies in our industry;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- lawsuits threatened or filed against us;
- regulatory developments in the United States and foreign countries applicable to biotech and biopharma companies; and
- other events or factors, including those resulting from war or incidents of terrorism, or responses to these events.

The stock markets in general, and the small-cap biotech market, in particular, have experienced extreme price and volume fluctuations in recent years that have significantly affected the quoted prices of the securities of many companies, including companies in our industry. The changes often appear to occur without regard to specific operating performance. The price of our shares of Common Stock could fluctuate based upon factors that have little or nothing to do with our company and these fluctuations could materially reduce our share price. Broad market, clinical trial results and industry factors may negatively affect the market price of our Common Stock, regardless of our actual operating performance.

Currently there is a limited public market for our Common Stock, and we cannot predict the future prices or the amount of liquidity of our Common Stock.

Currently, there is a limited public market for our Common Stock. Our Common Stock is quoted on the OTCQB under the symbol “PPCB.” However, the OTCQB is not a liquid market in contrast to the major stock exchanges. We cannot assure you as to the liquidity or the future market prices of our Common Stock if a market does develop. If an active market for our Common Stock does not develop, the fair market value of our Common Stock could be materially adversely affected. We cannot predict the future prices of our Common Stock.

The designation of our Common Stock as a “penny stock” would limit the liquidity of our Common Stock.

Our Common Stock may be deemed a “penny stock” (as that term is defined under Rule 3a51-1 of the Exchange Act) in any market that may develop in the future. Generally, a “penny stock” is a Common Stock that is not listed on a securities exchange and trades for less than \$5.00 a share. Prices often are not available to buyers and sellers and the market may be very limited. Broker-dealers who sell penny stocks must provide purchasers of these stocks with a standardized risk-disclosure document prepared by the SEC. The document provides information about penny stocks and the nature and level of risks involved in investing in the penny stock market. A broker must also provide purchasers with bid and offer quotations and information regarding broker and salesperson compensation and make a written determination that the penny stock is a suitable investment for the purchaser and obtain the purchaser’s written agreement to the purchase. Many brokers choose not to participate in penny stock transactions. Because of the penny stock rules, there may be less trading activity in any market that develops for our Common Stock in the future and stockholders are likely to have difficulty selling their shares.

Trading in our Common Stock on the OTCQB has been subject to wide fluctuations.

Our Common Stock is currently quoted for public trading on the OTCQB. The trading price of our Common Stock has been subject to wide fluctuations. Trading prices of our Common Stock may fluctuate in response to a number of factors, many of which will be beyond our control. The stock market has generally experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with limited business operation. There can be no assurance

that trading prices and price earnings ratios previously experienced by our Common Stock will be matched or maintained. These broad market and industry factors may adversely affect the market price of our Common Stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been instituted. Such litigation, if instituted, could result in substantial costs for us and a diversion of management's attention and resources.

Our Common Stock is currently quoted only on the OTCQB, which may have an unfavorable impact on our stock price and liquidity.

Our Common Stock is quoted on the OTCQB, which is a significantly more limited market than the New York Stock Exchange, the NYSE American, or the Nasdaq Stock Market. The quotation of our shares of Common Stock on the OTCQB may result in a less liquid market available for existing and potential stockholders to trade shares of our Common Stock, could depress the trading price of our Common Stock and could have a long-term adverse impact on our ability to raise capital in the future.

There can be no assurance that there will be an active market for our shares of Common Stock either now or in the future. Market liquidity will depend on the perception of our operating business and any steps that our management might take to bring us to the awareness of investors. There can be no assurance given that there will be any awareness generated. Consequently, investors may not be able to liquidate their investment or liquidate at a price that reflects the value of the business. As a result, holders of our securities may not find purchasers for our securities should they desire to sell them. Consequently, our securities should be purchased only by investors having no need for liquidity in their investment and who can hold our securities for an indefinite period of time.

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Because our directors and officers currently and for the foreseeable future will continue to control our Company, it is not likely that you will be able to elect directors or have any say in the policies of our Company.

Our stockholders are not entitled to cumulative voting rights. Consequently, the election of directors and all other matters requiring stockholder approval will be decided by majority vote. In addition, our chief executive officer and chief financial officer beneficially owns all of our preferred stock, which entitles him, as a holder of Series B Preferred Stock, to voting power equivalent of the number of votes equal to the total number of shares of Common Stock outstanding as of the record date for the determination of stockholders entitled to vote at each meeting of our stockholders and entitled to vote on all matters submitted or required to be submitted to a vote of our stockholders. Due to such a disproportionate voting power, new investors will not be able to affect a change in our business or management, and therefore, stockholders would have limited recourse as a result of decisions made by management.

Moreover, this preferred stock ownership may discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which in turn could reduce our stock price or prevent our stockholders from realizing a premium over our stock price.

Future sales and issuances of our Common Stock or rights to purchase Common Stock could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to decline.

We are authorized to issue up to 10,000,000,000 shares of our Common Stock, \$0.001 par value per share. We have the right to raise additional capital or incur borrowings from third parties to finance our business. The board of directors has the authority, without the consent of any of the stockholders, to cause us to issue more shares of our Common Stock and/or securities convertible into our Common Stock. We will likely issue additional shares of our Common Stock and/or such securities in the future and such future sales and issuances of our Common Stock or rights to purchase our Common Stock could result in substantial dilution to our existing stockholders. We may sell Common Stock, convertible securities and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. If we sell any such securities in subsequent transactions, our stockholders may be materially diluted. New investors in such subsequent transactions could gain rights, preferences and privileges senior to those of holders of our Common Stock.

In the future, we may issue additional preferred stock without the approval of our stockholders, which could make it more difficult for a third party to acquire us and could depress our stock price.

We are authorized to issue up to 1,500,005 shares of our preferred stock, par value \$0.01 per share, having such rights, preferences and privileges as are determined by our board of directors in their discretion. We have the right to raise additional capital or incur borrowings from third parties to finance our business. The board of directors has the authority, without the consent of any of the stockholders, to cause us to issue more shares of our preferred stock. Our board of directors may issue, and has in the past issued, without a vote of our stockholders, one or more series of our preferred stock with such rights and preferences as it determines. This could permit our board of directors to issue preferred stock to investors who support us and our management and permit our management to retain control of our business. Additionally, issuance of preferred stock could block an acquisition which could result in both a drop in our stock price and a decline in interest of our Common Stock.

Since we intend to retain any earnings for development of our business for the foreseeable future, you will likely not receive any dividends for the foreseeable future, and capital appreciation, if any, will be the source of gain for our stockholders.

We have never declared or paid any cash dividends or distributions on our capital stock. We currently intend to retain our future earnings to support operations and to finance expansion and therefore we do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. As a result, capital appreciation, if any, of our Common Stock will be the sole source of gain for our stockholders for the foreseeable future.

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Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

Section 382 ("Section 382") of the Internal Revenue Code of 1986, as amended (the "Code"), contains rules that limit the ability of a company that undergoes an ownership change to utilize its net operating losses ("NOLs") and tax credits existing as of the date of such ownership change. Under the rules, such an ownership change is generally any change in ownership of more than 50% of a company's stock within a rolling three-year period. The rules generally operate by focusing on changes in ownership among stockholders considered by the rules as owning, directly or indirectly, 5% or more of the stock of a company and any change in ownership arising from new issuances of stock by the company. As a result of this Section 382 limitation, any ownership changes as defined by Section 382 may limit the amount of NOL carryforwards that could be utilized annually to offset future taxable income.

As a smaller reporting company, we are subject to scaled disclosure requirements that may make it more challenging for investors to analyze our results of operations and financial prospects.

As a "smaller reporting company," we (i) are able to provide simplified executive compensation disclosures in our filings, (ii) are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting and (iii) have certain other decreased disclosure obligations in our filings with the SEC, including being required to provide only two years of audited financial statements in annual reports. Consequently, it may be more challenging for investors to analyze our results of operations and financial prospects.

We will remain a smaller reporting company until the beginning of a fiscal year in which we had a public float of \$250 million held by non-affiliates as of the last business day of the second quarter of the prior fiscal year, assuming our Common Stock is registered under Section 12 of the Exchange Act on the applicable evaluation date. Even if we

remain a smaller reporting company, if our public float exceeds \$250 million and our annual revenues are greater than \$100 million, we will become subject to the provisions of Section 404(b) of the Sarbanes-Oxley Act.

The risks above do not necessarily comprise of all those associated with an investment in our Company. This Registration Statement contains forward looking statements that involve unknown risks, uncertainties and other factors that may cause our actual results, financial condition, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those set out above.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus may contain certain “forward-looking” statements as such term is defined by the SEC in its rules, regulations and releases, which represent the registrant’s expectations or beliefs, including but not limited to, statements concerning our operations, economic performance, financial condition, growth and acquisition strategies, investments, and future operational plans. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, words such as “may,” “will,” “expect,” “believe,” “anticipate,” “intent,” “could,” “would,” “should,” “estimate,” “might,” “plan,” “predict” or “continue” or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, certain of which are beyond our control, and actual results may differ materially depending on a variety of important factors, including uncertainty related to the discovery, development and commercialization of our product candidate, protection of our intellectual property, governmental regulation, the operations of our Company and our subsidiaries, managing and maintaining growth, volatility of our stock price, and any other factors discussed in this and our other filings with the SEC.

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These risks and uncertainties and other factors include, but are not limited to those set forth under the section captioned “*Risk Factors*” of this prospectus. Given these risks and uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Except as otherwise required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements or the risk factors described in this prospectus or in the documents we incorporate by reference, whether as a result of new information, future events, changed circumstances or any other reason after the date of this prospectus.

This prospectus contains forward-looking statements, including statements regarding, among other things:

- our ability to continue as a going concern;
- our anticipated needs for working capital;
- our ability to successfully develop PRP, our lead product candidate;
- our ability to reach research and development milestones as planned and within proposed budgets;
- our current reliance on substantial debt financing;
- our ability to repay current debt in cash and obtain adequate new financing;
- our dependence on third parties for services;
- our dependence on key executives;
- our ability to control costs;
- our ability to successfully implement our expansion strategies;
- our ability to successfully develop and market our technologies;
- our ability to obtain and maintain patent protection;
- our ability to recruit employees with regulatory, accounting and finance expertise;
- the impact of government regulations, including the FDA’s regulations;
- the impact of any future litigation;
- the availability of capital; and
- changes in economic, business and competitive conditions;

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Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks, uncertainties and other factors outlined in the section captioned “*Risk Factors*” of this prospectus and matters described in this prospectus generally. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this prospectus will in fact occur. We caution you not to place undue reliance on these forward-looking statements. In addition to the information expressly required to be included in this prospectus, we will provide such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading. All subsequent written and oral forward-looking statements attributable to our Company or to persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Except as required by law, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

This Prospectus relates to shares of our Common Stock that may be offered and sold from time to time by the Selling Stockholder. We will receive no proceeds from the sale of shares of Common Stock by the Selling Stockholder in this registration statement. The proceeds from the sales will belong to the Selling Stockholder. However, when the warrants are exercised, we will receive proceeds from the sale of the Purchase Shares to the Selling Stockholder pursuant to the Common Stock Purchase Agreement. The

proceeds will be used to support company operations, including research and development activities as specified in the PRP development plan and also the POP1 joint research and drug discovery program.

DETERMINATION OF OFFERING PRICE

The Selling Stockholder of the securities and any of its pledgees, assignees and successors-in-interest may, from time to time, offer Common Stock at prevailing market prices at the time of the sale, at fixed prices, at negotiated prices, or at varying prices determined at the time of sale.

SELLING STOCKHOLDER

The Common Stock being offered by the Selling Stockholder are those previously issued to the Selling Stockholder, and those issuable to the selling stockholders, upon exercise of the warrants. We are registering the shares of Common Stock in order to permit the Selling Stockholder to offer the shares for resale from time to time. Except for the ownership of the shares of Common Stock and the warrants, the Selling Stockholder has not had any material relationship with us within the past three years.

The table below lists the Selling Stockholder and other information regarding the beneficial ownership of the shares of Common Stock by the Selling Stockholder. The second column lists the number of shares of Common Stock beneficially owned by the Selling Stockholder, based on its ownership of the shares of Common Stock underlying the warrants, as of December 31, 2022, assuming exercise of the warrants held by the Selling Stockholder on that date, without regard to any limitations on exercises.

The third column lists the shares of Common Stock being offered by this prospectus by the Selling Stockholder.

In accordance with the terms of a registration rights agreement with the Selling Stockholder, this prospectus generally covers the resale of the sum of (i) the number of shares of Common Stock issued to the selling stockholders and (ii) the maximum number of shares of Common Stock issuable upon exercise of the related warrants, determined as if the outstanding warrants were exercised in full as of the trading day immediately preceding the date this registration statement was initially filed with the SEC, each as of the trading day immediately preceding the applicable date of determination and all subject to adjustment as provided in the registration right agreement, without regard to any limitations on the exercise of the warrants. The fourth column assumes the sale of all of the shares offered by the Selling Stockholder pursuant to this prospectus.

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Under the terms of the warrants, the Selling Stockholder may not exercise the warrants to the extent such exercise would cause the Selling Stockholder, together with its affiliates and attribution parties, to beneficially own a number of shares of Common Stock which would exceed 4.99% of our then outstanding Common Stock following such exercise, excluding for purposes of such determination shares of Common Stock issuable upon exercise of the warrants which have not been exercised. The number of shares in the second column does not reflect this limitation. The Selling Stockholder may sell all, some or none of their shares in this offering. See “Plan of Distribution.”

<u>Name of Selling Stockholder</u>	<u>Number of shares of Common Stock Owned Prior to Offering</u>	<u>Maximum Number of shares of Common Stock to be Sold Pursuant to this Prospectus</u>	<u>Number of shares of Common Stock Owned After Offering (1)(2)</u>
Ionic Ventures, LLC (3)	0	23,750	0

(1) Includes shares of Common Stock underlying the Warrants that may held by the Selling Stockholder that are covered by this prospectus, including any such securities that, due to contractual restrictions, may not be exercisable if such conversion would result in beneficial ownership greater than 4.99%.

(2) Assumes that the Selling Stockholder sells all of the Common Stock underlying the Warrants offered pursuant to this prospectus.

(3) Ionic Ventures, LLC is managed by Brendan O’Neil and Keith Coulston and they may also be deemed to have investment discretion and voting power over the shares that it holds. Mr. O’Neil and Mr. Coulston each disclaims beneficial ownership of the securities except to the extent of their respective pecuniary interests therein. The business address for Ionic Ventures, LLC is 3053 Fillmore St., Suite 256, San Francisco, CA 94123.

PLAN OF DISTRIBUTION

The Selling Stockholder of the securities and any of its pledgees, assignees and successors-in-interest may, from time to time, offer Common Stock to be registered hereunder could be made at prevailing market prices at the time of the sale, at fixed prices, at negotiated prices, or at varying prices determined at the time of sale.

The Selling Stockholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales;
- in transactions through broker-dealers that agree with the Selling Stockholder to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;

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- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Stockholder may also sell securities under Rule 144 or any other exemption from registration under the Securities Act of 1933, as amended (the “Securities Act”), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the

Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities.

The Company is required to pay certain fees and expenses incurred by the Company incident to the registration of the securities. The Company has agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

We agreed to keep this prospectus effective until the earlier of (i) the date on which the securities may be resold by the Selling Stockholders without registration and without regard to any volume or manner-of-sale limitations by reason of Rule 144, without the requirement for the Company to be in compliance with the current public information under Rule 144 under the Securities Act or any other rule of similar effect or (ii) all of the securities have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale securities will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale securities covered hereby may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the Common Stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of the Common Stock by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

MARKET PRICE OF AND DIVIDENDS ON OUR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Our Common Stock is quoted under the trading symbol “PPCB” on the OTCQB. Only a limited market exists for our Common Stock. There is no assurance that a regular trading market will develop, or if developed, that it will be sustained. Therefore, a stockholder may be unable to resell his securities in our Company.

Number of Holders

As of March 22, 2023, there were approximately 80 stockholders of record holding 2,213,330,185 shares of our Common Stock. This number does not include an indeterminate number of stockholders whose shares are held by brokers in street name. The holders of our Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of our Common Stock have no preemptive rights and no right to convert their Common Stock into any other securities. There are no redemption or sinking fund provisions applicable to our Common Stock.

Dividend Policy

We have never paid any cash dividends on our Common Stock and do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. We intend to retain future earnings to fund ongoing operations and future capital requirements of our business. Any future determination to pay cash dividends will be at the discretion of our Board and will be dependent upon our financial condition, results of operations, capital requirements and such other factors as our Board deems relevant. Our ability to pay cash dividends is subject to limitations imposed by state law.

Penny Stock

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a market price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that: (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; (b) contains a description of the broker’s or dealer’s duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the securities laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price; (d) contains a toll-free telephone number for inquiries on disciplinary actions; (e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and (f) contains such other information and is in such form, including language, type size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statement showing the market value of each penny stock held in the customer’s account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written acknowledgment of the receipt of a risk disclosure statement, a written agreement as to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may have the effect of reducing the trading activity for our Common Stock. Therefore, stockholders may have difficulty selling our securities.

DIVIDEND POLICY

We have not paid any cash dividends to our stockholders. The declaration of any future cash dividends is at the discretion of our Board and depends upon our earnings, if any, our capital requirements and financial position, and general economic conditions. It is our present intention not to pay any cash dividends in the foreseeable future, but rather to reinvest earnings, if any, in our business operations.

SELECTED FINANCIAL DATA

Not required for smaller reporting companies.

DILUTION

Not applicable. The shares registered under this registration statement are not being offered for purchase by the Company. The shares are being registered on behalf of the Selling Stockholder (the Selling Stockholder identified in this prospectus).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the results of operations and financial condition for the years ended June 30, 2022 and 2021, and for the three- and-six month periods ended December 31, 2022 and 2021 should be read in conjunction with our consolidated financial statements and the notes to those consolidated financial statements that are included elsewhere in this Registration Statement. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. See "Forward-Looking Statements."

Management's discussion and analysis of results of operations and financial condition ("MD&A") is a supplement to the accompanying financial statements and provides additional information on Propanc Biopharma, Inc. ("Propanc" or the "Company") business, current developments, financial condition, cash flows and results of operations.

When we say "we," "us," "our," "Company," or "Propanc," we mean Propanc Biopharma, Inc.

Special Note Regarding Forward-Looking Information

The following discussion and analysis of the results of operations and financial condition of Propanc Biopharma, Inc., and its wholly-owned Australian subsidiary, Propanc PTY LTD ("Propanc" or the "Company") as of December 31, 2022 and for the six months ended December 31, 2022 and 2021 should be read in conjunction with our unaudited financial statements and the notes to those unaudited financial statements that are included elsewhere in this Registraton Statement. References in this Management's Discussion and Analysis of Financial Condition and Results of Operations to "us", "we", "our" and similar terms refer to Propanc. This Registration Statement contains forward-looking statements as that term is defined in the federal securities laws. The events described in forward-looking statements contained in this Registration Statement may not occur. Generally, these statements relate to business plans or strategies, projected or anticipated benefits or other consequences of our plans or strategies, projected or anticipated benefits from acquisitions to be made by us, or projections involving anticipated revenues, earnings or other aspects of our operating results. The words "may," "will," "expect," "believe," "anticipate," "project," "plan," "intend," "estimate," and "continue," and their opposites and similar expressions, are intended to identify forward-looking statements. We caution you that these statements are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond our control, which may influence the accuracy of the statements and the projections upon which the statements are based.

Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. Except as required by federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise.

At Propanc, our highest priority remains the safety, health and well-being of our employees, their families and our communities. The COVID-19 pandemic is a highly fluid situation and it is not currently possible for us to reasonably estimate the impact it may have on our financial and operating results. We will continue to evaluate the impact of the COVID-19 pandemic on our business as we learn more and the impact of COVID-19 on our industry becomes clearer. We are complying health guidelines regarding safety procedures, including, but are not limited to, social distancing, remote working, and teleconferencing. The extent of the future impact of the COVID-19 pandemic on our business is uncertain and difficult to predict. Adverse global economic and market conditions as a result of COVID-19 could also adversely affect our business. If the pandemic continues to cause significant negative impacts to economic conditions, our results of operations, financial condition and liquidity could be adversely impacted.

U.S. Dollars are denoted herein by "USD," "\$" and "dollars".

Overview

We were incorporated in the state of Delaware as Propanc Health Group Corporation on November 23, 2010. In January 2011, to reorganize our Company, we acquired all of the outstanding shares of Propanc PTY LTD, an Australian corporation, on a one-for-one basis and Propanc PTY LTD became our wholly-owned subsidiary. Effective April 20, 2017, we changed our name to "Propanc Biopharma, Inc." to better reflect our current stage of operations and development.

We are a development-stage healthcare company that is currently focused on developing new cancer treatments for patients suffering from pancreatic, ovarian and colorectal cancer. Utilizing our scientific and oncology consultants, we have developed a rational, composite formulation of anti-cancer compounds, which together exert a number of effects designed to control or prevent tumors from recurring and spreading through the body. Our lead product candidate, PRP, is a variation upon our novel formulation and involves pro-enzymes, the inactive precursors of enzymes.

Recent Developments

On July 19, 2022, successful production of a synthetic recombinant version of the proenzyme trypsinogen was completed via the Proenzyme Optimization Project 1 (POP1) joint research and drug discovery program. The program is designed to produce a backup clinical compound to the Company's lead product candidate, PRP, which is targeting metastatic cancer from solid tumors. On August 23, 2022, the initial success of producing trypsinogen synthetically has now advanced to the stage where optimization of protein production is underway; whereas, purification and yield of chymotrypsinogen is currently the focus of research.

On August 3, 2022, a Joint Research Collaboration Agreement was established with the University of Jaén and the University of Granada, Spain. Since late 2020, Mrs. Belén Toledo Cutillas MSc, has been investigating an important experimental thesis on the effects of proenzyme therapy and the tumor microenvironment, which is the key to the development, invasion, metastatic spread and recurrence of solid tumors. The work is being conducted at the laboratory of Professor Macarena Perán PhD, who is the lead researcher on the project and is the second Joint Research and Collaboration Agreement currently in progress with the two Spanish Universities. On September 8, 2022, proenzyme therapy was shown to have a favorable impact inhibiting, slowing, or reversing tumor development by acting as an anti-tumor agent, decreasing tumor cell proliferation, developing a non-malignant phenotype (observable characteristics) and promoting cell adhesion (sticking close to one another) and differentiation (cell specialization rather than stem cell like). It was concluded that proenzyme therapy could have a significant impact on the tumor microenvironment as a potential clinical application.

On August 16, 2022, a Notice of Allowance has been received from the European Patent Office (EPO) for claims involving compositions of proenzymes to treat cancer. This is the second patent application allowed in this jurisdiction and expires in November 2036. A third patent application is currently under examination at the EPO for a method to treat cancer stem cells, which was allowed in March this year by the US Patent and Trademark Office (USPTO). The field of the invention covers future dosing in planned clinical studies for the Company's lead product candidate, PRP.

On November 9 and 10, 2022, Mr. James Nathanielsz, Propanc's Chief Executive Officer and Co-Founder, conducted investor meetings and presented at the Sidoti & Company's upcoming Micro-Cap Virtual Investor Conference. The Sidoti & Company Micro-Cap Investor Conference is a virtual event featuring micro-cap companies interacting with a number of institutional investors from across the United States.

On December 17, 2022, on behalf of the University of Jaén and the University of Granada, and Propanc Biopharma, Mrs. Belén Toledo Cutillas MSc, Joint Researcher, presented at the recent 43rd Meeting of the European Organization of Research and Treatment of Cancer (EORTC), Pharmacology and Molecular Mechanisms (PAMM) group. Mrs. Toledo Cutillas discussed novel approaches to hampering tumor support of key components within the tumor microenvironment. Specifically, she described how "a protein-based treatment (PRP) re-educates" certain tumor cells that play a key role in the tumor microenvironment, decreasing the tumor microenvironment influence on tumorigenesis and increasing drug uptake of standard therapies that are often rendered ineffective due to chemoresistance.

Results of Operations

The following discussion should be read in conjunction with the Company's unaudited consolidated financial statements and notes thereto included elsewhere in this Report. The results discussed below are of the Company and its wholly-owned Australian subsidiary, Propanc PTY LTD.

For the Three and Six months ended December 31, 2022, as compared to the Three and Six months ended December 31, 2021.

Revenue

For the three and six months ended December 31, 2022 and 2021, we generated no revenue because we are currently undertaking research and development activities for market approval and no sales were generated in this period.

Administration Expense

Administration expense increased to \$525,620 for the three months ended December 31, 2022 as compared to \$346,164 for the three months ended December 31, 2021. This increase of approximately \$179,000 is primarily attributable to an increase of approximately \$145,000 in employee remuneration expense, increase in stock-based expenses of approximately \$31,000, increase in accounting fees of approximately \$5,000 offset by a decrease in general consulting, legal and investor relation fees of approximately \$2,000.

Administration expense increased to \$990,752 for the six months ended December 31, 2022 as compared to \$777,904 for the six months ended December 31, 2021. This increase of approximately \$213,000 is primarily attributable to an increase of approximately \$151,000 in general consulting, legal and investor relation fees, increase in accounting fees of approximately \$9,000, increase of approximately \$164,000 in employee remuneration expense, increase in marketing expenses of \$7,000, offset by decrease in stock-based expenses of approximately \$116,000 and decrease in other general and administrative expenses of approximately \$2,000.

Occupancy Expense

Occupancy expenses increased to \$7,506 for the three months ended December 31, 2022 as compared to \$6,550 for the three months ended December 31, 2021. This increase of \$956 is primarily attributable to exchange rate movements over the period when compared to the same period in 2021.

Occupancy expenses decreased to \$13,879 for the six months ended December 31, 2022 as compared to \$14,286 for the six months ended December 31, 2021. This decrease of \$407 is primarily attributable to exchange rate movements over the period when compared to the same period in 2021.

Research and Development Expenses

Research and development expenses were increased to \$74,878 for the three months ended December 31, 2022 as compared to \$50,753 for the three months ended December 31, 2021. Research and development expenses were increased to \$176,203 for the six months ended December 31, 2022 as compared to \$97,307 for the six months ended December 31, 2021. The increase in research and development expenses is primarily attributable to the two-year collaboration agreement with University of Jaén which was executed in October 2020 to provide certain research services to the Company. Additionally, on July 27, 2022, the Company entered into another two-year research agreement with the University of Jaén to provide certain research and experiment services to the Company.

Interest Expense

Interest expense decreased to \$98,619 for the three months ended December 31, 2022, as compared to \$177,905 for the three months ended December 31, 2021. Interest expense is primarily comprised of approximately \$81,000 of debt discount amortization and accretion of put premium and interest expense from accrual of interest expense and other financing fees for a total of approximately \$18,000 for the three months ended December 31, 2022. This decrease in interest expense of \$79,286 is primarily attributable to the decrease of approximately \$126,000 in accretion of put premium offset by increase in amortization of debt discount of approximately \$47,000.

Interest expense decreased to \$261,371 for the six months ended December 31, 2022, as compared to \$287,758 for the six months ended December 31, 2021. Interest expense is primarily comprised of approximately \$229,000 of debt discount amortization and accretion of put premium and interest expense from accrual of interest expense and other financing fees for a total of approximately \$32,000 for the six months ended December 31, 2022. This decrease in interest expense of \$26,387 is primarily attributable to the decrease of approximately \$99,000 in accretion of put premium offset by increase in amortization of debt discount of approximately \$73,000.

Change in Fair Value of Derivative Liabilities

Change in fair value of derivative liabilities were increased to a gain of \$62,335 for the three months ended December 31, 2022 as compared to a loss of \$163,853 for the three months ended December 31, 2021. Change in fair value of derivative liabilities were increased to a gain of \$127,508 for the six months ended December 31, 2022 as compared to a loss of \$167,757 for the six months ended December 31, 2021. This increase in gain during the three and six months ended December 31, 2022 of approximately \$226,000 and \$295,000, respectively, is primarily attributable to a decrease in fair value of the principal amount of convertible notes with bifurcated embedded conversion option derivatives as a result of the decrease in stock prices during the six months ended December 31, 2022.

Gain from Settlement of accounts payable

Gain from settlement of accounts payable was \$17,499 for the six months ended December 31, 2022, as compared to \$0 for the six months ended December 31, 2021. On August 16, 2022, the Company and a third-party investor relations consultant agreed to settle an outstanding payable of \$23,050 in exchange for 2,305,000 warrants to purchase the Company's common stock at \$0.01 per share with an expiry date of August 16, 2025 and fair market value of \$5,551. Accordingly, the Company recognized gain from settlement of accounts payable of \$17,499 during the six months ended December 31, 2022.

Gain on Extinguishment of Debt, net

During the six months ended December 31, 2022, notes with principal amounts totaling \$79,000 and accrued interest of \$9,543 contained bifurcated embedded conversion option derivatives. Accordingly, the fair market value of the shares issued was \$195,952, resulting in a loss on extinguishment at the time of conversion of \$107,409 and \$106,799 of derivative fair value liability was recorded as a gain on extinguishment at the time of conversion, resulting in a net loss of \$610.

Additionally, during the six months ended December 31, 2022, the Company recognized the remaining put premium of \$43,520 related to a convertible note into gain on extinguishment of debt during the six months ended December 31, 2022. The lender of such convertible note agreed to surrender all conversion rights in its currently held convertible notes due to violation of Section 15(a)(1) of the Securities Exchange Act of 1934.

Foreign Currency Transaction Gain (Loss)

Foreign currency transaction gain decreased to a loss of \$13,988 for the three months ended December 31, 2022, as compared to a loss of \$110,215 for the three months ended December 31, 2021. Foreign currency transaction gain increased to a gain of \$22,235 for the six months ended December 31, 2022 as compared to a loss of \$1,086 for the six months ended December 31, 2021. The increase of approximately \$96,000 and \$23,000 is partially attributable to the increase in exchange rates during the three and six months ended December 31, 2022.

Net loss

Net loss decreased to \$485,418 for the three months ended December 31, 2022, as compared to a net loss of \$799,977 for the three months ended December 31, 2021. Net loss decreased to \$1,102,713 for the six months ended December 31, 2022 as compared to a net loss of \$1,290,635 for the six months ended December 31, 2021. The change relates to the factors discussed above.

Deemed dividend

The Company recognized the value of the effect of a down round feature related to our Series A warrants when triggered. Upon the occurrence of the triggering event that resulted in a reduction of the strike price, the Company measured the value of the effect of the feature as the difference between the fair value of the warrants without the down round feature or before the strike price reduction and the fair value of the warrants with a strike price corresponding to the reduced strike price upon the down round feature being triggered. Accordingly, the Company recognized deemed dividends of \$19,322 and \$93,398 during the three months ended December 31, 2022 and 2021, respectively, and a corresponding reduction of income available to common stockholders upon the alternate cashless exercise of these warrants during the three months ended December 31, 2022 and 2021, respectively. The Company recognized deemed dividend of \$408,557 and \$208,242 during the six months ended December 31, 2022 and 2021, respectively, and a corresponding reduction of income available to common stockholders upon the alternate cashless exercise of these warrants during the six months ended December 31, 2022 and 2021, respectively.

Net loss available to common stockholders

Net loss available to common stockholders decreased to \$504,740 for the three months ended December 31, 2022 as compared to a net loss available to common stockholders of \$893,375 for the three months ended December 31, 2021. Net loss available to common stockholders increased to \$1,511,270 for the six months ended December 31, 2022 as compared to a net loss available to common stockholders of \$1,498,877 for the six months ended December 31, 2021.

The decrease and increase during the three- and six-months period are primarily attributable to the change relates to the factors discussed above.

Liquidity and Capital Resources

Current Financial Condition

As of December 31, 2022, we had total assets of \$108,022, comprised primarily of cash of \$24,476, GST tax receivable of \$4,543, prepaid expenses and other current assets of \$25,207, security deposit of \$2,042, operating lease ROU asset, net of \$50,671, and property and equipment, net of \$1,083. As compared to June 30, 2022, we had total assets of \$81,651, comprised primarily of cash of \$4,067, GST tax receivable of \$2,342, prepaid expenses and other current assets of \$8,621, property and equipment, net of \$2,023, operating lease ROU asset, net of \$62,523, and security deposit of \$2,075.

We had current liabilities of \$2,992,554, primarily comprised of net convertible debt of \$633,740, note payable, net of \$72,404, loan payable of \$65,280, accrued interest of \$59,733, accounts payable and accrued expenses of \$1,470,605, employee benefit liability of \$578,453, and embedded conversion option liabilities of \$10,623 as of December 31, 2022. As compared to June 30, 2022, we had current liabilities of \$3,062,981, primarily comprised of net convertible debt of \$926,438, accrued interest of \$57,822, accounts payable and accrued expenses of \$1,409,138, employee benefit liability of \$415,799, and embedded conversion option liabilities of \$151,262.

We have funded our operations primarily through the issuance of equity and/or convertible debt securities for cash. The cash was used primarily for payments for research and development, administration expenses, occupancy expenses, professional fees, consultants and travel.

During the six months ended December 31, 2022 we received proceeds from exercise of warrants of \$200,000, proceeds from issuance of convertible notes and note payable of \$495,750, proceeds from sale of shares of our Common Stock of \$24,711 and proceeds from collection of subscription receivables of \$23,758.

We have substantial capital resource requirements and have incurred significant losses since inception. As of December 31, 2022, we had \$24,476 in cash. We depend upon debt and/or equity financing to fund our ongoing operations and to execute our current business plan. Such capital requirements are in excess of what we have in available cash and for which we currently have commitments. Therefore, we presently do not have enough available cash to meet our obligations over the next 12 months. If continued funding and capital resources are unavailable at reasonable terms, we may curtail our plan of operations. We will be required to obtain alternative or additional financing from financial institutions, investors or otherwise, in order to maintain and expand our existing operations. The failure by us to obtain such financing would have a material adverse effect upon our business, financial condition and results of operations, and adversely affecting our ability to complete ongoing activities in connection with our research and development programs.

Sources and Uses of Cash

	For the Six months ended December 31,	
	2022	2021
Net cash used in operating activities	\$ (734,542)	\$ (711,093)
Net cash provided by financing activities	\$ 744,219	\$ 789,500
Effect of exchange rate changes on cash	\$ 10,732	\$ (7,046)

Net Cash Flow from Operating Activities

Net cash used in operating activities was \$734,542 for the six months ended December 31, 2022, due to our net loss of \$1,102,713, offset primarily by non-cash charges of amortization of debt discount of \$83,903, stock-based compensation of \$59,219, accretion of put premium of \$144,711, change in fair value of derivatives of \$127,508, gain on extinguishment of debt of \$42,910 and gain from settlement of accounts payable of \$17,499. Net changes in operating assets and liabilities totaled \$278,737, which are primarily attributable to increase in prepaid expenses and other assets \$16,724, employee benefit liability of \$169,268, increase accrued interest of \$31,433, increase in accrued expenses and other payables of \$97,414, and increase in accounts payable of \$9,520.

Net cash used in operating activities was \$711,093 for the six months ended December 31, 2021, due to our net loss of \$1,290,635, offset primarily by non-cash charges of amortization of debt discount of \$11,295, stock-based compensation of \$41,436, accretion of put premium of \$245,000, change in fair value of derivatives of \$167,757 and issuance and amortization of common stock for services of \$133,422. Net changes in operating assets and liabilities totaled (\$23,717), which is primarily attributable to increase in employee benefit liability of \$12,882, increase accrued interest of \$28,264 offset by decrease in accounts payable of \$51,037 and decrease in accrued expenses of \$6,772.

Net Cash Flow from Financing Activities

Net cash provided by financing activities for the six months ended December 31, 2022 were \$744,219, as compared to \$789,500 for the six months ended December 31, 2021. During the six months ended December 31, 2022, we received proceeds from the exercise of warrants of \$200,000, proceeds from sale of shares of our Common Stock of \$24,711, collections of subscription receivable of \$23,758, and net proceeds from issuance of convertible notes and a note payable of \$495,750.

Net cash provided by financing activities for the six months ended December 31, 2021 were \$789,500 as compared to \$358,044 for the six months ended December 31, 2020. During the six months ended December 31, 2021, we received proceeds from the exercise of warrants of \$375,000 and net proceeds from issuance of convertible notes of \$414,500.

Effect of Exchange Rate

The effect of the exchange rate on cash resulted in a \$10,732 positive adjustment to cash flows in the six months ended December 31, 2022, as compared to a \$7,046 negative adjustment to cash flows in the six months ended December 31, 2021. The reason for the fluctuation is due to the application of currency translation rates throughout the cash flow statement, the volume of transactions within each period and the daily fluctuation in exchange rates.

Critical Accounting Estimates

Below is a discussion of our more subjective accounting estimation processes for purposes of explaining (i) the methodology used in calculating the estimates, (ii) the inherent uncertainties pertaining to such estimates, and (iii) the possible effects of a significant variance in actual experience, from that of the estimate, on our financial condition. Estimates involve numerous assumptions that, if incorrect, could create a material adverse impact on the Company's results of operations and financial condition.

Reference is frequently made herein to the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC"). This is the source of authoritative US GAAP recognized by the FASB to be applied to non-governmental entities. Each ASC reference in this filing is presented with a three-digit number, which represents its Topic. As necessary for explanation and as applicable, an ASC topic may be followed with a two-digit subtopic, a two-digit section or a two-or-three-digit paragraph.

Foreign Currency Translation and Comprehensive Income (Loss): The Company's wholly-owned subsidiary's functional currency is the AUD. For financial reporting purposes, the Australian Dollar ("AUD") has been translated into USD as the Company's reporting currency. Assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the reporting period. Equity transactions are translated at each historical transaction date spot rate. Translation adjustments arising from the use of different exchange rates from period to period are included as a component of stockholders' equity (deficit) as "accumulated other comprehensive income (loss)." Gains and losses resulting from foreign currency transactions are included in the statement of operations and comprehensive loss as other income (expense). Effective fiscal year 2021, the parent company determined that intercompany loans will not be repaid in the foreseeable future and thus, per ASC 830-20-35-3, gains and losses from measuring the intercompany balances are recorded within cumulative translation adjustment, a component of other comprehensive income.

Accounting for Income Taxes: We are governed by Australian income tax laws and United States income tax laws, which are administered by the Australian Taxation Office and the United States Internal Revenue Service, respectively. We follow ASC 740, "Accounting for Income Taxes," which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary, to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company adopted provisions of ASC 740, Sections 25 through 60, "Accounting for Uncertainty in Income Taxes." These sections provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods.

Accounting for Stock Based Compensation: We record stock-based compensation in accordance with ASC 718, "Stock Compensation" and Staff Accounting Bulletin No. 107 issued by the SEC in March 2005 regarding its interpretation of ASC 718. ASC 718 requires the fair value of all stock-based employee compensation awarded to employees to be recorded as an expense over the related requisite service period. The statement also requires the recognition of compensation expense for the fair value of any unvested stock option awards outstanding at the date of adoption. We value any employee or non-employee stock-based compensation at fair value using the Black-Scholes Option Pricing Model.

We account for non-employee share-based awards in accordance with the measurement and recognition criteria of ASC 718.

Derivative Instruments: ASC 815, "Derivatives and Hedging," establishes accounting and reporting standards for derivative instruments and for hedging activities by requiring that all derivatives be recognized in the balance sheet and measured at fair value. Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings. On the date of conversion, or payoff, of debt, we record the fair value of the conversion shares, remove the fair value of the related derivative liability, remove any discounts and record a net gain or loss on debt extinguishment.

Convertible Notes with Variable Conversion Options: We have entered into convertible notes, some of which contain variable conversion options, whereby the outstanding principal and accrued interest may be converted, by the holder, into common shares at or around a fixed discount to the price of the common stock at the time of conversion. We treat these convertible notes as stock settled debt under ASC 480 and measure the fair value of the notes at the time of issuance, which is the result of the share price discount at the time of conversion, and record the put premium as accretion to interest expense.

Research and Development Tax Credits: We may apply for Research and Development tax concessions with the Australian Taxation Office on an annual basis. Although the amount is possible to estimate at year end, the Australian Taxation Office may reject or materially alter the claim amount. Accordingly, we do not recognize the benefit of the claim amount until cash receipt since collectability is not certain until such time. The tax concession is a refundable credit. If we have net income then we can receive the credit which reduces its income tax liability. If we have net losses, then we may still receive a cash payment for the credit, however, our net operating loss carry forwards are reduced by the gross equivalent loss that would produce the credit amount when the income tax rate is applied to that gross amount. The concession is recognized

as an income tax benefit, in operations, upon receipt.

Recent Accounting Pronouncements

Please see section captioned “Recent Accounting Pronouncements” in Note 1 to our unaudited condensed consolidated financial statements included in this Registration Statement for a discussion of recently issued and adopted accounting pronouncements.

Going Concern Qualification

We did not generate any revenue for the six months ended December 31, 2022 and 2021 and have incurred significant losses and cash used in operations, and such losses and use of cash are expected to continue. Our independent registered public accounting firm has included a “Going Concern Qualification” in its audit report for each of the fiscal years ended June 30, 2022 and 2021. In addition, we have negative working capital and convertible debt that is past maturity that we are currently negotiating with lenders in order to amend the maturity dates. The foregoing raises substantial doubt about our ability to continue as a going concern for a period of 12 months from the issue date of this report. Our ability to continue as a going concern is dependent on our ability to execute our strategy and on our ability to raise additional funds and/or to consummate a public offering. Management is currently seeking additional funds, primarily through the issuance of equity and/or debt securities for cash to operate our business. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to us. Even if we are able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in case of equity and/or convertible debt financing. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. The “Going Concern Qualification” might make it substantially more difficult to raise capital.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

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Overview

We were incorporated in the state of Delaware as Propanc Health Group Corporation on November 23, 2010. In January 2011, to reorganize our Company, we acquired all of the outstanding shares of Propanc PTY LTD, an Australian corporation, on a one-for-one basis and Propanc PTY LTD became our wholly-owned subsidiary. Effective April 20, 2017, we changed our name to “Propanc Biopharma, Inc.” to better reflect our current stage of operations and development.

We are a development-stage healthcare company that is currently focused on developing new cancer treatments for patients suffering from pancreatic, ovarian and colorectal cancer. Utilizing our scientific and oncology consultants, we have developed a rational, composite formulation of anti-cancer compounds, which together exert a number of effects designed to control or prevent tumors from recurring and spreading through the body. Our lead product candidate, PRP, is a variation upon our novel formulation and involves pro-enzymes, the inactive precursors of enzymes.

Recent Developments

On March 22, 2022, a Notice of Allowance has been received from the US Patent and Trademark Office (USPTO) for claims involving a novel method to treat cancer stem cells (CSC’s). The allowed US patent protects proprietary claims capturing methods and uses for pancreatic proenzymes to treat cancer by specifically targeting and eradicating CSCs. It is the first allowed by the USPTO covering a method of minimizing the progression of cancer in a patient by administering a therapeutically effective amount of two proenzymes, trypsinogen and chymotrypsinogen, thereby preventing metastatic cancer in the patient by targeting and eradicating CSCs from solid tumors.

On May 2, 2022, pharma grade raw materials were purchased for the manufacture of PRP in preparation for the Phase I First-In-Human (FIH) study in advanced cancer patients suffering from solid tumors. Approximately 0.5kg of trypsinogen and 2.4kg of chymotrypsinogen was procured initially, with a second half of the same batch quantities to be purchased towards the middle of this year. The total amount of raw materials purchased is expected to be sufficient for the early-stage clinical development plan for PRP, which is administered by intravenous (I.V.) injection, once weekly. The first FIH study is planned for treatment of up to 30 to 40 patients with advanced solid tumors. This will be followed by up to two 60 patient Phase II studies in patients suffering from pancreatic and ovarian tumors.

On May 18, 2022, the board of directors of the Company approved and authorized, and the holders of a majority in interest of the Company’s voting capital stock approved by written consent, in accordance with Section 228 of the Delaware General Corporation Law, for the Company to file a Certificate of Amendment to its Certificate of Incorporation (the “Certificate”) with the Secretary of State of the State of Delaware, which increased the Company’s authorized capital stock. The Certificate increased the number of authorized shares of the Company’s common stock, par value \$0.001 per share, from 1,000,000,000 to 3,000,000,000. The number of authorized shares of preferred stock remains at 1,500,005, such that the total number of shares of all classes and series the Company is authorized to issue is 3,001,500,005 shares. The Certificate was filed and became effective on July 6, 2022.

On July 19, 2022, successful production of a synthetic recombinant version of the proenzyme trypsinogen was completed via the Proenzyme Optimization Project 1 (POP1) joint research and drug discovery program. The program is designed to produce a backup clinical compound to the Company’s lead product candidate, PRP, which is targeting metastatic cancer from solid tumors. On August 23, 2022, the initial success of producing trypsinogen synthetically has now advanced to the stage where optimization of protein production is underway, whereas purification and yield of chymotrypsinogen is currently the focus of research.

On August 3, 2022, a Joint Research Collaboration Agreement was established with the Universities of Jaén and Granada, Spain. Since late 2020, Mrs. Belén Toledo Cutillas MSc, has been investigating an important experimental thesis on the effects of proenzyme therapy and the tumor microenvironment, which is the key to the development, invasion, metastatic spread and recurrence of solid tumors. The work is being conducted at the laboratory of Professor Macarena Perán PhD, who is the lead researcher on the project and is the second Joint Research and Collaboration Agreement currently in progress with the two Spanish Universities.

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On August 16, 2022, a Notice of Allowance has been received from the European Patent Office (EPO) for claims involving compositions of proenzymes to treat cancer. This is the second patent application allowed in this jurisdiction and expires in November, 2036. A third patent application is currently under examination at the EPO for a method to treat cancer stem cells, which was allowed in March this year by the US Patent and Trademark Office (USPTO). The field of the invention covers future dosing in planned clinical studies for the Company’s lead product candidate, PRP.

Results of Operations

The following discussion should be read in conjunction with the Company’s consolidated financial statements and notes thereto included elsewhere in this Report. The results discussed below are of the Company and its wholly-owned Australian subsidiary, Propanc PTY LTD.

Fiscal Year Ended June 30, 2022, as compared to the Fiscal Year Ended June 30, 2021

Revenue

For the fiscal years 2022 and 2021 we generated no revenue because we are currently undertaking research and development activities for market approval and no sales were generated in this period.

Administration Expense

Administration expense increased to \$1,706,452 for the year ended June 30, 2022 as compared to \$1,553,075 for the year ended June 30, 2021. This increase of approximately \$153,000 is primarily attributable to an increase of approximately \$159,000 in stock-based expenses for services, increase in general consulting, legal, and investor relation fees of approximately \$250,000 offset by decrease in accounting fees of approximately \$10,000, decrease of approximately \$48,000 in marketing and market research expense, decrease in employee remuneration expense of approximately \$195,000, and decrease of approximately \$1,000 of other general and administrative expenses.

Occupancy Expense

Occupancy expense was \$28,366 for the year ended June 30, 2022 as compared to \$28,112 for the year ended June 30, 2021, an increase of \$254.

Research and Development Expenses

Research and development expenses were \$256,052 for the year ended June 30, 2022, as compared to \$230,956 for the year ended June 30, 2021. The increase in research and development expenses is primarily attributable to the two-year collaboration agreement with University Jaén which was executed in October 2020 to provide certain research services to the Company.

Interest Expense/Income

Interest expense increased to \$568,798 for the year ended June 30, 2022, as compared to \$449,457 for the year ended June 30, 2021. Interest expense is primarily comprised of approximately \$500,000 of debt discount amortization and accretion of put premium for the year ended June 30, 2022, and interest expense from conversion fees, and accrual of interest expense for a total of approximately \$69,000 for the year ended June 30, 2022.

This increase of \$119,341 is primarily attributable to the increase of approximately \$35,000 in accretion of put premium, interest expense of approximately \$252,000 offset by decrease in amortization of debt discount of approximately \$89,000, decrease in prepayment and default penalty fees of approximately \$9,000, decrease in conversion fees of \$14,000 and decrease in accrual of interest expense for a total of \$21,000 during the year ended June 30, 2022.

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Change in Fair Value of Derivative Liabilities

Change in fair value of derivative liabilities changed by \$90,925, to a loss of \$99,111 for the year ended June 30, 2022, as compared to a loss of \$8,186 for the year ended June 30, 2021. This increase in loss of approximately \$91,000 is primarily attributable to an increase in fair value of the principal amount of a convertible note with bifurcated embedded conversion option derivatives during the year ended June 30, 2022.

Gain from Settlement of Debt, net

During the year ended June 30, 2021, the Company recorded gain from settlement of debt, net of \$49,319 relating to two transactions. On March 22, 2021, the Company entered into a settlement agreement with our former counsel, Foley Shechter, whereby both parties agreed to settle all claims for professional fees owed for a total of \$51,057. The Company paid the settlement amount of \$51,057 on March 22, 2021. Prior to the settlement agreement, the Company recorded total accounts payable and accrued expenses \$143,614. Accordingly, the Company recognized gain from settlement of debt of \$92,557 during the year ended June 30, 2021.

Additionally, on March 15, 2021, the Company entered into a Settlement and Mutual Release Agreement with Regal whereby both parties agreed to settle all claims and liabilities under the August 10, 2017 Convertible note for a total of \$100,000. All other terms of the August 10, 2017 Convertible Note shall remain in full force and effect. Both parties agree that all future penalties under this note are waived unless the Company fails to authorize to distribute the requested shares upon conversion. The Company has the right to pay off the balance of any remaining amounts due under this note in cash at any time more than 60 days after March 15, 2021. Prior to the Settlement Agreement, the Company recorded total liabilities \$56,762 consisting of remaining principal amount of \$8,500, accrued interest of \$23,262 and accrued expenses of \$25,000. Accordingly, the Company recognized loss from settlement of debt of \$43,238 during the year ended June 30, 2021.

There was no comparable transaction during the year ended June 30, 2022.

Gain (loss) on Extinguishment of Debt, net

During the year ended June 30, 2021, notes with principal amounts totaling \$95,000 and accrued interest of \$3,000 contained bifurcated embedded conversion option derivatives. Accordingly, the fair market value of the shares issued was \$178,368 resulting in a loss on extinguishment at the time of conversion of \$80,368 and \$130,975 of derivative fair value was recorded as a gain on extinguishment at the time of conversion, resulting in a net gain of \$50,607.

During the year ended June 30, 2022, notes with principal amounts totaling \$1,000 and accrued interest of \$8,000 contained bifurcated embedded conversion option derivatives. Accordingly, the fair market value of the shares issued was \$28,572, resulting in a loss on extinguishment at the time of conversion of \$19,572 and \$2,069 of derivative fair value was recorded as a gain on extinguishment at the time of conversion, resulting in a net loss of \$17,503.

Foreign Currency Transaction Gain (Loss)

Foreign currency transaction changed to a loss of \$42,395 for the year ended June 30, 2022 as compared with a gain of \$30,497 for the year ended June 30, 2021.

The foreign currency transaction decreased to a loss is partially attributable to the decrease in exchange rates during the year ended June 30 2022 as compared to the year ended June 30, 2021.

Benefit (provision) for taxes

During the year ended June 30, 2022 and 2021, the Company applied for and received from the Australian Taxation Office a research and development tax credit in the amount of \$54,977 and \$113,415, respectively.

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Net loss

Net loss increased to \$2,658,087 for the year ended June 30, 2022 as compared to a net loss of \$2,025,947 for the year ended June 30, 2021. The change relates to the factors discussed above.

Deemed dividend

The Company recognized the value of the effect of a down round feature related to our Series A and C warrants when triggered. Upon the occurrence of the triggering event that resulted in a reduction of the strike price, the Company measured the value of the effect of the feature as the difference between the fair value of the warrants without the down round feature or before the strike price reduction and the fair value of the warrants with a strike price corresponding to the reduced strike price upon the down round feature being triggered. Accordingly, the Company recognized deemed dividend of \$700,340 and \$391,749 and a corresponding reduction of income available to common stockholders upon the alternate cashless exercise of these warrants during the years ended June 30, 2022 and 2021, respectively.

Net loss available to common stockholders

Net loss available to common stockholders increased to \$3,358,427 for the year ended June 30, 2022 as compared to a net loss of \$2,417,696 for the year ended June 30, 2021. The change relates to the factors discussed above.

Liquidity and Capital Resources

Current Financial Condition

As of June 30, 2022, we had total assets of \$81,651, comprised primarily of cash of \$4,067, GST tax receivable of \$2,342, prepaid expenses and other current assets of \$8,621, property and equipment, net, of \$2,023, operating lease ROU asset, net of \$62,523, and security deposit of \$2,075. As of June 30, 2021, we had total assets of \$13,101, comprised primarily of cash of \$2,255, GST tax receivable of \$4,341, property and equipment, net, of \$4,255 and security deposit of \$2,250.

We had current liabilities of \$3,062,981, primarily comprised of net convertible debt of \$984,260, accounts payable and accrued expenses of \$1,409,138, employee benefit liability of \$415,799, and embedded conversion option liabilities of \$151,262 as of June 30, 2022. As of June 30, 2021, we had current liabilities of \$3,080,674, primarily comprised of net convertible debt of \$624,583, accounts payable and accrued expenses of \$1,894,486, employee benefit liability of \$418,538, and embedded conversion option liabilities of \$54,220.

We have funded our operations primarily through the issuance of equity and/or convertible securities for cash. The cash was used primarily for payments for research and development, administration expenses, occupancy expenses, professional fees, consulting fees and travel.

During the year ended June 30, 2022 we received proceeds from exercise of warrants of \$625,001, proceeds from issuance of convertible notes of \$766,500 and proceeds from sale of our stocks of \$99,285.

We have substantial capital resource requirements and have incurred significant losses since inception. As of June 30, 2022, we had \$4,067 in cash. We depend upon debt and/or equity financing to fund our ongoing operations and to execute our current business plan. Such capital requirements are in excess of what we have in available cash and for which we currently have commitments. Therefore, we presently do not have enough available cash to meet our obligations over the next 12 months. If continued funding and capital resources are unavailable at reasonable terms, we may curtail our plan of operations. We will be required to obtain alternative or additional financing from financial institutions, investors or otherwise, in order to maintain and expand our existing operations. The failure by us to obtain such financing would have a material adverse effect upon our business, financial condition and results of operations, and adversely affecting our ability to complete ongoing activities in connection with our research and development programs.

Sources and Uses of Cash

	For the years ended June 30,	
	2022	2021
Net cash used in operating activities	\$ (1,436,304)	\$ (1,145,264)
Net cash provided by financing activities	\$ 1,490,786	\$ 1,058,044
Effect of exchange rate changes on cash	\$ (52,670)	\$ 22,468

Net Cash Flow from Operating Activities

Net cash used in operating activities was \$1,436,304 for the year ended June 30, 2022, due to our net loss of \$2,658,087 offset primarily by non-cash charges of amortization of debt discount of \$47,971, stock-based compensation of \$387,139, non-cash interest expense of \$2,250, accretion of put premium of \$452,308, change in fair value of derivatives of \$99,111, foreign currency transaction loss of \$42,395, and \$17,503 loss on extinguishment of debt. Net changes in operating assets and liabilities totaled \$171,113, which is primarily attributable to increase in accounts payable of \$18,870, increase in accrued expenses and other payables of \$65,017, employee benefit liability of \$29,907, and accrued interest of \$63,878.

Net cash used in operating activities was \$1,145,264 for the year ended June 30, 2021, due to our net loss of \$2,025,947, offset primarily by non-cash charges of amortization of debt discount of \$136,527, stock-based compensation of \$208,444, non-cash interest expense of \$16,500, accretion of put premium of \$200,410, change in fair value of derivatives of \$8,186 addback foreign currency transaction gain of \$30,497, gain from settlement of debt of \$49,319 and \$50,607 gain on extinguishment of debt. Net changes in operating assets and liabilities totaled \$92,277, which is primarily attributable to increase in accounts payable of \$178,311, increase in accrued expenses and other payables of \$152,861, employee benefit liability of \$33,134, and accrued interest of \$80,582.

Net Cash Flow from Financing Activities

Cash flows provided by financing activities for the year ended June 30, 2022 were \$1,490,786 as compared to \$1,058,044 for the year ended June 30, 2021. During the year ended June 30, 2022 we received proceeds from the exercise of warrants of \$625,001, proceeds from sale of common stock of \$99,285, and proceeds from issuance of convertible notes of \$766,500. During the year ended June 30, 2021 we received proceeds from the exercise of warrants of \$776,044 and proceeds from issuance of convertible notes of \$325,000 offset by repayments of convertible notes of \$43,000.

Effect of Exchange Rate

The effect of the exchange rate on cash resulted in a \$52,670 negative adjustment to cash flows in the year ended June 30, 2022 as compared to a positive adjustment of \$22,468 to cash flows in the year ended June 30, 2021. The reason for the fluctuation is due to the application of currency translation rates throughout the cash flow statement, the volume of transactions within each period and the daily fluctuation in exchange rates.

Critical Accounting Estimates

Below is a discussion of our more subjective accounting estimation processes for purposes of explaining (i) the methodology used in calculating the estimates, (ii) the inherent uncertainties pertaining to such estimates, and (iii) the possible effects of a significant variance in actual experience, from that of the estimate, on our financial condition. Estimates involve numerous assumptions that, if incorrect, could create a material adverse impact on the Company's results of operations and financial condition.

Reference is frequently made herein to the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC"). This is the source of authoritative US GAAP recognized by the FASB to be applied to non-governmental entities. Each ASC reference in this filing is presented with a three-digit number, which represents its Topic. As necessary for explanation and as applicable, an ASC topic may be followed with a two-digit subtopic, a two-digit section or a two-or-three-digit paragraph.

Foreign Currency Translation and Comprehensive Income (Loss): The Company's wholly owned subsidiary's functional currency is the AUD. For financial reporting purposes, the Australian Dollar ("AUD") has been translated into USD as the Company's reporting currency. Assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the reporting period. Equity transactions are translated at each historical transaction date spot rate. Translation adjustments arising from the use of different exchange rates from period to period are included as a component of stockholders' equity (deficit) as "accumulated other comprehensive income (loss)." Gains and losses resulting from foreign currency transactions are included in the statement of operations and comprehensive loss as other income (expense). Effective fiscal year 2021, the parent company determined that intercompany loans will not be repaid in the foreseeable future and thus, per ASC 830-20-35-3, gains and losses from measuring the intercompany balances are recorded within cumulative translation adjustment, a component of other comprehensive income.

Accounting for Income Taxes: We are governed by Australian and United States income tax laws, which are administered by the Australian Taxation Office and the United States Internal Revenue Service, respectively. We follow ASC 740, "Accounting for Income Taxes," which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary, to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company adopted provisions of ASC 740, Sections 25 through 60, "Accounting for Uncertainty in Income Taxes." These sections provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods.

Accounting for Stock Based Compensation: We record stock-based compensation in accordance with ASC 718, "Stock Compensation" and Staff Accounting Bulletin No. 107 issued by the SEC in March 2005 regarding its interpretation of ASC 718. ASC 718 requires the fair value of all stock-based employee compensation awarded to employees to be recorded as an expense over the related requisite service period. The statement also requires the recognition of compensation expense for the fair value of any unvested stock option awards outstanding at the date of adoption. We value any employee or non-employee stock-based compensation at fair value using the Black-Scholes Option Pricing Model.

We account for non-employee share-based awards in accordance with the measurement and recognition criteria of ASC 718.

Derivative Instruments: ASC 815, "Derivatives and Hedging," establishes accounting and reporting standards for derivative instruments and for hedging activities by requiring that all derivatives be recognized in the balance sheet and measured at fair value. Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings. On the date of conversion, or payoff, of debt, we record the fair value of the conversion shares, remove the fair value of the related derivative liability, remove any discounts and record a net gain or loss on debt extinguishment.

Convertible Notes with Variable Conversion Options: We have entered into convertible notes, some of which contain variable conversion options, whereby the outstanding principal and accrued interest may be converted, by the holder, into common shares at or around a fixed discount to the price of the common stock at the time of conversion. We treat these convertible notes as stock settled debt under ASC 480 and measure the fair value of the notes at the time of issuance, which is the result of the share price discount at the time of conversion, and record the put premium as accretion to interest expense.

Research and Development Tax Credits: We may apply for Research and Development tax concessions with the Australian Taxation Office on an annual basis. Although the amount is possible to estimate at year end, the Australian Taxation Office may reject or materially alter the claim amount. Accordingly, we do not recognize the benefit of the claim amount until cash receipt since collectability is not certain until such time. The tax concession is a refundable credit. If we have net income then we can receive the credit which reduces its income tax liability. If we have net losses, then we may still receive a cash payment for the credit, however, our net operating loss carry forwards are reduced by the gross equivalent loss that would produce the credit amount when the income tax rate is applied to that gross amount. The concession is recognized as an income tax benefit, in operations, upon receipt.

Recent Accounting Pronouncements

Please see section captioned "Recent Accounting Pronouncements" in Note 1 to our consolidated financial statements included in this Registration Statement for a discussion of recently issued and adopted accounting pronouncements.

Going Concern Qualification

The accompanying consolidated financial statements have been prepared in conformity with US GAAP, which contemplate continuation of the Company as a going concern. For the fiscal year ended June 30, 2022, the Company had no revenues, had a net loss of \$2,658,087 and had net cash used in operations of \$1,436,304. Additionally, as of June 30, 2022, the Company had a working capital deficit, stockholders' deficit and accumulated deficit of \$3,047,951, \$3,023,649, and \$61,557,893, respectively.

Our independent registered public accounting firm has included a "Going Concern Qualification" in their audit report for each of the fiscal years ended June 30, 2022 and 2021. In addition, we have negative working capital and convertible debt that is past maturity that we are currently negotiating with lenders in order to amend the maturity dates. The foregoing raises substantial doubt about our ability to continue as a going concern for a period of 12 months from the issue date of this report. Our ability to continue as a going concern is dependent on our ability to execute our strategy and on our ability to raise additional funds and/or to consummate a public offering. Management is currently seeking additional funds, primarily through the issuance of equity and/or debt securities for cash to operate our business. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to us. Even if we are able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in case of equity and/or convertible debt financing. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. The "Going Concern Qualification" might make it substantially more difficult to raise capital.

Successful completion of the Company's development program and, ultimately, the attainment of profitable operations are dependent upon future events, including obtaining adequate financing to fulfill its development activities, acceptance of the Company's patent applications, obtaining additional sources of suitable and adequate financing and ultimately achieving a level of sales adequate to support the Company's cost structure and business plan. The Company's ability to continue as a going concern is also

dependent on its ability to further develop and execute on its business plan. However, there can be no assurances that any or all of these endeavors will be successful.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

DIRECTORS, EXECUTIVE OFFICERS AND KEY EMPLOYEES

The following table sets forth certain information regarding our current executive officers and directors as of March 22, 2023:

<u>Name</u>	<u>Age</u>	<u>Position</u>
James Nathanielsz	48	Chief Executive Officer, Chief Financial Officer, and Director
Dr. Julian Kenyon	75	Director
Josef Zelinger	71	Independent Director

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James Nathanielsz has served as Chief Executive Officer and director of our Company since inception, and has served as our Chief Financial Officer since December, 2020. He also has served as a director and Chief Executive Officer of our Australian subsidiary since October 2007. From July 2006 until October 2007, Mr. Nathanielsz served as the New Products Manager of Biota Holdings Limited, an anti- infective drug development company in Australia.

Mr. Nathanielsz graduated with a Bachelor of Applied Science, majoring in Biochemistry/Applied Chemistry and with a Master of Entrepreneurship & Innovation from Swinburne University of Technology in Melbourne, Australia.

Our board of directors has concluded that Mr. Nathanielsz is well-qualified to serve on our board of directors and has the requisite qualifications, skills and perspectives based on, among other factors, him being a Co-Founder of our Australian company and for his experience in research and development and manufacturing and distribution, as well as him being our controlling stockholder, and his significant business, investment, finance and public company experience, particularly with biotech companies.

Dr. Julian Kenyon has served as a director of our Company since inception. Dr. Kenyon co-founded our Australian subsidiary and was appointed as a director of our Australian subsidiary on February 12, 2008. Since 2000, Dr. Kenyon has served as an integrated medical physician and Medical Director of the Dove Clinic for Integrated Medicine in Winchester and London.

Dr. Kenyon graduated from the University of Liverpool with a Bachelor of Medicine and Surgery and with a research degree, Doctor of Medicine. Since 1972, he was appointed a Primary Fellow of the Royal College of Surgeons, Edinburgh.

Our board of directors has concluded that Dr. Kenyon is well-qualified to serve on our board of directors and has the requisite qualifications, skills and perspectives based on, among other factors, him being a Co-Founder of our Australian subsidiary and because our business is based on his initial work at the Dove Clinic.

Josef Zelinger has served as a director of the Company since December, 2020. He is a Certified Practicing Accountant with 45 years of experience in tax, auditing, finance, investment and management consulting. Mr. Zelinger also has significant expertise in property management and import/export businesses. Mr. Zelinger commenced his career as an accountant at L.M. Stanton & Partners - Chartered Accountants, subsequently joining Caston Pty Ltd in 1980, a steel manufacturer as Chief Financial Officer, and company director, until 1983.

Since the mid-1980's until current date, Mr. Zelinger serves as director in several private investment companies in a range of businesses including property portfolio manager of commercial real estate, import/export businesses and a range of commercial and financial investment companies. Since 1980, Mr. Zelinger also operates as a sole practitioner in accountancy and tax consulting.

In 1973, Mr. Zelinger graduated in Accounting and was admitted as a Fellow of RMIT University in Business.

Our board of directors has concluded that Mr. Zelinger is well-qualified to serve on our board of directors and has the requisite qualifications, skills and perspectives based upon his professional experience.

Term of Office

Our directors are appointed for a one-year term to hold office until the next annual general meeting of our stockholders or until removed from office in accordance with our Bylaws and the provisions of the Delaware General Corporation Law. Our directors hold office after the expiration of his or her term until his or her successor is elected and qualified, or until his or her resignation, death or removal in accordance with our Bylaws or the Delaware General Corporation Law.

Our officers are appointed by our board of directors and hold office until removed by our board of directors at any time for any reason.

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Family Relationships

There are no family relationships between or among any of our directors or executive officers or persons nominated or chosen by us to become directors or executive officers.

Director Independence

Our board of directors has reviewed the independence of our directors and has determined that Josef Zelinger qualifies as an independent director pursuant to Rule 5605(a)(2) of Nasdaq and applicable SEC rules and regulations. In making this determination, our board of directors considered the relationships that each of our directors has with us and all other facts and circumstances our board of directors deemed relevant in determining their independence.

Board Committees

Our board of directors has no separately designated committees and our board members carry out the functions of both an audit committee and a compensation committee. We do not have an audit committee financial expert serving on our board of directors. Due to our limited financial resources, we are not in a position to retain an independent director with the qualifications to serve as an audit committee financial expert at this time.

Scientific Advisory Board

We have a Scientific Advisory Board that provides advice to our management relating to the following:

- The identification, assessment, evaluation, selection, conduct and management of research projects, both those which are under review and are in progress;
- Intellectual property; and
- Commercialization.

The Scientific Advisory Board may also address issues related to improving project selection, formal review processes and management procedures within our Company. The Scientific Advisory Board will generally be composed of an advisory panel of clinicians with expertise in translational research.

As of March 22, 2023, the members of our Scientific Advisory Board were:

- Professor Klaus Kutz (also serving as our acting Chief Medical Officer);
- Professor Macarena Perán;
- Professor Juan Antonio Marchal Corrales;
- Dr. Maria Garcia; and
- Dr. Ralf Brandt.

Each of the members of our Scientific Advisory Board acts as an independent consultant and is compensated on an hourly basis for his or her services. There is presently no stock based compensation for their services. In addition, we may have relationships with entities with which the members may be associated.

Professor Kutz is also acting as Chief Medical Officer for Propanc in a non-executive capacity. His compensation continues to be based on an hourly rate as per his Advisory Board Agreement. Propanc intends to appoint Professor Kutz as Chief Medical Officer of Propanc in a full-time executive officer capacity at a time that is mutually agreed upon between both parties.

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Professor Klaus Kutz has over 20 years of experience as an independent consultant in Clinical Pharmacology and Safety for pharmaceutical companies and clinical research organizations. His specialty over the last six years is Oncology, including preparation of multiple NDAs and INDs for small and medium sized pharmaceutical companies. He has prepared, organized and reported clinical Phase I studies in oncology and Phase II studies in different cancer indications (prostate, gastric, ovarian, small cell lung cancer) and Non-Hodgkin Lymphomas. Professor Kutz has more than 13 years of experience as Head of Clinical Pharmacology with world-wide responsibilities for Phase I and Clinical Pharmacokinetics in two internationally operating pharmaceutical companies, setting up and restructuring international Clinical Pharmacology departments. His achievements include the successful world-wide registration of multiple important Sandoz' compounds by preparation of multiple NDAs (New Drug Applications) and Expert reports (including Written Summary), as well as the preparation of multiple INDs (Investigational New Drug Applications) for Sandoz Pharma Ltd and Sanofi Research. He is a specialist for Internal Medicine, Gastroenterology, and Clinical Pharmacology and he is also Professor of Medicine at the University of Bonn, Germany.

Professor Macarena Perán holds a B.S. in Biology and an M.S. in Biochemistry and Molecular Biology from the University of Málaga, Spain. Dr. Perán moved to the Neuroscience Department at Durham University, UK, where she studied the Cellular Distribution and Immobilization of GABAA Receptors on the cell membrane and graduated in 2000 with a Ph.D. She moved back to Spain and completed another Ph.D. program in the Faculty of Medicine focused on Changes in the Behavior of Central Nervous Proteins; she completed a second Ph.D. from Granada University. In 2005/2006, she attended Bath University, UK, Prof. David Tosh lab, and changed her research interest to the development of new anti-cancer drugs and cell therapy for regenerative medicine. In 2011, she spent a year as a visiting scientist in the Salk Institute for Biological Studies, California, Prof. Juan Carlos Izpisua-Belmonte lab. Currently, Dr. Perán is Reader in Anatomy at University of Jaén in Spain and is working with the Institute for Regenerative Medicine and Pathobiology (IBIMER).

Professor Juan Antonio Marchal Corrales is Professor of Anatomy and Embryology at the Faculty of Medicine of University of Granada. He graduated in Medicine and Surgery in 1992, obtaining the degree "summa cum laude". He defended his doctoral thesis in 1996. Prof. Marchal has worked at three universities in different educational categories and is responsible for the research group "Differentiation, Regeneration and Cancer". He has participated in 39 research projects of national and international character, being principal investigator in 13 of them. He has a total of 145 publications in journals, of which 125 are listed in the Journal Citation Reports. He has spent time at the University of Sassari (Italy) and as visiting professor. He is inventor of 14 patents, 4 of them licensed. He is a member of the Advisory Board of the International Graduate School of the University of Granada, member of the standing committee of the Scientific Council and coordinator of Area Research in the Biosanitary Institute of Granada (ibs.GRANADA) and member of the Governing Board at the Institute of Pathobiology and Regenerative Medicine (IBIMER). He has recently been named director of the Chair Drs. Galera and Requena of Cancer Stem Cell Research at the University of Granada.

Dr. Maria Garcia graduated in Biology from University of Granada (Spain) in 1997, became a Molecular Biologist working in the National Centre of Biotechnology characterizing the mechanism of action of "Protein kinase induced by interferon: PKR". These studies gave rise to a PhD title awarded with an Extraordinary Thesis Award by the Autonomous University of Madrid in 2004. In 2002, Dr. Garcia completed a 3-months stay at the University of Wyoming with Dr. Roth. During the postdoctoral period, she got major public and private funding to characterize new activity of the main tumor suppressor genes that are mutated in more than 50% of human cancers such as p53, ARF and Rb. Dr. Garcia currently has a competitive research contract from the National Health System to lead translational cancer research, aiming at the integration of basic, clinical and epidemiological cancer research in the University Hospital Complex of Granada. She leads a line of research involving new antitumor drugs, biological therapies, biomarkers and cancer stem cell studies. Finally, Dr. Garcia has more than 30 peer-reviewed publications in international journals with an average impact factor of 5 and a H-Index of 14.

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Dr. Ralf Brandt is the co-founder of vivoPharm PTY, Ltd., a global oncology and immuno-oncology discovery services company providing a range of preclinical services, which merged and became a part of Cancer Genetics, Inc., a Nasdaq listed company enabling precision medicine in oncology from bench to bedside. Dr. Brandt currently serves as President of Discovery and Early Development of Cancer Genetics. Dr. Brandt is a biochemist and cell biologist with over 15 years of experience in research programs of experimental oncology. He has immense experience in *in vivo* pharmacology and anti-cancer drug profiling. Dr. Brandt received his Licence (BSc in Biochemistry and Animal Physiology) in 1986, and his PhD (in Biochemistry) in 1991 from the Martin-Luther University of Halle-Wittenberg, Germany. Dr. Brandt was employed at research positions at the National Cancer Institute in Bethesda, MD, USA and at Schering AG, Germany. Since 1990, Dr. Brandt has been active in the field of preclinical oncology. He led the Tumor Biology program at Novartis Pharma AG, Switzerland and established several transgenic mouse lines developing tumors under the control of oncogenes. During Dr. Brandt's long career in the pharmaceutical industry he has acquired significant knowledge and expertise in leading business units and representation of services to the pre-clinical research market. Dr. Brandt is also a member of the Scientific Advisory Board at Receptor Inc. in Toronto, Canada.

Risk Oversight

Our board of directors will oversee a company-wide approach to risk management. Our board of directors will determine the appropriate risk level for us generally, assess the specific risks faced by us and review the steps taken by management to manage those risks. While our board of directors will have ultimate oversight responsibility for the risk

management process, its committees will oversee risk in certain specified areas.

Until we have established our compensation committee of our board of directors, our board of directors will be responsible for overseeing the management of risks relating to our executive compensation plans and arrangements, and the incentives created by the compensation awards it administers. Until we have established our audit committee, our board of directors will oversee management of enterprise risks and financial risks, as well as potential conflicts of interests. Our board of directors will be responsible for overseeing the management of risks associated with the independence of our board of directors.

Code of Ethics

The Board has adopted a Code of Ethics (the "Code") to apply to all of our directors, officers and employees. The Code is intended to promote ethical conduct and compliance with laws and regulations, to provide guidance with respect to the handling of ethical issues, to implement mechanisms to report unethical conduct, to foster a culture of honesty and accountability, to deter wrongdoing and to ensure fair and accurate financial reporting. A copy of the Code is available at our website www.propanc.com.

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serves, or in the past three years has served, as a member of the board of directors or compensation committee of another entity that has one or more executive officers serving on our board of directors or the compensation committee. No member of our compensation committee has any other business relationship or affiliation with us other than his or her service as a director.

Nominations to the Board of Directors

General — Our directors take a critical role in guiding our strategic direction and oversee the management of the Company. Our board of directors' candidates are considered based upon various criteria, such as their broad-based business and professional skills and experiences, a global business and social perspective, concern for the long-term interests of the stockholders, diversity, and personal integrity and judgment. In addition, directors must have time available to devote to our board of directors' activities and to enhance their knowledge of our business. Accordingly, we seek to attract and retain highly qualified directors who have sufficient time to attend to their substantial duties and responsibilities to our Company.

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Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Exchange Act, our directors and certain of our officers, and persons holding more than 10 percent of our Common Stock are required to file forms reporting their beneficial ownership of our Common Stock and subsequent changes in that ownership with the United States Securities and Exchange Commission.

Based solely upon a review of copies of such forms filed on Forms 3, 4, and 5 furnished to us, we believe that during the year ended June 30, 2022, our executive officers, directors and greater than 10% beneficial owners complied on a timely basis with all Section 16(a) filing requirements.

Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

None of our directors, officers or affiliates, or any beneficial owner of 5% or more of our Common Stock, or any associate of such persons, is an adverse party in any material proceeding to, or has a material interest adverse to, us or any of our subsidiaries.

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EXECUTIVE COMPENSATION

The following table sets forth the compensation paid or accrued by us to our Executive Officers for the fiscal years ended June 30, 2022 and 2021.

Summary Compensation Table

	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
James Nathanielsz ^{(1) (5)} <i>Chief Executive Officer</i>	2021	\$ 298,920 ⁽²⁾	\$ 177,840 ⁽⁵⁾	\$ -	\$ 64,532 ⁽⁴⁾	\$ 541,292
	2022	\$ 319,939 ⁽²⁾	\$ 96,810 ⁽³⁾	\$ -	\$ 34,928 ⁽⁴⁾	\$ 451,677
Carlo Campiciano ⁽⁶⁾	2021	\$ 19,530	\$ -	\$ -	\$ -	\$ 19,530

<i>Chief Financial Officer</i>	2022	\$	-	\$	-	\$	-	\$	-
Julian Kenyon(7)	2021	\$	40,534	\$	-	\$	-	\$	40,534
<i>Chief Scientific Officer</i>	2022	\$	-	\$	-	\$	-	\$	(7)

- (1) For purposes of the information included in the table, the conversion rates as of June 30, 2022 and 2021, \$0.7253 and \$0.7473, respectively, were used to convert amounts from AUD to USD.
- (2) Under the Nathanielsz Employment Agreement (as defined below), Mr. Nathanielsz received a gross annual salary of \$400,000 AUD per year effective February 1, 2018 as approved by the board of directors. Mr. Nathanielsz has also accrued unused annual and long service leave in the amounts of \$41,113 (AUD) (\$29,819 USD) and \$41,110 (AUD) (\$30,722 USD) for fiscal years 2022 and 2021, respectively, which are included in the total above. On August 1, 2022, the Company's board of directors approved an increase of Mr. Nathanielsz's annual base salary from \$400,000 AUD (\$276,600 USD) to \$600,000 AUD (\$414,900 USD), effective July 1, 2022.
- (3) On August 1, 2022, the Board approved a bonus of \$140,000 AUD or \$96,810 USD.
- (4) Under the Nathanielsz Employment Agreement, Mr. Nathanielsz receives a 9.5% contribution to a pension of which he is the beneficiary and amounted to \$29,012 and \$30,056 for the years ended June 30, 2022 and 2021, respectively. In addition, pursuant to the Nathanielsz Employment Agreement, we may make a monthly payment to cover the costs relating to Mr. Nathanielsz use of a vehicle. For the fiscal years ended June 30, 2022 and 2021, \$5,916 and \$34,476, respectively, was paid to Mr. Nathanielsz for use of a vehicle.
- (5) On August 12, 2021, the Company entered into a Cancellation Agreement with James Nathanielsz, Chief Executive Officer and Director of the Company, whereby Mr. Nathanielsz agreed to cancel his cash compensation bonus award for fiscal year 2021, in exchange for Common Stock of the Company. The Company and Mr. Nathanielsz entered into an Amended and Restated Employment Agreement dated May 14, 2019 (the "Agreement"). Pursuant to the terms of the Agreement, Mr. Nathanielsz was eligible to earn an annual fiscal year cash performance bonus for each fiscal year of his employment period with the Company with a target performance bonus of 200% of his average annualized base salary during the fiscal year for which the performance bonus is earned. On July 20, 2021, Mr. Nathanielsz was awarded a "target" bonus of 78%, or \$177,840 USD (the "Debt") for the fiscal year ended June 30, 2021, by the Company's Board of Directors (the "Board"). Pursuant to the Cancellation Agreement, Mr. Nathanielsz agreed to cancel this Debt in exchange for 5,928,000 shares of the Common Stock of the Company, valued at approximately \$0.03 per share, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021.

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- (6) On December 23, 2020, Carlo Campiciano resigned as the Chief Financial Officer and Secretary of Propanc Biopharma, Inc. (the "Company"), and effective on that date. Mr. Nathanielsz, the Company's Chief Executive Officer, assumed the duties and additional position of Chief Financial Officer.
- (7) On August 12, 2021, the Company entered into a Cancellation Agreement with Dr. Julian Kenyon ("Dr. Kenyon"), Chief Scientific Officer and Director of the Company, whereby Dr. Kenyon agreed to cancel \$102,600 USD of accrued salary due him as of June 30, 2021, pursuant to that certain Amended and Restated Services Agreement by and between the Company and Dr. Kenyon, dated May 14, 2019, in exchange for 3,420,000 shares of Common Stock of the Company, valued at approximately \$0.03 per share, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021. See director compensation for Dr. Kenyon below.

Narrative to Summary Compensation Table

Employment Agreement with James Nathanielsz

The Company and James Nathanielsz entered into a new employment agreement as of May 14, 2019 (the "Nathanielsz Employment Agreement") setting forth the terms and conditions of Mr. Nathanielsz employment as the Company's President and Chief Executive Officer. The Nathanielsz Employment Agreement also contemplates that Mr. Nathanielsz serves as a member of the Board.

The Nathanielsz Employment Agreement provides Mr. Nathanielsz with a base salary of \$33,333 AUD per month (\$400,000 AUD annually) and a monthly contribution to Mr. Nathanielsz's pension equal to 9.5% of his monthly salary. Mr. Nathanielsz has the ability to convert any accrued but unpaid salary into Common Stock at the end of each fiscal year at a conversion price to be determined by Mr. Nathanielsz and the Company, which will in no event be lower than par value or higher than the closing bid price on the date of conversion. The Company has also agreed to pay Mr. Nathanielsz an annual discretionary bonus in an amount up to 200% of his annual base salary, which bonus shall be determined by the Board and based upon the performance of the Company.

Mr. Nathanielsz is entitled to 20 days of annual leave and 10 days of paid sick leave. Mr. Nathanielsz is also entitled to participate in employee benefits plans, fringe benefits and perquisites maintained by the Company to the extent the Company provides similar benefits or perquisites (or both) to similarly situated executives of the Company.

In the event that the Company provides notice of non-renewal of the Nathanielsz Employment Agreement, the Company terminates Mr. Nathanielsz without cause (as defined in the Nathanielsz Employment Agreement) or Mr. Nathanielsz terminates his employment for good reason (as defined in the Nathanielsz Employment Agreement), the Company has agreed to pay Mr. Nathanielsz a severance payment in an amount equal to Mr. Nathanielsz's base salary for the year of termination in addition to accrued but unpaid salary, reimbursement of expenses and certain other employee benefits as determined under the terms of the applicable plans ("Accrued Amounts"). In the event that Mr. Nathanielsz provides notice of non-renewal of the Nathanielsz Employment Agreement, the Company terminates Mr. Nathanielsz for cause or Mr. Nathanielsz terminates his employment without good reason, Mr. Nathanielsz is only entitled to the Accrued Amounts.

The Company has agreed to indemnify Mr. Nathanielsz for any liabilities, costs and expenses incurred in the event that he is made a party to a proceeding due to his roles with the Company, other than any proceeding initiated by Mr. Nathanielsz or the Company relating to any dispute with respect to the Nathanielsz Employment Agreement or Mr. Nathanielsz's employment.

Under the terms of the Nathanielsz Employment Agreement, Mr. Nathanielsz is also subject to certain restrictive covenants, including a one-year non-compete.

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Employment Agreement with Carlo Campiciano

In connection with Mr. Campiciano's appointment as the Company's Chief Financial Officer and Secretary, effective as of June 24, 2019, Propanc PTY entered into an Employment Agreement with Mr. Campiciano. Pursuant to the Employment Agreement, Mr. Campiciano will be compensated at an hourly rate based on a pro-rated annual salary for the number of hours of services to be provided to the Company. If Mr. Campiciano's employment is terminated by either party, he will be entitled to certain termination benefits, including payment of accrued but untaken annual leave, salary payments pro-rated based on applicable notice period required under the Employment Agreement, reimbursement of incurred business related expenses and such other payments as may be required by the Australian National Employment Standards. The Employment Agreement contains covenants for the benefit of Propanc PTY relating to non-interference with Propanc PTY's business after termination of employment and protection of Propanc PTY's confidential information, certain customary representations and warranties and standard Propanc PTY indemnification obligations.

On December 23, 2020, Mr. Campiciano resigned as the Chief Financial Officer and Secretary of the Company, effective on that date.

Amended and Restated Services Agreement – Julian Kenyon

On May 14, 2019, the Company entered into an Amended and Restated Services Agreement (the “Services Agreement”) with Dr. Kenyon, the Company’s Chief Scientific Officer and a director, for a term of three years, subject to automatic one-year renewals, at an annual salary of \$54,000 AUD. In connection with the execution of the Services Agreement, Dr. Kenyon was designated as an executive officer of the Company and assumed a more active executive role with the Company. Pursuant to the Services Agreement, Dr. Kenyon was granted options to purchase 20 shares of the Company’s Common Stock (the “Kenyon Options”), with an exercise price per share of \$4,250 (100% of the closing market price of the Company’s Common Stock on May 14, 2019, the date of approval of such grant by the Company’s board of directors), (ii) 20 restricted stock units of the Company (the “Initial Kenyon RSUs”), and (iii) an additional 20 restricted stock units of the Company (the “Additional Kenyon RSUs”). Such options and restricted stock units were granted pursuant to the 2019 Plan approved by the Company’s board of directors on the Effective Date. The Kenyon Options have a term of 10 years from the date of grant. 1/3rd of the Kenyon Options shall vest every successive one-year anniversary following the Effective Date, provided, that on each such vesting date Dr. Kenyon is employed by the Company and subject to the other provisions of the Services Agreement. The Initial Kenyon RSUs shall vest on the one-year anniversary of the Effective Date, subject to Dr. Kenyon’s continued employment with the Company through such vesting date. The Additional Kenyon RSUs will vest as follows, subject to Dr. Kenyon’s continued employment with the Company through the applicable vesting date: (i) 5 of the Additional Kenyon RSUs shall vest upon the Company submitting the CTA for PRP for the Study in an applicable jurisdiction to be selected by the Company, (ii) 5 of the Additional Kenyon RSUs shall vest upon the Company completing an equity financing in the amount of at least \$4,000,000 in gross proceeds, (iii) 5 of the Additional Kenyon RSUs shall vest upon the shares of the Company’s Common Stock being listed on a senior stock exchange (New York Stock Exchange, NYSE American, or the Nasdaq Stock Market), and (iv) the remaining 5 of the Additional Kenyon RSUs shall vest upon the Company enrolling its first patient in the Study. Each vested Kenyon RSU shall be settled by delivery to Mr. Kenyon of one share of the Company’s Common Stock and/or the fair market value of one share of Common Stock in cash, at the sole discretion of the Company’s board of directors and subject to the Plan, on the first to occur of: (i) the date of a Change of Control (as defined in the Services Agreement), (ii) the date that is ten business days following the vesting of such Kenyon RSU, (iii) the date of Dr. Kenyon’s death or Disability (as defined in the Services Agreement), and (iv) Dr. Kenyon’s employment being terminated either by the Company without Cause or by Dr. Kenyon for Good Reason (as defined in the Services Agreement). In the event of a Change of Control (as defined in the Services Agreement), 50% of any unvested portion of the Kenyon Options and the Kenyon RSUs shall vest immediately prior to such event.

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2019 Equity Incentive Plan

On May 14, 2019, our board of directors adopted our 2019 Equity Incentive Plan (the “2019 Plan”), which reserves a total of 234,000 shares of our Common Stock for issuance under the 2019 Plan (adjusted for the planned Reverse Stock Split). As described below, incentive awards authorized under the 2019 Plan include, but are not limited to, incentive stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”). If an incentive award granted under the 2019 Plan expires, terminates, is unexercised or is forfeited, or if any shares are surrendered to us in connection with the exercise of an incentive award, the shares subject to such award and the surrendered shares will become available for further awards under the 2019 Plan.

Administration - Our board of directors will administer the 2019 Plan. Subject to the terms of the 2019 Plan, our board of directors has complete authority and discretion to determine the terms upon which awards may be granted under the 2019 Plan.

Grants - The 2019 Plan authorizes the grant to participants of nonqualified stock options, incentive stock options, restricted stock awards, restricted stock units, performance grants intended to comply with Section 162(m) of the Code and stock appreciation rights, as described below:

- Options granted under the 2019 Plan entitle the grantee, upon exercise, to purchase up to a specified number of shares from us at a specified exercise price per share. The exercise price for shares of Common Stock covered by an option generally cannot be less than the fair market value of Common Stock on the date of grant unless agreed to otherwise at the time of the grant. In addition, in the case of an incentive stock option granted to an employee who, at the time the incentive stock option is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any parent or subsidiary, the per share exercise price will be no less than 110% of the fair market value of Common Stock on the date of grant.
- Restricted stock awards and restricted stock units may be awarded on terms and conditions established by the compensation committee, which may include performance conditions for restricted stock awards and the lapse of restrictions on the achievement of one or more performance goals for restricted stock units.
- The board of directors may make performance grants, each of which will contain performance goals for the award, including the performance criteria, the target and maximum amounts payable, and other terms and conditions.
- The 2019 Plan authorizes the granting of stock awards. The board of directors will establish the number of shares of our Common Stock to be awarded (subject to the aggregate limit established under the 2019 Plan upon the number of shares of our Common Stock that may be awarded or sold under the 2019 Plan) and the terms applicable to each award, including performance restrictions.
- Stock appreciation rights (“SARs”) entitle the participant to receive a distribution in an amount not to exceed the number of shares of Common Stock subject to the portion of the SAR exercised multiplied by the difference between the market price of a share of Common Stock on the date of exercise of the SAR and the market price of a share of our common Stock on the date of grant of the SAR.

Duration, Amendment, and Termination - Our board of directors has the power to amend, suspend or terminate the 2019 Plan without stockholder approval or ratification at any time or from time to time. No change may be made that increases the total number of shares of Common Stock reserved for issuance pursuant to incentive awards or reduces the minimum exercise price for options or exchange of options for other incentive awards, unless such change is authorized by our stockholders within one year of such change. Unless sooner terminated, the 2019 Plan would terminate ten years after it is adopted.

No awards or any shares of our Common Stock were issued during the fiscal year 2022 under the 2019 Plan.

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Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information with respect to grants of plan-based awards for the fiscal year ended June 30, 2022 to the Named Executive Officer. Except as set forth below, all of the outstanding equity awards granted to our Named Executive Officer were fully vested as of June 30, 2022.

Option awards

Stock awards

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares, Units or Other Rights That Have Not Vested (#)	Market Value or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
James Nathanielsz ⁽¹⁾	39	13	\$ 4,675	May 13, 2029	39	165,747
Julian Kenyon ⁽²⁾	20	6	\$ 4,250	May 13, 2029	20	82,873

(1) On May 14, 2019, the Board granted Mr. Nathanielsz 39 tenure-based stock options at an exercise price of \$4,675 per share and 78 performance based restricted stock units. The fair value of the 39 options and 78 restricted stock units at the grant date was \$165,747 and \$331,493, respectively. With 39 of such restricted stock vested on May 14, 2020 and the balance subject to performance conditions.

(2) On May 14, 2019, the Board granted Mr. Kenyon 20 tenure-based stock options at an exercise price of \$4,250 per share and 40 performance based restricted stock units. The fair value of the 20 options and 40 restricted stock units at the grant date was \$82,873 and \$165,747, respectively. With 20 of such restricted stock vested on May 14, 2020 and the balance subject to performance conditions.

Director Compensation for the Fiscal Year Ended June 30, 2022

Name	Fees earned or paid in cash (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Julian Kenyon ⁽¹⁾	\$ 39,166(2)	\$ -	-	\$ 39,166

(1) For purposes of the information included in the table, the conversion rate as of June 30, 2022, \$0.7253 was used to convert amounts from AUD to USD.

(2) Effective October 2016, Dr. Kenyon receives gross monthly compensation of \$4,500 AUD or \$3,264 USD per month for his services as a director of our Company.

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Other Director Compensation

Directors are reimbursed for reasonable expenses incurred in attending meetings and carrying out duties as board members.

Scientific Advisory Board Members Compensation

The Company has entered into Scientific Advisory Board Member Agreements with certain members of its Scientific Advisory Board (the "SAB Agreements"). The SAB Agreements contain substantially similar terms and primarily relate to the protection of the Company's intellectual property. The SAB Agreements also include provisions for the members' compensation for the services performed as a member of the Scientific Advisory Board. Messrs. Kutz, Brandt and Smyth each are paid a monetary fee for each year of service provided.

Narrative Disclosure of Compensation Policies and Practices as They Relate to Our Risk Management

We believe that our compensation policies and practices for all employees and other individual service providers, including executive officers, do not create risks that are reasonably likely to have a material adverse effect on us.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Related-Party Transactions

The following includes a summary of transactions since July 1, 2020 to which we have been a party, in which the amount involved in the transaction exceeded \$120,000, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described above under "Item 11. Executive Compensation."

As of June 30, 2022 and 2021, the Company owed its former director a total of \$51,171 and \$55,500, respectively, for money loaned to the Company, throughout the years. The total loans balance owed at June 30, 2022 and 2021 is not interest bearing.

As of June 30, 2022 and 2021, the Company owed its former director a total of \$30,746 and \$33,347, respectively, related to expenses paid on behalf of the Company related to corporate startup costs and intellectual property.

Our principal executive office is located at 302, 6 Butler Street, Camberwell, VIC, 3124 Australia, which we lease from Horizon Pty Ltd., a related party, of which Mr. Nathanielsz, our Chief Executive Officer, Chief Financial Officer and a director, and his wife are owners and directors. On May 4, 2022, the Company entered into a three-year lease agreement with North Horizon Pty Ltd. for a monthly rent of \$3,000 AUD or \$2,176 USD (depending on exchange rate) per month plus taxes.

Mr. Nathanielsz's wife, Sylvia Nathanielsz, is and has been an employee of our Company since October 2015. Mrs. Nathanielsz receives an annual salary of \$120,000 AUD, or \$80,904 USD, and is entitled to benefits customarily expected to be provided to employees of the Company.

On October 1, 2020, the Company entered into a two-year collaboration agreement with the University of Jaén to provide certain research services to the Company. One of the Company's Scientific Advisory Board is the lead joint researcher of University of Jaén. Additionally, on July 27, 2022, the Company entered into a two-year research agreement with the University of Jaén to provide certain research and experiment services to the Company. Further, the Company agreed to pay royalties of 1% of net revenues each to two members of the Scientific Advisory Board.

Employment and Director Compensation Arrangements

The relationships and related party transactions described herein are in addition to any employment and director compensation arrangements with our executive officers and directors, which are described above under "Executive Compensation — Narrative to Summary Compensation Table and Director Compensation."

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Indemnification Agreements

Our Certificate of Incorporation provides that none of our officers or directors shall be personally liable for any obligations of our Company or for any duties or obligations arising out of any acts or conduct of said officer or director performed for or on behalf of our Company, including without limitation, acts of negligence or contributory negligence. In addition, our Bylaws provide that we shall indemnify and hold harmless each person and their heirs and administrators who shall serve at any time hereafter as a director or officer of our Company from and against any and all claims, judgments and liabilities to which such persons shall become subject by reason of their having heretofore or hereafter been a director or officer of our Company, or by reason of any action alleged to have heretofore or hereafter taken or omitted to have been taken by him or her as such director or officer, and that we shall reimburse each such person for all legal and other expenses reasonably incurred by him or her in connection with any such claim, judgment or liability, including our power to defend such persons from all suits or claims as provided for under the provisions of the Delaware General Corporation Law; provided, however, that no such persons shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his (or her) own willful misconduct. In addition, we intend to enter into indemnification agreements with our directors and officers and some of our executives may have certain indemnification rights arising under their employment agreements with us. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in our Certificate of Incorporation may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

On May 14, 2019, our board of directors approved a form of Indemnification Agreement (“Indemnification Agreement”) for each of our officers and directors. The Indemnification Agreement requires us to indemnify our directors and officers and to advance expenses on behalf of such directors or officers to the fullest extent permitted by applicable law and establish the procedures by which a director or executive officer may request and receive indemnification. The Indemnification Agreement is in addition to other rights to which a director or officer may be entitled under our Certificate of Incorporation, Bylaws and applicable law.

Director Independence

Our board of directors has reviewed the independence of our directors and has determined that Josef Zelinger qualifies as an independent director pursuant to Rule 5605(a)(2) of Nasdaq and applicable SEC rules and regulations. In making this determination, our board of directors considered the relationships that each of our directors has with us and all other facts and circumstances our board of directors deemed relevant in determining their independence.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following sets forth information as of March 22, 2023, regarding the number of shares of our Common Stock beneficially owned by (i) each person that we know beneficially owns more than 5% of our outstanding Common Stock, (ii) each of our directors and named executive officer and (iii) all of our directors and named executive officers as a group.

The amounts and percentages of our Common Stock beneficially owned are reported on the basis of SEC rules governing the determination of beneficial ownership of securities. Under the SEC rules, a person is deemed to be a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has the right to acquire beneficial ownership within 60 days through the exercise of any stock option, warrant or other right, and the conversion of preferred stock. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. Unless otherwise indicated, each of the stockholders named in the table below, or his or her family members, has sole voting and investment power with respect to such shares of our Common Stock. Except as otherwise indicated, the address of each of the stockholders listed below is c/o Propanc Biopharma, Inc., 302, 6 Butler Street, Camberwell, VIC, 3124 Australia.

Name and Address of Beneficial Owner	Common Stock Beneficially Owned		Series B Preferred Stock Beneficially Owned	
	Number of Shares Beneficially Owned	Percentage of Class ⁽¹⁾	Number of Shares Beneficially Owned	Percentage of Class ⁽⁶⁾
James Nathanielsz ⁽²⁾	8,728,069	*	1	100%
Dr. Julian Kenyon ⁽³⁾	3,420,038	*	-	-
Josef Zelinger	2,800,005	*	-	-
All directors and executive officers, as a group (3 persons) ⁽⁴⁾	14,948,112	*	1	100%
5% Stockholders				
None	-	-	-	-

* Represents less than 1%

(1) Applicable percentages are based on 2,213,330,185 shares of our Common Stock outstanding as of March 22, 2023.

(2) Includes (i) 5,928,004 shares of our Common Stock owned of record by North Horizon Pty Ltd., which is the trustee of the Nathanielsz Family Trust. Mr. Nathanielsz has investing and dispositive power and a pecuniary interest in such shares, (ii) 26 vested stock options for the purchase of up to 26 shares of our Common Stock, and (iii) 39 vested restricted stock units. Also includes 2,800,000 shares of our Common Stock owned of record by Sylvia Nathanielsz, the spouse of Mr. Nathanielsz, as to which shares Mr. Nathanielsz disclaims beneficial ownership. Excludes 13 unvested stock options and 39 restricted stock units that are subject to certain vesting conditions, as discussed above in the section captioned “Executive Compensation – New Employment Agreement with James Nathanielsz”.

(3) Includes 3,420,005 shares of our Common Stock and 13 vested stock options for the purchase of up to 13 shares of our Common Stock and 20 vested restricted stock units and excludes 6 unvested stock options and 20 restricted stock units that are subject to certain vesting conditions, as discussed above in the section captioned “Executive Compensation - New Services Agreement with Julian Kenyon”.

(4) Includes all of the shares of Common Stock beneficially owned by our executive officers and directors, subject to any disclaimers set forth in footnotes 2 and 3.

(6) Applicable percentage is based on one share of our Series B Preferred Stock outstanding as of March 22, 2023.

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DESCRIPTION OF CAPITAL STOCK

Authorized Capital Stock

Our authorized capital stock consists of 10,000,000,000 shares of Common Stock, \$0.001 par value per share, and 1,500,005 shares of preferred stock, \$0.01 par value per share. As of March 22, 2023, there were (i) 2,213,330,185 shares of our Common Stock issued and outstanding and (ii) one share of our preferred stock issued and outstanding, designated as our Series B Preferred Stock.

Common Stock

Voting; Holders of our Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, including the election of directors, and do not have cumulative voting rights. Accordingly, the holders of a majority of the shares of our Common Stock entitled to vote in any election of directors can elect all of the directors standing for election.

Dividend; Subject to preferences that may be applicable to any then outstanding preferred stock, the holders of Common Stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

Liquidation; In the event of our liquidation, dissolution or winding up, holders of our Common Stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities, subject to the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

Rights and Preferences; Holders of our Common Stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to our Common Stock. The rights, preferences and privileges of the holders of our Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Fully Paid and Nonassessable; All of our outstanding shares of Common Stock are, and the shares of Common Stock to be issued in this offering will be, fully paid and nonassessable.

Preferred Stock

Our board of directors has the authority, without further action by the stockholders, to issue up to 1,500,004 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the Common Stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in our control that may otherwise benefit holders of our Common Stock and may adversely affect the market price of the Common Stock and the voting and other rights of the holders of Common Stock.

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As of March 22, 2023, one share of our preferred stock was issued and outstanding, designated as Series B Preferred Stock, pursuant to our Certificate of Designation filed with the Secretary of State of the State of Delaware on June 16, 2015. Up to five shares have been designated as Series B Preferred Stock.

The shares of Series B Preferred Stock (i) are not convertible into shares of Common Stock, (ii) are not entitled to any dividend preference over the shares of Common Stock, and (iii) are entitled to a liquidation preference over the shares of Common Stock in an amount equivalent to the par value of a share of Series B. Further, share of Series B Preferred Stock is entitled to voting power equivalent to the total number of shares of Common Stock outstanding as of the record date for the determination of stockholders entitled to vote at each meeting of stockholders of our Company and is entitled to vote on all matters submitted or required to be submitted to a vote of the stockholders of the Company.

Mr. Nathanielsz, our Chief Executive Officer, Chairman, Secretary, Treasurer and a director, beneficially owns the one issued and outstanding share of our Series B Preferred Stock.

Authorized and Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. These additional shares may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved Common Stock or preferred stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive the stockholders of opportunities to sell their shares at prices higher than prevailing market prices.

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Warrants

The following table summarizes warrant activity for the years ended June 30, 2022 and 2021:

	<u>Number of Warrants</u>	<u>Weighted Average Price Per Share</u>
Outstanding at June 30, 2020	151,170	\$ 150.00
Issued	-	-
Exercised	(29,841)	26.15
Forfeited	-	-
Expired	-	-

Outstanding at June 30, 2021	121,329	\$	179.63
Issued	-		-
Exercised	(15,909)		42.86
Forfeited	-		-
Expired	-		-
Outstanding at June 30, 2022	105,420*	\$	200.27
Exercisable at June 30, 2022	76,671	\$	275.37
Outstanding and Exercisable:			
Weighted average remaining contractual term			0.77
Aggregate intrinsic value	\$		-

* The total warrants of 105,420 above consisted of the following:

	Number of Warrants	Exercisable
Series A Warrants	10,946	10,946
Series B Warrants	28,750	28,750
Series C Warrants	63,749	35,000
Warrants with no class designation	1,975	1,975
Total	105,420	76,671

In connection with the issuance of shares on April 3, 2020, the Company closed on a transaction related to a Securities Purchase Agreement (the “Securities Purchase Agreement”) entered into on March 30, 2020, whereby an investor purchased from the Company, 7,500 units, each consisting of (i) 1.5 shares of the Company’s Common Stock, or pre-funded warrants upon Investor’s election due to the 4.99% blocker provision and (ii) 1.5 warrants to purchase one share of Common Stock (“Series A Warrants” and, collectively, with the Common Stock the “Units”). In addition to the Units, the Investor was issued 63,750 warrants to purchase one share of Common Stock (the “Series B Warrants”) and an additional 63,750 warrants to purchase one share of Common Stock, subject to a vesting schedule (the “Series C Warrants” and, together with the Prefunded Warrants, the Series A Warrants, and the Series B Warrants, the “Warrants”).

Outstanding Warrants

As of March 22, 2023, there were 3,403,460 warrants outstanding with expiration dates commencing April 2023 and continuing through August 2025, with a weighted average exercise price per share of \$5.51.

Warrants Included in Offering

The following summary of certain terms and provisions of warrants included that are being offered hereby is not complete and is subject to, and qualified in its entirety by, the provisions of the warrants, the form of which is filed as an exhibit to the registration statement of which this prospectus forms a part. Prospective investors should carefully review the terms and provisions of the form of warrant for a complete description of the terms and conditions of the warrants.

Duration and Exercise Price

The Series B Warrants have an exercise price equal to \$40.00 and will expire on the three (3) year anniversary of the date they first become exercisable.

Cashless Exercise

If, at the time a holder exercises Series B Warrants, a registration statement registering the issuance of the shares of Common Stock underlying the Warrants under the Securities Act is not then effective or available for the issuance of such shares, then in lieu of making the cash payment otherwise contemplated to be made to us upon such exercise in payment of the aggregate exercise price, the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of shares of Common Stock determined according to a formula set forth in the Warrants.

Exercisability

The warrants will be exercisable, at the option of each holder, in whole or in part, by delivering to us a duly executed exercise notice accompanied by payment in full for the number of our shares of Common Stock purchased upon such exercise (except in the case of a cashless exercise as discussed below). A holder (together with its affiliates) may not exercise any portion of the warrant to the extent that the holder would own more than 4.99% (or, at the election of a purchaser prior to issuance of the warrant, 9.99%) of the outstanding shares of Common Stock immediately after exercise, except that upon at least 61 days’ prior notice from the holder to us, the holder may increase the amount of ownership of outstanding shares after exercising the holder’s warrants up to 9.99% of the number of our shares of Common Stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants.

Fractional Shares

No fractional shares of Common Stock will be issued upon the exercise of the Warrants. Rather, the number of shares of Common Stock to be issued will, at our election, either be rounded up to the nearest whole number or we will pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by such warrant’s exercise price.

Transferability

Subject to applicable laws, the Warrant may be transferred at the option of the holder upon surrender of the warrant to us together with the appropriate instruments of transfer.

Exchange Listing

We do not intend to list the warrants on any securities exchange or nationally recognized trading system.

Rights as a Stockholder

Except as otherwise provided in the warrants or by virtue of such holder’s ownership of our shares of Common Stock, the holders of the Warrants do not have the rights or privileges of holders of our shares of Common Stock, including any voting rights, until they exercise their warrants.

Fundamental Transaction

In the event of a fundamental transaction which is approved by our Board, the holders of the warrants have the right to require us or a successor entity to redeem the warrant for cash in the amount of the Black-Scholes value of the unexercised portion of the warrant on the date of the consummation of the fundamental transaction. In the event of a fundamental transaction which is not approved by our Board, the holders of the warrants have the right to require us or a successor entity to redeem the Warrant for the consideration paid in the fundamental transaction in the amount of the Black Scholes value of the unexercised portion of the warrant on the date of the consummation of the fundamental transaction.

Options

A summary of the Company's stock option activity during the years ended June 30, 2022 and 2021 is presented below:

	Number of Options	Weighted Average Price Per Share
Outstanding at June 30, 2020	60	\$ 76,370
Issued	-	-
Exercised	-	-
Expired	(1)	3,750,000
Outstanding at June 30, 2021	59	\$ 13,730
Issued	-	-
Exercised	-	-
Expired	-	-
Outstanding at June 30, 2022	59	\$ 4,533
Exercisable at June 30, 2022	59	\$ 4,531
Outstanding and Exercisable:		
Weighted average remaining contractual term	6.88	
Weighted average fair value of options granted during the period	\$ -	
Aggregate intrinsic value	\$ -	

On the Effective Date, the Company's board of directors approved and adopted the Company's 2019 Equity Incentive Plan (the "2019 Plan"), which reserves a total of 234 shares of the Company's Common Stock for issuance under the 2019 Plan. Incentive awards authorized under the 2019 Plan include, but are not limited to, incentive stock options, non-qualified stock options, restricted stock awards and restricted stock units.

During the years ended June 30, 2022 and 2021, the Company recognized stock-based compensation of \$72,513 and \$82,872 related to vested stock options. There was \$0 of unvested stock options expense as of June 30, 2022.

No stock options were granted during the years ended June 30, 2022 and 2021.

Restricted Stock Units

Pursuant to employment agreements dated in May 2019, the Company granted an aggregate of 78 and 39 restricted stock unit to the Company's Chief Executive Officer and Chief Scientific Officer, respectively. The total 117 restricted stock units are subject to vesting terms as defined in the employment agreements. The 117 restricted stock units were valued at the fair value of \$4,250 per unit or \$497,240 based on the quoted trading price on the date of grant. There were \$248,620 unrecognized restricted stock units expense as of June 30, 2022. There are 59 unvested restricted stock units which are subject to various performance conditions which have not yet been met and such restricted stock units have not yet vested as of June 30, 2022 and 2021 to which the \$248,620 relates.

Delaware Anti-Takeover Statute

We are subject to the provisions of Section 203 of the General Corporation Law of the State of Delaware regulating corporate takeovers. In general, Section 203 prohibits a publicly held Delaware corporation from engaging, under certain circumstances, in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder unless:

- prior to the date of the transaction, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the date of the transaction, the business combination is approved by our board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of a corporation's outstanding voting stock. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We also anticipate that Section 203 may discourage attempts that might result in a premium over the market price for the shares of Common Stock held by stockholders.

The provisions of Delaware law and the provisions of our Certificate of Incorporation and Bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they might also inhibit temporary fluctuations in the market price of our Common Stock that often result from actual or rumored hostile takeover attempts. These provisions might also have the effect of preventing changes in our management. It is also possible that these provisions could make it more difficult to accomplish transactions that stockholders might otherwise deem to be in their best interests.

Bylaws

Provisions of our Bylaws may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our Common Stock. Among other things, our Bylaws:

- permit our board of directors to issue up to 1,500,004 shares of our preferred stock, with any rights, preferences and privileges as they may designate (including the right to approve an acquisition or other change in our control);
- provide that the authorized number of directors may be changed only by resolution of the board of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum; and

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- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of Common Stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose).

The amendment of any of these provisions, with the exception of the ability of our board of directors to issue shares of preferred stock and designate any rights, preferences and privileges thereto, would require approval by the holders of a majority of our then outstanding Common Stock.

EXPERTS

Our consolidated financial statements as of and for the years ended June 30, 2022 and 2021, appearing in this prospectus and the registration statement of which it is a part, have been audited by Salberg & Company, P.A., an independent registered public accounting firm, as set forth in their report dated September 28, 2022 (which contains an explanatory paragraph regarding our ability to continue as a going concern) appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

LEGAL MATTERS

The validity of the issuance of the Common Stock underlying the Warrants hereby has been passed upon for us by Clark Hill PLC.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to smaller reporting companies.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no changes in our independent registered public accounting firm during the last two fiscal years, and we have not had any material disagreements with our independent registered public accounting firm during that time.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 with the SEC covering the shares and warrants we are offering by this prospectus. This prospectus does not include all of the information contained in the registration statement. You should refer to the registration statement and its exhibits for additional information. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete and you should refer to the exhibits filed or documents incorporated by reference as part of the registration statement for copies of the actual contract, agreement or other document.

We file annual, quarterly and other periodic reports, proxy statements and other information with the SEC. You can read our SEC filings, including this registration statement, over the Internet at the SEC's website at www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street NE, Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

Our Internet address is www.propanc.com. There we make available free of charge, on or through the investor relations section of our website, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with the SEC. The information found on our website is not part of this prospectus and investors should not rely on any such information in deciding whether to invest.

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Statements contained in this prospectus as to the contents of any contract or other document that we have filed as an exhibit to the registration statement are qualified in their entirety by reference to the exhibits for a complete statement of their terms and conditions.

The representations, warranties and covenants made by us in any agreement that is filed as an exhibit to the registration statement of which this prospectus is a part were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were made as of an earlier date. Accordingly, such representations, warranties and covenants should not be deemed as accurately representing the current state of our affairs.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Our Certificate of Incorporation contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the General Corporation Law of the State of Delaware; or

- any transaction from which the director derived an improper personal benefit.

Our Certificate of Incorporation, as amended, provides that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our Certificate of Incorporation also provides that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law.

To the extent that indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

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Report of Independent Registered Public Accounting Firm

To the Stockholders' and the Board of Directors of:
Propanc Biopharma, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Propanc Biopharma, Inc. and Subsidiary (the "Company") as of June 30, 2022 and 2021, the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' deficit, and cash flows, for each of the two years in the period ended June 30, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 2022 and 2021, and the consolidated results of its operations and its cash flows for each of the two years in the period ended June 30, 2022, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has a net loss of \$2,658,087 and net cash used in operating activities of \$1,436,304 for the fiscal year ended June 30, 2022. The Company has a working capital deficit, stockholder's deficit, and accumulated deficit of \$3,047,951, \$3,023,649, and \$61,557,893 respectively, at June 30, 2022. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's Plan regarding these matters is also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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 Member CPACONnect with Affiliated Offices Worldwide • Member AICPA Center for Audit Quality

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Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Derivative Liabilities

As noted in footnote 1 "Derivative Instruments" and as described in Footnote 12 "Derivative Financial Instruments and Fair Value Measurements" to the consolidated financial statements, the Company recorded derivative transactions that resulted primarily in a net derivative expense in fiscal 2022 from change in fair value of derivative liabilities of \$99,111, and derivative liabilities of \$151,262 at June 30, 2022.

We identified the evaluation of instruments and contracts to determine whether there are derivatives to be recorded, the analysis of the accounting treatment and presentation for derivative transactions and the valuation of derivatives as critical audit matters. Auditing management's analysis of the above critical audit matters was complex and involved a high degree of subjectivity.

The primary procedures we performed to address these critical audit matters included (a) Reviewed and tested management's conclusions as to whether certain instruments or contracts qualified for derivative treatment by comparing management's analysis and conclusions to authoritative and interpretive literature, (b) Compared the accounting treatment and presentation to that described by the authoritative and interpretive literature, (c) Tested management's process for valuing derivatives by comparing it to generally accepted methodologies for valuing derivatives, (d) Tested management's valuation of the derivatives by testing assumptions and data used in the valuation model including the term, volatility and interest rate, and (e) Recomputed the derivative valuations.

/s/ Salberg & Company, P.A.

SALBERG & COMPANY, P.A.
 We have served as the Company's auditor since 2011
 Boca Raton, Florida
 September 28, 2022

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY
 CONSOLIDATED BALANCE SHEETS**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 4,067	\$ 2,255
GST tax receivable	2,342	4,341
Prepaid expenses and other current assets	8,621	-
TOTAL CURRENT ASSETS	15,030	6,596
Security deposit - related party	2,075	2,250
Operating lease right-of-use assets, net - related party	62,523	-
Property and equipment, net	2,023	4,255
TOTAL ASSETS	\$ 81,651	\$ 13,101
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 943,023	\$ 1,002,335
Accrued expenses and other payables	466,115	892,151
Convertible notes and related accrued interest, net of discounts and premiums	984,260	624,583
Operating lease liability - related party, current portion	20,605	-
Embedded conversion option liabilities	151,262	54,220

Due to former director - related party	30,746	33,347
Loan from former director - related party	51,171	55,500
Employee benefit liability	415,799	418,538
TOTAL CURRENT LIABILITIES	3,062,981	3,080,674
NON-CURRENT LIABILITIES:		
Operating lease liability - long-term portion - related party	42,319	-
TOTAL NON-CURRENT LIABILITIES	42,319	-
TOTAL LIABILITIES	\$ 3,105,300	\$ 3,080,674

Commitments and Contingencies (See Note 9)

STOCKHOLDERS' DEFICIT:

Preferred stock, 1,500,005 shares authorized, \$0.01 par value:		
Series A preferred stock, \$0.01 par value; 500,000 shares authorized; 500,000 shares issued and outstanding as of June 30, 2022 and 2021	\$ 5,000	\$ 5,000
Series B preferred stock, \$0.01 par value; 5 shares authorized; 1 share issued and outstanding as of June 30, 2022 and 2021	-	-
Common stock, \$0.001 par value; 3,000,000,000 shares authorized; 220,350,921 and 14,055,393 shares issued and outstanding as of June 30, 2022 and 2021, respectively	220,351	14,056
Common stock issuable (19,597,024 and 59 shares as of June 30, 2022 and 2021, respectively)	19,597	-
Additional paid-in capital	57,124,982	54,074,110
Subscription receivable	(23,758)	-
Accumulated other comprehensive income	1,234,549	1,085,204
Accumulated deficit	(61,557,893)	(58,199,466)
Treasury stock (1 share)	(46,477)	(46,477)
TOTAL STOCKHOLDERS' DEFICIT	(3,023,649)	(3,067,573)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 81,651	\$ 13,101

The accompanying notes are an integral part of these consolidated financial statements.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	For the years ended June 30,	
	2022	2021
REVENUE		
Revenue	\$ -	\$ -
OPERATING EXPENSES		
Administration expenses	1,706,452	1,553,075
Occupancy expenses – related party	28,366	28,112
Research and development	256,052	230,956
TOTAL OPERATING EXPENSES	1,990,870	1,812,143
LOSS FROM OPERATIONS	(1,990,870)	(1,812,143)
OTHER INCOME (EXPENSE)		
Interest expense	(568,798)	(449,457)
Interest income	5,613	1
Change in fair value of derivative liabilities	(99,111)	(8,186)
Gain from settlement of debt, net	-	49,319
Gain (loss) on extinguishment of debt, net	(17,503)	50,607
Foreign currency transaction gain (loss)	(42,395)	30,497
TOTAL OTHER EXPENSE, NET	(722,194)	(327,219)
LOSS BEFORE TAXES	(2,713,064)	(2,139,362)
Tax benefit	54,977	113,415
NET LOSS	\$ (2,658,087)	\$ (2,025,947)
Deemed Dividend	(700,340)	(391,749)
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	\$ (3,358,427)	\$ (2,417,696)
BASIC AND DILUTED NET LOSS PER SHARE AVAILABLE TO COMMON STOCKHOLDERS	\$ (0.05)	\$ (0.80)
BASIC AND DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	68,218,701	3,032,612

NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	\$ (3,358,427)	\$ (2,417,696)
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized foreign currency translation gain (loss)	149,345	(182,467)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	149,345	(182,467)
TOTAL COMPREHENSIVE LOSS	<u>\$ (3,209,082)</u>	<u>\$ (2,600,163)</u>

The accompanying notes are an integral part of these consolidated financial statements.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Preferred Stock				Common Stock				Additional Paid-in Capital	Subscription Receivable	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total Stockholders' Deficit
	Series A		Series B		Common Stock		Issuable							
	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value						
Balance at June 30, 2020	500,000	\$5,000	1	\$ -	258,120	\$ 258	-	\$ -	\$ 50,913,893	\$ -	\$ (55,781,770)	\$ 1,267,671	\$ (46,477)	\$ (3,641,425)
Issuance of common stock for conversion of convertible debt and accrued interest	-	-	-	-	8,786,113	8,787	-	-	1,230,288	-	-	-	-	1,239,075
Reversal of common stock issuable due to cancellation of conversions of convertible debt and accrued interest	-	-	-	-	(24,427)	(24)	-	-	(19,992)	-	-	-	-	(20,016)
Issuance of common stock for services	-	-	-	-	805,646	806	-	-	124,766	-	-	-	-	125,572
Issuance of common stock for exercise of warrants	-	-	-	-	29,820	29	-	-	776,015	-	-	-	-	776,044
Issuance of common stock for cashless exercise of warrants	-	-	-	-	4,199,979	4,200	-	-	(4,200)	-	-	-	-	-
Reclassification of put premium upon debt conversion	-	-	-	-	-	-	-	-	590,504	-	-	-	-	590,504
Reversal of put premium upon cancellation of conversions of convertible debt	-	-	-	-	-	-	-	-	(11,785)	-	-	-	-	(11,785)
Stock based compensation in connection with stock option grants	-	-	-	-	-	-	-	-	82,872	-	-	-	-	82,872
Vested restricted stock units	-	-	-	-	-	-	59	-	-	-	-	-	-	-
Fractional difference due to the reverse stock-split	-	-	-	-	142	-	-	-	-	-	-	-	-	-
Foreign currency translation loss	-	-	-	-	-	-	-	-	-	-	-	(182,467)	-	(182,467)
Deemed dividend upon alternate cashless exercise of warrants	-	-	-	-	-	-	-	-	391,749	-	(391,749)	-	-	-
Net loss for the fiscal year ended June 30, 2021	-	-	-	-	-	-	-	-	-	-	(2,025,947)	-	-	(2,025,947)
Balance at June 30, 2021	500,000	\$5,000	1	\$ -	14,055,393	\$ 14,056	59	\$ -	\$ 54,074,110	\$ -	\$ (58,199,466)	\$ 1,085,204	\$ (46,477)	\$ (3,067,573)
Issuance of common stock for cash	-	-	-	-	25,663,288	25,663	-	-	97,380	(23,758)	-	-	-	99,285
Issuance of common stock for offering cost	-	-	-	-	1,000,000	1,000	-	-	(1,000)	-	-	-	-	-
Issuance of common stock for conversion of convertible debt, conversion fee and accrued interest	-	-	-	-	96,959,620	96,960	7,326,007	7,326	552,839	-	-	-	-	657,125
Issuance of common stock for services and accrued expenses	-	-	-	-	25,857,279	25,857	12,270,958	12,271	724,937	-	-	-	-	763,065

Issuance of common stock for exercise of warrants	-	-	-	-	15,625	15	-	-	624,986	-	-	-	-	625,001
Issuance of common stock for alternate cashless exercise of warrants	-	-	-	-	56,799,716	56,800	-	-	(56,800)	-	-	-	-	-
Reclassification of put premium upon debt conversion	-	-	-	-	-	-	-	-	335,677	-	-	-	-	335,677
Stock based compensation in connection with stock option grants	-	-	-	-	-	-	-	-	72,513	-	-	-	-	72,513
Foreign currency translation gain	-	-	-	-	-	-	-	-	-	-	-	149,345	-	149,345
Deemed dividend upon alternate cashless exercise of warrants	-	-	-	-	-	-	-	-	700,340	-	(700,340)	-	-	-
Net loss for the fiscal year ended June 30, 2022	-	-	-	-	-	-	-	-	-	-	(2,658,087)	-	-	(2,658,087)
Balance at June 30, 2022	500,000	\$ 5,000	1	\$ -	220,350,921	\$ 220,351	19,597,024	\$ 19,597	\$ 57,124,982	\$ (23,758)	\$ (61,557,893)	\$ 1,234,549	\$ (46,477)	\$ (3,023,649)

The accompanying notes are an integral part of these consolidated financial statements.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the years ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (2,658,087)	\$ (2,025,947)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Issuance and amortization of common stock for services	314,626	125,572
Foreign currency transaction (gain) loss	42,395	(30,497)
Depreciation expense	1,993	1,993
Amortization of debt discounts	47,971	136,527
Change in fair value of derivative liabilities	99,111	8,186
(Gain) loss on extinguishment of debt, net	17,503	(50,607)
Gain from settlement of debt, net	-	(49,319)
Stock option and restricted stock expense	72,513	82,872
Non-cash interest expense	2,250	16,500
Amortization of right-of-use assets	3,678	-
Accretion of put premium	452,308	200,410
Changes in Assets and Liabilities:		
GST receivable	1,660	(2,147)
Prepaid expenses and other assets	(8,620)	-
Accounts payable	18,870	178,311
Deferred rent	-	(3,695)
Employee benefit liability	29,907	33,134
Accrued expenses and other payables	65,017	152,861
Accrued interest	63,878	80,582
Operating lease liability	(3,277)	-
NET CASH USED IN OPERATING ACTIVITIES	(1,436,304)	(1,145,264)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from convertible promissory notes, net of original issue discounts and issue costs	766,500	325,000
Repayments of convertible promissory notes	-	(43,000)
Proceeds from the sale of common stock	99,285	-
Proceeds from the exercise of warrants	625,001	776,044
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,490,786	1,058,044
Effect of exchange rate changes on cash	(52,670)	22,468
NET INCREASE (DECREASE) IN CASH	1,812	(64,752)
CASH AT BEGINNING OF YEAR	2,255	67,007
CASH AT END OF YEAR	\$ 4,067	\$ 2,255
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year:		
Interest	\$ 2,392	\$ 13,621
Income Tax	\$ -	\$ -

Supplemental Disclosure of Non-Cash Investing and Financing Activities

Common stock issued for offering cost applied against proceeds received	\$ 20,000	\$ -
Subscription receivable	\$ 23,758	\$ -
Reduction of put premium related to conversions of convertible notes	\$ 335,677	\$ 590,504
Conversion of convertible notes and accrued interest to common stock	\$ 635,303	\$ 1,142,205
Discounts related to derivative liability	\$ -	\$ -
Operating lease right-of-use asset and operating lease liability recorded pursuant to ASC 842	\$ 66,201	\$ -
Reversal of common stock issuable and put premium due to cancellation of conversions of convertible debt and accrued interest	\$ -	\$ 31,801
Accounts payable reclass to convertible notes	\$ -	\$ 25,000
Common stock issued for accrued services	\$ 448,440	\$ -
Deemed dividend upon alternate cashless exercise of warrants	\$ 700,340	\$ 391,749

The accompanying notes are an integral part of these consolidated financial statements.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIESNature of Operations

Propanc Biopharma, Inc. (the “Company,” “we,” “us” or “our”) was originally incorporated in Melbourne, Victoria Australia on October 15, 2007 as Propanc PTY LTD, and continues to be based in Camberwell, Victoria Australia. Since its inception, substantially all of the operations of the Company have been focused on the development of new cancer treatments targeting high-risk patients, particularly cancer survivors, who need a follow-up, non-toxic, long-term therapy designed to prevent the cancer from returning and spreading. The Company anticipates establishing global markets for its technologies. Our lead product candidate, which we refer to as PRP, is an enhanced pro-enzyme formulation designed to enhance the anti-cancer effects of multiple enzymes acting synergistically. It is currently in the preclinical phase of development.

On November 23, 2010, the Company was incorporated in the state of Delaware as Propanc Health Group Corporation. In January 2011, to reorganize the Company, we acquired all of the outstanding shares of Propanc PTY LTD on a one-for-one basis making it a wholly-owned subsidiary of the Company.

On July 22, 2016, the Company formed a wholly owned subsidiary, Propanc (UK) Limited under the laws of England and Wales for the purpose of submitting an orphan drug application to the European Medicines Agency as a small and medium-sized enterprise. As of June 30, 2022, there has been no activity within this entity.

Effective April 20, 2017, the Company changed its name to “Propanc Biopharma, Inc.” to better reflect the Company’s stage of operations and development.

In July 2020, a world first patent was granted in Australia for the cancer treatment method patent family. Presently, there are 43 granted, allowed, or accepted patents and 22 patents filed, or under examination in key global jurisdictions relating to the use of proenzymes against solid tumors, covering the lead product candidate PRP.

The Company hopes to capture and protect additional patentable subject matter based on the Company’s field of technology relating to pharmaceutical compositions of proenzymes for treating cancer by filing additional patent applications as it advances its lead product candidate, PRP, through various stages of development.

On November 17, 2020, the Company effected a one-for-one thousand (1:1,000) reverse stock split of the Company’s issued and outstanding shares of common stock (the “Reverse Stock Split”). Proportional adjustments for the Reverse Stock Split were made to the Company’s outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

On May 18, 2022, the board of directors of the Company approved and authorized, and the holders of a majority in interest of the Company’s voting capital stock approved by written consent, in accordance with Section 228 of the Delaware General Corporation Law, for the Company to file a Certificate of Amendment to its Certificate of Incorporation (the “Certificate”) with the Secretary of State of the State of Delaware, which increased the Company’s authorized capital stock. The Certificate increased the number of authorized shares of the Company’s common stock, par value \$0.001 per share, from 1,000,000,000 to 3,000,000,000. The number of authorized shares of preferred stock remains at 1,500,005, such that the total number of shares of all classes and series the Company is authorized to issue is 3,001,500,005 shares. The Certificate was filed and became effective on July 6, 2022. This increase is presented retroactively on the consolidated balance sheet.

Principles of Consolidation

The consolidated financial statements include the accounts of Propanc Biopharma, Inc., the parent entity, and its wholly-owned subsidiary, Propanc PTY LTD. All inter-company balances and transactions have been eliminated in consolidation. Propanc (UK) Limited was an inactive wholly-owned subsidiary through June 30, 2022.

Use of Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America (“US GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates in the accompanying consolidated financial statements include the estimates of useful lives for depreciation, valuation of the operating lease liability and related right-of-use asset, valuation of derivatives, valuation of beneficial conversion features on convertible debt, allowance for uncollectable receivables, valuation of equity based instruments issued for other than cash, the valuation allowance on deferred tax assets and foreign currency translation due to certain average exchange rates applied in lieu of spot rates on transaction dates.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

Foreign Currency Translation and Other Comprehensive Income (Loss)

The Company's wholly owned subsidiary's functional currency is the Australian dollar (AUD). For financial reporting purposes, the Australian dollar has been translated into the Company's reporting currency which is the United States dollar (\$) and/or (USD). Assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the reporting period. Equity transactions are translated at each historical transaction date spot rate. Translation adjustments arising from the use of different exchange rates from period to period are included as a component of stockholders' equity (deficit) as "Accumulated other comprehensive income (loss)." Gains and losses resulting from foreign currency transactions are included in the statements of operations and comprehensive income (loss) as a component of other comprehensive income (loss). There have been no significant fluctuations in the exchange rate for the conversion of Australian dollars to USD after the balance sheet date.

Other Comprehensive Income (Loss) for all periods presented includes only foreign currency translation gains (losses).

Assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the consolidated balance sheet date with any transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency included in the consolidated results of operations as incurred. Effective fiscal year 2021, the parent company determined that the intercompany loans will not be repaid in the foreseeable future and thus, per ASC 830-20-35-3, gains and losses from measuring the intercompany balances are recorded within cumulative translation adjustment, a component of accumulated other comprehensive income (loss). Prior to July 1, 2020, the Company recorded the foreign currency transaction gains and losses from measuring the intercompany balances as a component of other income (expenses) titled foreign currency transaction gain (loss). For the year ended June 30, 2022 and 2021, the Company recognized an exchange gain (loss) of approximately \$1,289,000 and \$1,005,000, on intercompany loans made by the parent to the subsidiary which have not been repaid as of June 30, 2022.

As of June 30, 2022 and 2021, the exchange rates used to translate amounts in Australian dollars into USD for the purposes of preparing the consolidated financial statements were as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Exchange rate on balance sheet dates		
USD : AUD exchange rate	0.6915	0.7500
Average exchange rate for the period		
USD : AUD exchange rate	0.7253	0.7473

Change in Accumulated Other Comprehensive Income (Loss) by component during the years ended June 30, 2022 and 2021 were as follows:

		<u>Foreign Currency Items:</u>
Beginning balance, June 30, 2020	\$	1,267,671
Foreign currency translation gain		182,467
Balance, June 30, 2021		1,085,204
Foreign currency translation gain		149,345
Ending balance, June 30, 2022	\$	1,234,549

Fair Value of Financial Instruments and Fair Value Measurements

The Company measures its financial assets and liabilities in accordance with US GAAP. For certain financial instruments, including cash and cash equivalents, receivables, accounts payable and accrued liabilities, the carrying amounts approximate fair value due to their short maturities. Amounts recorded for notes payable, net of discount, and loans payable also approximate fair value because current interest rates available for debt with similar terms and maturities are substantially the same.

The Company follows accounting guidance for financial assets and liabilities. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost).

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2022 and 2021

The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs, other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

Also see Note 12 - Derivative Financial Instruments and Fair Value Measurements.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less with financial institutions, and bank overdrafts. Bank overdrafts, as applicable, are reflected as a current liability on the balance sheets. There were no cash equivalents as of June 30, 2022 or June 30, 2021.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Expenditures for maintenance and repairs are expensed as incurred; additions, renewals, and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the declining balance method. The depreciable amount is the cost less its residual value.

The estimated useful lives are as follows:

Machinery and equipment	- 5 years
Furniture	- 7 years

Patents

Patents are stated at cost and amortized on a straight-line basis over the estimated future periods if and once the patent has been granted by a regulatory agency. However, the Company will expense any patent costs as long as we are in the startup stage. Accordingly, as the Company's products are not currently approved for market, all patent costs incurred from 2013 through June 30, 2022 were expensed immediately. This practice of expensing patent costs immediately ends when a product receives market authorization from a government regulatory agency.

Impairment of Long-Lived Assets

In accordance with ASC 360-10, "Long-lived assets," which include property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable.

Employee Benefit/Liability

Liabilities arising in respect of wages and salaries, accumulated annual leave, accumulated long service leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured based on the employee's remuneration rates applicable at the reporting date. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. All employee liabilities are owed within the next twelve months.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

Australian Goods and Services Tax ("GST")

Revenues, expenses and balance sheet items are recognized net of the amount of GST, except payable and receivable balances which are shown inclusive of GST. The GST incurred is payable on revenues to, and recoverable on purchases from, the Australian Taxation Office.

Cash flows are presented in the statements of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

As of June 30, 2022 and 2021, the Company was owed \$2,342 and \$4,341, respectively, from the Australian Taxation Office. These amounts were fully collected subsequent to the balance sheet reporting dates.

Derivative Instruments

ASC Topic 815, *Derivatives and Hedging* ("ASC Topic 815"), establishes accounting and reporting standards for derivative instruments and for hedging activities by requiring that all derivatives be recognized in the balance sheet and measured at fair value. Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings. On the date of conversion or payoff of debt, the Company records the fair value of the conversion shares, removes the fair value of the related derivative liability, removes any discounts and records a net gain or loss on debt extinguishment. On July 1, 2019 the Company adopted ASU 2017-11 under which down-round Features in Financial Instruments will no longer cause derivative treatment. The Company applied the modified prospective method of adoption. There were no cumulative effects on adoption.

Convertible Notes With Variable Conversion Options

The Company has entered into convertible notes, some of which contain variable conversion options, whereby the outstanding principal and accrued interest may be converted, by the holder, into common shares at a fixed discount to the price of the common stock at or around the time of conversion. The Company treats these convertible notes as stock settled debt under ASC 480, "*Distinguishing Liabilities from Equity*" and measures the fair value of the notes at the time of issuance, which is the result of the share price discount at the time of conversion and records the put premium as interest expense.

Income Taxes

The Company is governed by Australia and United States income tax laws, which are administered by the Australian Taxation Office and the United States Internal Revenue Service, respectively. The Company follows ASC 740 "*Accounting for Income Taxes*," when accounting for income taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company follows ASC 740, Sections 25 through 60, "*Accounting for Uncertainty in Income Taxes*." These sections provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods.

Research and Development Costs and Tax Credits

In accordance with ASC 730-10, "*Research and Development-Overall*," research and development costs are expensed when incurred. Total research and development costs for the fiscal years ended June 30, 2022 and 2021 were \$256,052 and \$230,956, respectively.

The Company may apply for research and development tax concessions with the Australian Taxation Office on an annual basis. Although the amount is possible to estimate at year end, the Australian Taxation Office may reject or materially alter the claim amount. Accordingly, the Company does not recognize the benefit of the claim amount until cash receipt since collectability is not certain until such time. The tax concession is a refundable credit. If the Company has net income, then the Company can receive the credit which reduces its income tax liability. If the Company has net losses, then the Company may still receive a cash payment for the credit, however, the Company's net operating

loss carryforwards are reduced by the gross equivalent loss that would produce the credit amount when the income tax rate is applied to that gross amount. The concession is recognized as tax benefit, in operations, upon receipt.

PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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During each of the fiscal years ended June 30, 2022 and 2021, the Company applied for, and received from the Australian Taxation Office, a research and development tax credit in the amount of \$54,977 and \$113,415, respectively, which is reflected as a tax benefit in the accompanying consolidated statements of operations and comprehensive income (loss).

Stock Based Compensation

The Company records stock-based compensation in accordance with ASC 718, “*Stock Compensation*”. ASC 718 requires the fair value of all stock-based employee compensation awarded to employees to be recorded as an expense over the shorter of the service period or the vesting period. The Company values employee and non-employee stock-based compensation at fair value using the Black-Scholes Option Pricing Model.

The Company adopted ASU 2018-07 and accounts for non-employee share-based awards in accordance with the measurement and recognition criteria of ASC 718 and recognizes the fair value of such awards over the service period. The Company used the modified prospective method of adoption.

Revenue Recognition

The Company applies ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”). ASC 606 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This standard requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures. Subject to these criteria, the Company intends to recognize revenue relating to royalties on product sales in the period in which the sale occurs and the royalty term has begun.

Legal Expenses

All legal costs for litigation are charged to expense as incurred.

Leases

The Company follows ASC Topic 842, Leases (Topic 842) and applies the package of practical expedients, which permit it not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. In addition, the Company elected not to apply ASC Topic 842 to arrangements with lease terms of 12 month or less. Operating lease right of use assets (“ROU”) represents the right to use the leased asset for the lease term and operating lease liabilities are recognized based on the present value of future minimum lease payments over the lease term at commencement date. As most leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at the adoption date in determining the present value of future payments. Lease expense for minimum lease payments is amortized on a straight-line basis over the lease term and is included in general and administrative expenses.

Basic and Diluted Net Loss Per Common Share

Basic net loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding for the period and, if dilutive, potential common shares outstanding during the period. Potentially dilutive securities consist of the incremental common shares issuable upon exercise of common stock equivalents such as stock options, warrants and convertible debt instruments. Potentially dilutive securities are excluded from the computation if their effect is anti-dilutive. As a result, the basic and diluted per share amounts for all periods presented are identical. Each holder of the notes has agreed to a 4.99% beneficial ownership conversion limitation (subject to certain noteholders’ ability to increase such limitation to 9.99% upon 60 days’ notice to the Company), and each note may not be converted during the first six-month period from the date of issuance. Such securities are considered dilutive securities which were excluded from the computation since the effect is anti-dilutive.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Stock Options	59	59
Stock Warrants	105,420	121,329
Unvested restricted stock	59	59
Convertible Debt	127,062,326	12,416,972
Total	<u>127,167,864</u>	<u>12,538,419</u>

PROPANC BIOPHARMA, INC. AND SUBSIDIARY
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June 30, 2022 and 2021

Recent Accounting Pronouncements

We have reviewed the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. We have carefully considered the new pronouncements that alter previous generally accepted accounting principles and do not believe that any new or modified principles will have a material impact on the Company’s reported financial position or operations in the near term with the exception of those disclosed below. The applicability of any standard is subject to the formal review of the Company’s financial management.

In August 2020, the FASB issued ASU 2020-06, “Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40)”. This ASU reduces the number of accounting models for convertible debt instruments and convertible preferred stock as well as amends the guidance for the derivatives scope exception for contracts in an entity’s own equity to reduce form-over-substance-based accounting conclusions. In addition, this ASU improves and amends the related EPS guidance. This standard is effective for us on July 1, 2024, including interim periods within those fiscal years. Adoption is either a modified retrospective method or a fully retrospective method of transition. The Company is currently assessing the impact of the new guidance will have on our consolidated financial statements.

NOTE 2 – GOING CONCERN

The accompanying consolidated financial statements have been prepared in conformity with US GAAP, which contemplate continuation of the Company as a going concern. For the fiscal year ended June 30, 2022, the Company had no revenues, had a net loss of \$2,658,087 and had net cash used in operations of \$1,436,304. Additionally, as of June 30, 2022, the Company had a working capital deficit, stockholders' deficit and accumulated deficit of \$3,047,951, \$3,023,649, and \$61,557,893, respectively. It is management's opinion that these conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of at least twelve months from the date of this filing.

The consolidated financial statements do not include any adjustments to reflect the possible future effect on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of this uncertainty.

Successful completion of the Company's development program and, ultimately, the attainment of profitable operations are dependent upon future events, including obtaining adequate financing to fulfill its development activities, acceptance of the Company's patent applications, obtaining additional sources of suitable and adequate financing and ultimately achieving a level of sales adequate to support the Company's cost structure and business plan. The Company's ability to continue as a going concern is also dependent on its ability to further develop and execute on its business plan. However, there can be no assurances that any or all of these endeavors will be successful.

In March 2020, the outbreak of COVID-19 (coronavirus) caused by a novel strain of the coronavirus was recognized as a pandemic by the World Health Organization, and the outbreak has become increasingly widespread in the United States, Europe and Australia, including in each of the areas in which the Company operates. The COVID-19 (coronavirus) outbreak has had a notable impact on general economic conditions, including but not limited to the temporary closures of many businesses, "shelter in place" and other governmental regulations, reduced business and consumer spending due to both job losses, reduced investing activity and M&A transactions, among many other effects attributable to the COVID-19 (coronavirus), and there continue to be many unknowns. While to date the Company has not been required to stop operating, management is evaluating its use of its office space, virtual meetings and the like. The Company continues to monitor the impact of the COVID-19 (coronavirus) outbreak closely. The extent to which the COVID-19 (coronavirus) outbreak will impact our operations, ability to obtain financing or future financial results is uncertain.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Office equipment at cost	\$ 28,623	\$ 28,623
Less: Accumulated depreciation	(26,600)	(24,368)
Total property, plant, and equipment	<u>\$ 2,023</u>	<u>\$ 4,255</u>

Depreciation expense for the years ended June 30, 2022 and 2021 were \$1,993 and \$1,993, respectively.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2022 and 2021

NOTE 4 – DUE TO FORMER DIRECTOR - RELATED PARTY

Due to former director - related party represents unsecured advances made primarily by a former director for operating expenses on behalf of the Company such as intellectual property and formation expenses. The expenses were paid for on behalf of the Company and are due upon demand. The Company is currently not being charged interest under these advances. The total amount owed to the former director at June 30, 2022 and 2021 is \$30,746 and \$33,347, respectively. The Company plans to repay the advances as its cash resources allow (see Note 10).

NOTE 5 – LOANS AND NOTES PAYABLE

Loan from Former Director - Related Party

Loan from the Company's former director at June 30, 2022 and 2021 were \$51,171 and \$55,500, respectively. The loan bears no interest and is payable on demand. The Company did not repay any amount on this loan during the years ended June 30, 2022 and 2021, respectively, (see Note 10).

NOTE 6 – CONVERTIBLE NOTES

The Company's convertible notes outstanding at June 30, 2022 and 2021 were as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Convertible notes and debenture	\$ 644,980	\$ 400,128
Unamortized discounts	(31,669)	(6,139)
Accrued interest	57,822	34,098
Premium, net	313,127	196,496
Convertible notes, net	<u>\$ 984,260</u>	<u>\$ 624,583</u>

Eagle Equities Financing Agreements

August 29, 2018 Securities Purchase Agreement

Effective August 29, 2018, the Company entered into a securities purchase agreement with Eagle Equities, pursuant to which Eagle Equities purchased a convertible promissory note (the "August 2018 Eagle Note") from the Company in the aggregate principal amount of \$105,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Eagle Equities any time after the six-month anniversary of the August 2018 Eagle Note. The transactions contemplated by the agreement closed on August 30, 2018. The maturity date of the August 29, 2018 Eagle Note was August 29, 2019. The August 2018 Eagle Note bore interest at a rate of 8% per annum, which interest was paid by the Company to Eagle Equities in shares of the Company's common stock upon receipt of a notice of conversion by the Company from Eagle Equities at any time after the six-month anniversary of the August 2018 Eagle Note. In April 2020, Eagle Equities agreed to waive the 24% default interest on this note. The note was fully converted to common stock in fiscal 2021.

December 24, 2018 Securities Purchase Agreement

Effective December 24, 2018, the Company entered into a securities purchase agreement with Eagle Equities, pursuant to which Eagle Equities purchased a convertible promissory note (the "December 2018 Eagle Note") from the Company in the aggregate principal amount of \$126,000, such principal and the interest thereon convertible into

shares of the Company's common stock at the option of Eagle Equities any time after the six-month anniversary of the December 2018 Eagle Note. The transactions contemplated by the purchase agreement closed on December 24, 2018. Pursuant to the terms of the purchase agreement, Eagle Equities deducted \$6,000 from the principal payment due under the December 2018 Eagle Note, at the time of closing, to be applied to its legal expenses. The Company used the net proceeds from the December 2018 Eagle Note to repay an outstanding convertible promissory note before such note became convertible. The maturity date of the December 2018 Eagle Note was December 24, 2019. The December 2018 Eagle Note bore interest at a rate of 8% per annum, which interest was paid by the Company to Eagle Equities in shares of common stock upon receipt of a notice of conversion by the Company from Eagle Equities at any time after the six-month anniversary of the December 2018 Eagle Note. Upon an event of default, principal and accrued interest would become immediately due and payable under the notes. Additionally, upon an event of default, both notes would accrue interest at a default interest rate of 24% per annum or the highest rate of interest permitted by law. In April 2020, Eagle Equities agreed to waive the 24% default interest on this note.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
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Eagle Equities had the option to convert all or any amount of the principal amount of the notes issued to Eagle Equities above, at any time, for shares of the Company's common stock at a price ranging from 60% to 61% of the lowest closing bid price (the "Closing Bid Price") of the Company's common stock as reported on the OTC Markets Group, Inc. quotation system for the ten prior trading days, including the day upon which the Company receives a notice of conversion from Eagle Equities (the "Conversion Price"). However, in the event that the Company's common stock was restricted by the Depository Trust Company for any reason, the Conversion Price was to be lowered to from 50% to 51% of the lowest Closing Bid Price for the duration of such restriction. If the Company failed to maintain a reserve of shares of its common stock at least two and a half times the number of shares issuable upon conversion of all the Eagle Notes for at least 60 days after the issuance of the notes issued to Eagle Equities, the conversion discount was to be increased by 10%. Notwithstanding the foregoing, Eagle Equities was restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Eagle Equities and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock.

The above notes issued to Eagle Equities were treated as stock settled debt under ASC 480 and accordingly, the Company recorded a total of \$57,688 put premium, of which \$133,557 were released to additional paid in capital following conversion of principal during the fiscal year to June 30, 2021.

There were \$0 outstanding principal and accrued interest under the above Eagle Equities financing agreements as of June 30, 2021 as a result of the fiscal 2021 conversions.

Convertible Note Issued with Consulting Agreement

August 10, 2017 Consulting Agreement

On August 10, 2017, the Company entered into a consulting agreement, retroactive to May 16, 2017, with a certain consultant, pursuant to which the consultant agreed to provide certain consulting and business advisory services in exchange for a \$310,000 junior subordinated convertible note. The maturity date of the August 10, 2017 Convertible Note was August 2019 and is currently past due (see Note 9). The note accrues interest at a rate of 10% per annum and is convertible into common stock at the lesser of \$750 or 65% of the three lowest trades in the ten trading days prior to the conversion. The note was fully earned upon signing the agreement and matures on August 10, 2019. The Company accrued \$155,000 related to this expense at June 30, 2017 and recorded the remaining \$155,000 related to this expense in fiscal year 2018. Upon an event of default, principal and accrued interest will become immediately due and payable under the note. Additionally, upon an event of default, at the election of the holder, the note would accrue interest at a default interest rate of 18% per annum or the highest rate of interest permitted by law. The consulting agreement had a three-month term and expired on August 16, 2017. An aggregate total of \$578,212 of this note was bifurcated with the embedded conversion option recorded as a derivative liability at fair value. During the year ended June 30, 2018, the consultant converted \$140,000 of principal and \$10,764 of interest. During the year ended June 30, 2019, the consultant converted an additional \$161,000 of principal and \$19,418 of interest leaving a principal balance owed of \$9,000 at June 30, 2019. During the year ended June 30, 2020, the consultant converted an additional \$500 of principal and \$5,248 of interest such that the remaining principal outstanding and accrued interest under this note as of June 30, 2020 was \$,500 and \$22,168, respectively.

On March 15, 2021, the Company entered into a Settlement and Mutual Release Agreement (the "Settlement Agreement") with the consultant whereby both parties agreed to settle all claims and liabilities under the August 10, 2017 Convertible note for a total of \$100,000 in the form of a convertible note. All other terms of the August 10, 2017 Convertible Note shall remain in full force and effect. Both parties agree that all future penalties under this note are waived unless the Company fails to authorize to distribute the requested shares upon conversion. The Company has the right to pay off the balance of any remaining amounts due under this note in cash at any time more than 60 days after March 15, 2021. Prior to the Settlement Agreement, the Company recorded total liabilities \$56,762 consisting of remaining principal amount of \$8,500, accrued interest of \$23,262 and accrued expenses of \$25,000. Accordingly, the Company recognized loss from settlement of debt of \$43,238 during the year ended June 30, 2021 which is included in gain from settlement of debt, net in the accompanying consolidated statements of operations.

The total principal and accrued interest outstanding after adjustment due to the above mentioned March 15, 2021 settlement agreement under the August 10, 2017 Convertible Note was \$80,000 and \$3,738, respectively, as of June 30, 2021 following conversion of \$20,000 of principal during the year ended June 30, 2021. The total principal and accrued interest outstanding under the August 10, 2017 Convertible Note was \$79,000 and \$10,185, respectively, as of June 30, 2022 following conversion of \$1,000 of principal and \$8,000 accrued interest during the year ended June 30, 2022.

GS Capital Financing Agreements

January 22, 2020 GS Capital Securities Purchase Agreements

Effective January 22, 2020, the Company entered into a securities purchase agreement with GS Capital, pursuant to which GS Capital purchased a convertible promissory note (the "January 22, 2020 GS Note") from the Company in the aggregate principal amount of \$58,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of GS Capital any time after the six-month anniversary of the January 22, 2020 GS Capital Note. The January 22, 2020 GS Note contained an original discount of \$3,500. The transactions contemplated by the GS Capital Securities Purchase Agreement closed on January 22, 2020. Pursuant to the terms of the GS Capital Securities Purchase Agreement, GS Capital deducted \$2,500 from the principal payment due under the January 22, 2020 GS Note, at the time of closing, to be applied to its legal expenses and received net cash proceeds of \$52,000 on January 28, 2020. The Company used the net proceeds from the January 22, 2020 GS Note for general working capital purposes. The maturity date of the January 22, 2020 GS Capital was January 22, 2021. The January 22, 2020 GS Capital Note bore interest at a rate of 10% per annum, which interest may be paid by the Company to GS Capital in shares of the Company's common stock; but was not payable until the January 22, 2020 GS Capital Note became payable, whether at the maturity date or upon acceleration or by prepayment. The conversion price for the January 22, 2020 GS Capital Note was equal to a 40% discount of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion is received.

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Additionally, GS Capital had the option to convert all or any amount of the principal face amount of the January 22, 2020 GS Capital Note at any time from the date of issuance and ending on the later of the maturity date or the date the Default Amount was paid if an event of default occurs, which is an amount between 112% and 130% of an amount equal to the then outstanding principal amount of the January 22, 2020 GS Capital Note plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price. The January 22, 2020 GS Note contained certain events of default, upon which principal and accrued interest would become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal would accrue at a default interest rate of 24% per annum.

The note issued to GS capital above was treated as stock settled debt under ASC 480 and accordingly the Company recorded \$8,667 put premium which was expensed in fiscal 2020 of which \$38,667 was released to additional paid in capital following conversion of principal during the year ended June 30, 2021.

The total remaining principal outstanding and accrued interest under the above GS Capital financing agreements was \$0 as of June 30, 2021 following conversion of \$58,000 of principal and \$8,508 of accrued interest during the year ended June 30, 2021.

Power Up Lending Group Financing Agreements

January 7, 2020 Power Up Lending Group Securities Purchase Agreement

Effective January 7, 2020, the Company entered into a securities purchase agreement with Power Up Lending Group Ltd. ("Power Up"), pursuant to which Power Up purchased a convertible promissory note (the "January 7, 2020 Power Up Note") from the Company in the aggregate principal amount of \$75,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Power Up. The transaction closed on January 7, 2020 and the Company received payment on January 13, 2020 in the amount of \$72,000, net of \$2,500 paid directly toward legal fees and \$500 to Power Up for due diligence fees. The maturity date of the January 7, 2020 Power Up Note was January 7, 2021. The January 7, 2020, Power Up Note bore interest at a rate of 8% per annum, which interest was paid by the Company to Power Up in shares of the Company's common stock, but not payable until the January 7, 2020 Power Up Note became payable, whether at the maturity date or upon acceleration or by prepayment.

March 12, 2020 Power Up Lending Group Securities Purchase Agreement

Effective March 12, 2020, the Company entered into a securities purchase agreement with Power Up Lending Group Ltd. ("Power Up"), pursuant to which Power Up purchased a convertible promissory note (the "March 12, 2020 Power Up Note") from the Company in the aggregate principal amount of \$43,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Power Up. The transaction closed on March 12, 2020 and the Company received payment on March 5, 2020 in the amount of \$40,000, net of \$2,500 paid directly toward legal fees and \$500 to Power Up for due diligence fees. The maturity date of the March 12, 2020 Power Up Note was March 12, 2021. The March 12, 2020, Power Up Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Power Up in shares of the Company's common stock but was not payable until the March 12, 2020 Power Up Note became payable, whether at the maturity date or upon acceleration or by prepayment.

All the notes issued above to Power Up contained certain events of default, upon which principal and accrued interest would become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal would accrue at a default interest rate of 22% per annum.

Additionally, Power Up had the option to convert all or any amount of the principal face amount of the notes issued to Power Up, starting on certain dates as defined in the note agreements and ending on the later of the maturity date or the date the Default Amount is paid if an event of default occurs, which was an amount equal to 150% of an amount equal to the then outstanding principal amount of the notes plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price.

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The conversion price for the above Power Up notes was \$3,050, subject to certain Market Price (as defined below) adjustment. If the Market Price was greater than or equal to \$5,000, the conversion price was to be the greater of 65% of the Market Price ("Variable Conversion Price") and \$3,050. In the event Market Price was less than \$5,000, the conversion price was to be the Variable Conversion Price. As defined in the note agreements, the "Market Price" was the average of the lowest three closing bid prices during the ten day trading period prior to and including the day the Company receives a notice of conversion from Power Up on the electronic quotation system or applicable principal securities exchange or trading market or, if no closing bid price of such security is available in any of the foregoing manners, the average of the closing bid prices of any market makers for such security that are listed in the "pink sheets" during the ten prior trading days, including the day upon which the Company receives a notice of conversion from Power Up. Notwithstanding the foregoing, Power Up was restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Power Up and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock. An aggregate initial total of \$422,557 of these notes were bifurcated with the embedded conversion option recorded as derivative liabilities at fair value.

The total principal amount outstanding under the above Power Up financing agreement, specifically the January 7, 2020 and March 12, 2020 Power Up Notes, was \$0 and accrued interest of \$0 as of June 30, 2021 following repayment in cash of \$43,000 of the principal balance and \$1,816 of accrued interest and conversions into common stock during the year ended June 30, 2021. Accordingly, there was no outstanding principal balance as of June 30, 2021.

Auctus Fund Financing Agreements

August 30, 2019 Securities Purchase Agreement

Effective August 30, 2019, the Company entered into a securities purchase agreement with Auctus Fund, LLC ("Auctus"), pursuant to which Auctus purchased a convertible promissory note (the "August 30, 2019 Auctus Note") from the Company in the aggregate principal amount of \$550,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Auctus. The transaction closed on August 30, 2019 and the Company received payment on September 4, 2019 in the amount of \$550,000, of which \$5,000 was paid directly toward legal fees and \$40,000 to Auctus for due diligence fees resulting in net cash proceeds of \$505,000. The maturity date of the August 30, 2019 Auctus Note was August 30, 2020. The August 30, 2019 Auctus Note bore interest at a rate of 10% per annum, but not payable until the August 30, 2019 Auctus Note became payable, whether at the maturity date or upon acceleration or by prepayment. The note was treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$366,667 put premium. The August 30, 2019 Auctus Note may not be prepaid without the written consent of Auctus. Any amount of principal or interest which was not paid when due shall bear interest at the rate of 24% per annum.

Additionally, Auctus had the option to convert all or any amount of the principal face amount and accrued interest of the August 30, 2019 Auctus Note, at any time following the issue date and ending on the later of the maturity date or the date of payment of the Default Amount if an event of default occurs, which was an amount equal to 125% of an amount equal to the then outstanding principal amount of the August 30, 2019 Auctus Note (but not less than \$15,000) plus any interest accrued from August 30, 2019 at the default interest rate of 24% per annum, for shares of the Company's common stock at the then-applicable conversion price. Upon the holder's election to convert accrued interest, default interest or any penalty amounts as stipulated, the Company may elect to pay those amounts in cash. The note may also be prepaid by the Company at any time between the date of issuance and August 13, 2020 at 135% multiplied by the sum of (a) the then outstanding principal amount plus (b) accrued and unpaid interest plus (c) default interests, if any.

The conversion price for the August 30, 2019 Auctus Note was a Variable Conversion Price, being 60% of the Market Price on the date of conversion. Notwithstanding the foregoing, Auctus was restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Auctus and its

affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock.

In connection with the issuance of the August 2019 Auctus Note, the Company issued common stock purchase warrants to Auctus to purchase 450 shares of the Company's common stock (the "First Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such First Warrant at an "Exercise Price" of \$2,250. In connection with the issuance of the Note, the Company shall issue a common stock purchase warrant to Buyer to purchase 300 shares of the Company's common stock (the "Second Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such Second Warrant at an "Exercise Price" of \$3,330. In connection with the issuance of the Note, the Company shall issue a common stock purchase warrant to Buyer to purchase 225 shares of the Company's common stock (the "Third Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such Third Warrant at an "Exercise Price" of \$4,500. The First Warrant, Second Warrant, and Third Warrant shall collectively be referred as the "Warrants". The Warrants have an "Exercise Period" of five years from the date of issuance being August 30, 2019. Under the terms of the Purchase Agreement and the Warrants, the Selling Security Holder may not either convert the Notes nor exercise the Warrants to the extent (but only to the extent) that the Selling Security Holder or any of its affiliates would beneficially own a number of shares of our Common Stock which would exceed 4.99% of our outstanding shares. The Company accounted for the warrants by using the relative fair value method and recorded debt discount from the relative fair value of the warrants of \$375,905 using a simple binomial lattice model.

In connection with the Purchase Agreement, the Company and the Purchaser entered into a Registration Rights Agreement (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company agreed to register the shares of Common Stock underlying the Securities in a Registration Statement with the SEC as well as the Commitment Shares (as defined herein). The Registration Rights Agreement contains customary representations, warranties, agreements and indemnification rights and obligations of the parties.

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The Note was subject to customary default provisions and also includes a cross-default provision which provides that a breach or default by the Borrower of any covenant or other term or condition contained in any of the Other Agreements (as defined therein), after the passage of all applicable notice and cure or grace periods, shall, at the option of the Holder, be considered a default under this Note and the Other Agreements. Upon occurrence of any such event, the Holder was entitled (but in no event required) to apply all rights and remedies of the Holder under the terms of this Note and the Other Agreements by reason of a default under said Other Agreements or the Note.

The August 30, 2019 Auctus Note contained certain events of default, upon which principal and accrued interest were to become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 24% per annum.

The total principal amount outstanding under the above Auctus financing agreement, specifically the August 30, 2019 Auctus Note, was \$358,965 and accrued interest of \$486 as of June 30, 2020 following conversion of \$191,035 of the principal balance and \$43,176 of accrued interest during the year ended June 30, 2020. Accordingly, \$127,356 of the put premium was released in respect of the August 30, 2019 Auctus Note during the year ended June 30, 2020 following conversion of the principal balance.

The total principal amount outstanding under the above Auctus financing agreement, specifically the August 30, 2019 Auctus Note, was \$32,848 and accrued interest of \$0 as of June 30, 2021 following conversion of \$326,117 of the principal balance and \$39,536 of accrued interest during the year ended June 30, 2021. Accordingly, \$217,411 of the put premium was released in respect of the August 30, 2019 Auctus Note during the year ended June 30, 2021 following conversion of the principal balance.

The total principal amount outstanding under the above Auctus financing agreement, specifically the August 30, 2019 Auctus Note, was \$0 and accrued interest of \$0 as of June 30, 2022 following conversion of \$32,848 of the principal balance and \$716 of accrued interest during the year ended June 30, 2022. Accordingly, \$21,899 of the put premium was released in respect of the August 30, 2019 Auctus Note during the year ended June 30, 2022 following conversion of the principal balance. Accordingly, there was no outstanding principal balance as of June 30, 2022.

Crown Bridge Securities Purchase Agreements

Effective October 3, 2019, the Company entered into a securities purchase agreement with Crown Bridge Partners, pursuant to which Crown Bridge purchased a convertible promissory note (the "October 3, 2019 Crown Bridge Note") from the Company in the aggregate principal amount of \$108,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Crown Bridge any time from the of issuance of the of the October 3, 2019 Crown Bridge Note. The transactions contemplated by the Crown Bridge Securities Purchase Agreement closed on October 3, 2019. Pursuant to the terms of the Crown Bridge Securities Purchase Agreement, Crown Bridge deducted \$3,000 from the principal payment due under the October 3, 2019 Crown Bridge Note, at the time of closing, to be applied to its legal expenses, and there was a \$5,000 original issuance discount resulting in \$100,000 net proceeds to the Company. The Company used the net proceeds from the October 3, 2019 Crown Bridge Note for general working capital purposes. The maturity date of the October 3, 2019 Crown Bridge Note was October 3, 2020 and is currently past due. The October 3, 2019 Crown Bridge Note currently bears interest at a default interest rate of 15% per annum, which interest may be paid by the Company to Crown Bridge in shares of the Company's common stock.

Additionally, Crown Bridge has the option to convert all or any amount of the principal face amount of the October 3, 2019 Crown Bridge Note at any time from the date of issuance and ending on the later of the maturity date or the date the Default Amount is paid if an event of default occurs, which is an amount between 110% and 150% of an amount equal to the then outstanding principal amount of the October 3, 2019 Crown Bridge Note plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price.

The conversion price for the October 3, 2019 Crown Bridge Note shall be equal to a 40% discount of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion is received. Notwithstanding the foregoing, Crown Bridge shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Crown Bridge and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock which may be increased up to 9.99% upon 60 days prior written notice by the Crown Bridge to the Company. The note is treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$72,000 put premium.

The October 3, 2019 Crown Bridge Note contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 15% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amount outstanding under the above Crown Bridge financing agreement was \$65,280 and accrued interest of \$7,232 as of as of June 30, 2020 following conversion of \$42,720 of the principal balance during the year ended June 30, 2020. Accordingly, \$28,480 of the put premium was released in respect of the October 3, 2019 Crown Bridge Note during the year ended June 30, 2020 following conversion of the principal balance.

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There were 15,000 unissued shares which were considered issuable for accounting purposes during the 1st quarter of fiscal 2021 related to a conversion notice dated and received on September 16, 2020. In November 2020, the Company was notified by the note holder of the cancellation of this conversion notice as a result of the reverse stock split and as such the Company reversed the effects of this transaction thereby increasing the principal balance by \$9,600 and put premium by \$6,400 and a corresponding decrease in equity of \$16,000.

The total principal amount outstanding under the above Crown Bridge financing agreement was \$65,280 and accrued interest of \$16,138 as of June 30, 2021. The total principal amount outstanding under the above Crown Bridge financing agreement was \$65,280 and accrued interest of \$25,930 as of June 30, 2022.

GW Holdings Securities Purchase Agreements

October 1, 2019 Securities Purchase Agreement

Effective October 1, 2019, the Company entered into a securities purchase agreement with GW Holdings, pursuant to which GW Holdings purchased a convertible promissory note (the "October 1, 2019 GW Note") from the Company in the aggregate principal amount of \$131,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of GW Holdings any time after the six-month anniversary of the October 1, 2019 GW Holdings Note. The transactions contemplated by the GW Holdings Securities Purchase Agreement closed on October 1, 2019. Pursuant to the terms of the GW Holdings Securities Purchase Agreement, the lender deducted \$6,000 from the principal payment due under the October 1, 2019 GW Note, at the time of closing, to be applied to its legal expenses. The Company used the net proceeds of \$125,000 from the October 1, 2019 GW Note for general working capital purposes. The maturity date of the October 1, 2019 GW Holdings was October 1, 2020. The October 1, 2019 GW Holdings Note bore interest at a rate of 8% per annum, which interest was paid by the Company to GW Holdings in shares of the Company's common stock; but was not payable until the October 1, 2019 GW Holdings Note became payable, whether at the maturity date or upon acceleration or by prepayment.

December 10, 2020 Securities Purchase Agreement

Effective December 10, 2020, the Company entered into a securities purchase agreement with GW Holdings, pursuant to which GW Holdings purchased a convertible promissory note (the "December 10, 2020 GW Note") from the Company in the aggregate principal amount of \$131,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of GW Holdings anytime from the issuance of the December 10, 2020 GW Holdings Note. The transactions contemplated by the GW Holdings Securities Purchase Agreement closed on December 10, 2020. Pursuant to the terms of the GW Holdings Securities Purchase Agreement, the lender deducted \$6,000 from the principal payment due under the December 10, 2020 GW Note, at the time of closing, to be applied to its legal expenses. The Company used the net proceeds of \$125,000 from the December 10, 2020 GW Note for general working capital purposes. The maturity date of the December 10, 2020 GW Holdings was December 10, 2021. The December 10, 2020 GW Holdings Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to GW Holdings in shares of the Company's common stock; but shall not be payable until the December 10, 2020 GW Holdings Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

The above notes issued to GW Holdings contain certain events of default, upon which principal and accrued interest were to become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 24% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

Additionally, GW Holdings had the option to convert all or any amount of the principal face amount of the notes issued to GW Holdings at any time from the date of issuance and ending on the later of the maturity date or the date the Default Amount is paid if an event of default occurs, which is an amount between 110% and 150% of an amount equal to the then outstanding principal amount of such notes plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price.

The conversion price for the above GW Holdings notes was equal to a 40% discount of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion was received. Notwithstanding the foregoing, GW Holdings shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by GW Holdings and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock which may be increased up to 9.99% upon 60 days prior written notice by the GW Holdings to the Company.

These notes were treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$74,666 put premium.

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The total principal amount outstanding under the above October 1, 2019 GW Holdings financing agreement was \$30,000 and accrued interest of \$1,776 as of June 30, 2020 following conversion of \$101,000 of the principal balance and \$5,082 of accrued interest during the year ended June 30, 2020. The total principal amount and accrued interest outstanding under the above October 1, 2019 GW Holdings financing agreement was \$0 as of June 30, 2021 following conversion of \$30,000 of the principal balance and \$3,877 of accrued interest during the year ended June 30, 2021. Accordingly, \$67,333 and \$20,000 of the put premium was reclassified to additional paid in capital during the year ended June 30, 2020 and 2021, respectively, following conversion of the principal balance. This note was fully converted into common stock in fiscal 2021.

The total principal amount outstanding under the above December 10, 2020 GW Holdings financing agreement, was \$0,000 and accrued interest of \$4,636 as of June 30, 2021 following conversion of \$41,000 of the principal balance and \$1,084 of accrued interest during the year ended June 30, 2021. Accordingly, \$27,333 of the put premium was reclassified to additional paid in capital in respect of the October 1, 2019 GW Holdings Note during the year ended June 30, 2021 following conversion of the principal balance.

The total principal amount outstanding and accrued interest under the above December 10, 2020 GW Holdings financing agreement, was \$0 as of June 30, 2022 following conversion of \$90,000 of the principal balance, \$7,885 of accrued interest and \$4,000 default penalty during the year ended June 30, 2022. Accordingly, \$60,000 of the put premium was reclassified to additional paid in capital in respect of the December 10, 2020 GW Holdings Note during the year ended June 30, 2022 following conversion of the principal balance.

Ader Alef Securities Purchase Agreements

Effective January 13, 2020, the Company entered into a securities purchase agreement with Ader Alef, pursuant to which Ader Alef purchased a convertible promissory note (the "January 13, 2020 Ader Alef Note") from the Company in the aggregate principal amount of \$110,250, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Ader Alef any time after the six-month anniversary of the January 13, 2020 Ader Alef Note. The January 13, 2020 Ader Alef Note contained an original discount of \$5,250. The transactions contemplated by the Ader Alef Securities Purchase Agreement closed on January 13, 2020. Pursuant to the terms of the Ader Alef Securities Purchase Agreement, Ader Alef deducted \$5,000 from the principal payment due under the January 13, 2020 Ader Alef Note at the time of closing, to be applied to its legal expenses and the Company received net cash proceeds of \$100,000 on January 15, 2020. The Company used the net proceeds from the January 13, 2020 Ader Alef Note for general working capital purposes. The maturity date of the January 13, 2020 Ader Alef was January 13, 2021. The January 13, 2020 Ader Alef Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Ader Alef in shares of the Company's common stock; but was not payable until the January 13, 2020 Ader Alef Note became payable, whether at the maturity date or upon acceleration or by prepayment.

Additionally, Ader Alef had the option to convert all or any amount of the principal face amount of the January 13, 2020 Ader Alef Note at any time from the date of issuance and ending on the later of the maturity date or the date the Default Amount was paid if an event of default occurs, which was an amount between 120% and 150% of an amount equal to the then outstanding principal amount of the January 13, 2020 Ader Alef Note plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price.

The conversion price for the January 13, 2020 Ader Alef Note during the first 6 months the January 13, 2020 Ader Alef Note was fixed at \$2.50 and thereafter would be equal to a 35% discount of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion was received. Notwithstanding the foregoing, Ader Alef was restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Ader Alef and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock which may be increased up to 9.99% upon 60 days prior written notice by the Ader Alef to the Company. The note was treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$59,365 put premium.

The January 13, 2020 Ader Alef Note contained certain events of default, upon which principal and accrued interest would become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal would accrue at a default interest rate of 24% per annum, or if such rate was usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amount outstanding under the above Ader Alef financing agreement was \$110,250 and accrued interest of \$4,073 as of June 30, 2020. The total principal amount outstanding and accrued interest under the above Ader Alef financing agreement was \$0 as of as of June 30, 2021 following conversion of \$110,250 of the principal balance and \$7,493 accrued interest during the year ended June 30, 2021. Accordingly, \$59,365 of the put premium was released in respect of the Ader Alef Note during the year ended June 30, 2021 following conversion of the principal balance. This note was fully converted into common stock in fiscal 2021.

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LG Capital Securities Purchase Agreements

Effective February 19, 2020, the Company entered into a securities purchase agreement with LG Capital Funding, LLC ("LG Capital"), pursuant to which LG Capital purchased a convertible promissory note (the "February 19, 2020 LG Capital Note") from the Company in the aggregate principal amount of \$75,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of LG Capital any time after the six month anniversary of the February 19, 2020 LG Capital Note. The February 19, 2020 LG Capital Note contained an original discount of \$3,750. The transactions contemplated by the LG Capital Securities Purchase Agreement closed on March 4, 2020. Pursuant to the terms of the LG Capital Securities Purchase Agreement, LG Capital deducted \$2,500 from the principal payment due under the February 19, 2020 LG Capital Note at the time of closing, to be applied to its legal expenses and the Company received net cash proceeds of \$71,250 on March 25, 2020. The Company used the net proceeds from the February 19, 2020 LG Capital Note for general working capital purposes. The maturity date of the February 19, 2020 LG Capital Note was February 19, 2021. The February 19, 2020 LG Capital Note bore interest at a rate of 8% per annum, which interest was paid by the Company to LG Capital in shares of the Company's common stock; but was not payable until the February 19, 2020 LG Capital Note became payable, whether at the maturity date or upon acceleration or by prepayment.

During the first 60 to 180 days following the date of the note, the Company had the right to prepay the principal and accrued but unpaid interest due under the February 19, 2020 LG Capital Note, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 112% to 135% as defined in the note agreement. After this initial 180-day period, the Company did not have a right to prepay the February 19, 2020 LG Capital Note.

The conversion price for the February 19, 2020 LG Capital Note during the first 6 months the February 19, 2020 LG Capital Note was fixed at \$500 and thereafter was equal to a 35% discount of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion was received. Notwithstanding the foregoing, LG Capital was restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by LG Capital and its affiliates, exceeds 9.99% of the outstanding shares of the Company's common stock. The note was treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$40,385 put premium.

The February 19, 2020 LG Capital Note contained certain events of default, upon which principal and accrued interest would become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal would accrue at a default interest rate of 24% per annum, or if such rate was usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amount outstanding under the above LG Capital financing agreement was \$75,000 and accrued interest of \$2,164 as of June 30, 2020. The total principal amount outstanding and accrued interest under the above LG Capital financing agreement was \$0 as of June 30 2021 following conversion of \$75,000 of the principal balance and \$5,421 accrued interest during the year ended June 30, 2021. Accordingly, \$40,385 of the put premium was released in respect of the February 19, 2020 LG Capital Note during the year ended June 30, 2021 following conversion of the principal balance. This note was fully converted into common stock in fiscal 2021.

There were 9,427 unissued shares which were considered issuable for accounting purposes during the first quarter of fiscal 2021 related to a conversion notice dated and received on September 9, 2020. In November 2020, the Company was notified by the note holder of the cancellation of this conversion notice as a result of the reverse stock split and as such the Company reversed the effects of this transaction thereby increasing the principal balance by \$10,000, accrued interest of \$416 and put premium by \$5,385 and a corresponding decrease in equity of \$15,801.

Geneva Roth Remark Securities Purchase Agreements

December 2, 2020 Securities Purchase Agreement

Effective December 2, 2020, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc. ("Geneva Roth"), pursuant to which Geneva Roth purchased a convertible promissory note (the "December 2, 2020 Geneva Roth") from the Company in the aggregate principal amount of \$78,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six month anniversary of the December 2, 2020 Geneva Roth. The December 2, 2020 Geneva Roth contained an original discount of \$3,000. The Company used the net proceeds from the December 2, 2020 Geneva Roth for general working capital purposes. The maturity date of the December 2, 2020 Geneva Roth Note was December 2, 2021. The December 2, 2020 Geneva Roth Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the December 2, 2020 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

January 5, 2021 Securities Purchase Agreement

Effective January 5, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "January 5, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$68,500, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the January 5, 2021 Geneva Roth. The January 5, 2021 Geneva Roth contained an original issue discount of \$3,500. The Company used the net proceeds from the January 5, 2021 Geneva Roth for general working

capital purposes. The maturity date of the January 5, 2021 Geneva Roth Note was January 5, 2022. The January 5, 2021 Geneva Roth Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the January 5, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

March 16, 2021 Securities Purchase Agreement

Effective March 16, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "March 16, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$63,500, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the March 16, 2021 Geneva Roth. The March 16, 2021 Geneva Roth contained an original discount of \$3,500. The Company used the net proceeds from the March 16, 2021 Geneva Roth for general working capital purposes.

The maturity date of the March 16, 2021 Geneva Roth Note was March 16, 2022. The March 16, 2021 Geneva Roth Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the March 16, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

August 19, 2021 Securities Purchase Agreement

Effective August 19, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "August 19, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$103,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the August 19, 2021 Geneva Roth. The August 19, 2021 Geneva Roth contained an original discount of \$3,750. The Company used the net proceeds from the August 19, 2021 Geneva Roth for general working capital purposes. The maturity date of the August 19, 2021 Geneva Roth Note was August 19, 2022. The August 19, 2021 Geneva Roth Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the August 19, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

September 22, 2021 Securities Purchase Agreement

Additionally, effective September 22, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "September 22, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the September 22, 2021 Geneva Roth. The September 22, 2021 Geneva Roth contains an original discount of \$3,750. The Company intends to use the net proceeds from the September 22, 2021 Geneva Roth for general working capital purposes. The maturity date of the September 22, 2021 Geneva Roth Note is September 22, 2022. The September 22, 2021 Geneva Roth Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the September 22, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

During the first 60 to 180 days following the date of these notes, the Company had the right to prepay the principal and accrued but unpaid interest due under the above notes issued to Geneva Roth, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 110% to 129% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such notes.

The conversion price for the above Geneva Roth notes was equal to a 35% discount of the market price based on the average of the lowest three trading prices of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion. Notwithstanding the foregoing, Geneva Roth shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Geneva Roth and its affiliates, exceeds 9.99% of the outstanding shares of the Company's common stock. These notes were treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$203,269 put premium for the five notes.

The above Geneva Roth notes contained certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 22% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amounts outstanding under the above Geneva Roth financing agreements were \$32,000 and accrued interest of \$3,477 as of June 30, 2021 following conversion of \$78,000 of the principal balance and \$3,120 accrued interest during the year ended June 30, 2021. Accordingly, \$42,000 of the put premium was released in respect of the Geneva Roth financing agreements during the year ended June 30, 2021 following conversion of the principal balance.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

The total principal amounts outstanding under the above Geneva Roth financing agreements were \$0 as of June 30, 2022 following conversion of \$299,500 of the principal balance and \$11,980 accrued interest during the year ended June 30, 2022. Accordingly, \$161,269 of the put premium was released to additional paid in capital in respect of the Geneva Roth financing agreements during the year ended June 30, 2022 following conversion of the principal balance.

1800 Diagonal Lending (formerly known as Sixth Street Lending) Securities Purchase Agreements

October 21, 2021 Securities Purchase Agreement

Effective October 21, 2021, the Company entered into a securities purchase agreement with Sixth Street Lending LLC ("Sixth Street"), pursuant to which Sixth Street purchased a convertible promissory note (the "October 21, 2021 Sixth Street") from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Sixth Street any time after the six-month anniversary of the October 21, 2021 Sixth Street. The October 21, 2021 Sixth Street contained debt issue costs of \$3,750. The Company used the net proceeds from the October 21, 2021 Sixth Street for general working capital purposes. The maturity date of the October 21, 2021 Sixth Street Note is October 21, 2022. The October 21, 2021 Sixth Street Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Sixth Street in shares of the Company's common stock; but shall not be payable until the October 21, 2021 Sixth Street Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

November 26, 2021 Securities Purchase Agreement

Effective November 26, 2021, the Company entered into a securities purchase agreement with Sixth Street Lending LLC pursuant to which Sixth Street purchased a convertible promissory note (the “November 26, 2021 Sixth Street”) from the Company in the aggregate principal amount of \$53,750, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of Sixth Street any time after the six-month anniversary of the November 26, 2021 Sixth Street. The November 26, 2021 Sixth Street contained debt issue costs of \$3,750. The Company used the net proceeds from the November 26, 2021 Sixth Street for general working capital purposes. The maturity date of the November 26, 2021 Sixth Street Note is November 26, 2022. The November 26, 2021 Sixth Street Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Sixth Street in shares of the Company’s common stock; but shall not be payable until the November 26, 2021 Sixth Street Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

January 4, 2022 Securities Purchase Agreement

Additionally, effective January 4, 2022, the Company entered into a securities purchase agreement with Sixth Street Lending LLC pursuant to which Sixth Street purchased a convertible promissory note (the “January 4, 2022 Sixth Street”) from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of Sixth Street any time after the six-month anniversary of the January 4, 2022 Sixth Street. The January 4, 2022 Sixth Street contains debt issue costs of \$3,750. The Company intends to use the net proceeds from the January 4, 2022 Sixth Street for general working capital purposes. The maturity date of the January 4, 2022 Sixth Street Note is January 4, 2023. The January 4, 2022 Sixth Street Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Sixth Street in shares of the Company’s common stock; but shall not be payable until the January 4, 2022 Sixth Street Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

March 7, 2022 Securities Purchase Agreement

Additionally, effective March 7, 2022, the Company entered into a securities purchase agreement with Sixth Street Lending LLC pursuant to which Sixth Street purchased a convertible promissory note (the “March 7, 2022 Sixth Street”) from the Company in the aggregate principal amount of \$68,750, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of Sixth Street any time after the six-month anniversary of the March 7, 2022 Sixth Street. The March 7, 2022 Sixth Street contains debt issue costs of \$3,750. The Company intends to use the net proceeds from the March 7, 2022 Sixth Street for general working capital purposes. The maturity date of the March 7, 2022 Sixth Street Note is March 7, 2023. The March 7, 2022 Sixth Street Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Sixth Street in shares of the Company’s common stock; but shall not be payable until the March 7, 2022 Sixth Street Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

April 12, 2022 Securities Purchase Agreement

Effective April 12, 2022, the Company entered into a securities purchase agreement with Sixth Street Lending LLC, pursuant to which Sixth Street purchased a convertible promissory note (the “April 12, 2022 Sixth Street”) from the Company in the aggregate principal amount of \$68,750, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of Sixth Street any time after the six-month anniversary of the April 12, 2022 Sixth Street. The April 12, 2022 Sixth Street contains debt issue costs of \$3,750. The Company intends to use the net proceeds from the April 12, 2022 Sixth Street for general working capital purposes. The maturity date of the April 12, 2022 Sixth Street Note is April 12, 2023. The April 12, 2022 Sixth Street Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Sixth Street in shares of the Company’s common stock; but shall not be payable until the April 12, 2022 Sixth Street Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

May 12, 2022 Securities Purchase Agreement

Effective May 12, 2022, the Company entered into a securities purchase agreement with 1800 Diagonal Lending LLC (“1800 Diagonal”), pursuant to which 1800 Diagonal purchased a convertible promissory note (the “May 12, 2022 1800 Diagonal Note”) from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of 1800 Diagonal any time after the six-month anniversary of the May 12, 2022 1800 Diagonal Note. The May 12, 2022 1800 Diagonal Note contains debt issue costs of \$3,750. The Company intends to use the net proceeds from the May 12, 2022 1800 Diagonal Note for general working capital purposes. The maturity date of the May 12, 2022 1800 Diagonal Note is May 12, 2023. The May 12, 2022 1800 Diagonal Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to 1800 Diagonal in shares of the Company’s common stock; but shall not be payable until the May 12, 2022 1800 Diagonal Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

During the first 60 to 180 days following the date of the above listed notes, the Company has the right to prepay the principal and accrued but unpaid interest due under the above notes issued, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 110% to 129% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such notes.

The conversion price for the above 1800 Diagonal notes shall be equal to a 35% discount of the market price which means the average of the lowest three trading prices of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion. Notwithstanding the foregoing, 1800 Diagonal shall be restricted from effecting a conversion if such conversion, along with other shares of the Company’s common stock beneficially owned by 1800 Diagonal and its affiliates, exceeds 9.99% of the outstanding shares of the Company’s common stock. These notes are treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$205,962 put premium.

The above 1800 Diagonal notes contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 22% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

Other than as described above, the above 1800 Diagonal notes contain certain events of default, including failure to timely issue shares upon receipt of a notice of conversion, as well as certain customary events of default, including, among others, breach of covenants, representations or warranties, insolvency, bankruptcy, liquidation and failure by the Company to pay the principal and interest due under the Note. Additional events of default shall include, among others: (i) failure to reserve at least five times the number of shares issuable upon full conversion of the Note; (ii) bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Company or any subsidiary of the Company; provided, that in the event such event is triggered without the Company’s consent, the Company shall have sixty (60) days after such event is triggered to discharge such event, (iii) the Company’s failure to maintain the listing of the common stock on at least one of the OTC markets (which specifically includes the quotation platforms maintained by the OTC Markets Group) or an equivalent replacement exchange, the Nasdaq National Market, the Nasdaq Small Cap Market, the New York Stock Exchange, or the American Stock Exchange, (iv) The restatement of any financial statements filed by the Company with the SEC at any time after 180 days after the issuance date for any date or period until this note is no longer outstanding, if the result of such restatement would, by comparison to the un-restated financial statement, have reasonably constituted a material adverse effect on the rights of 1800 Diagonal with respect to this note or the Purchase Agreement, and (v) the Company’s failure to comply with its reporting requirements of the Securities and Exchange Act of 1934 (the “Exchange Act”), and/or the Company ceases to be subject to the reporting requirements of the Exchange Act.

In the event that the Company fails to deliver the shares of common stock issuable upon conversion of principal or interest under the above 1800 Diagonal notes within three business days of a notice of conversion by 1800 Diagonal, the Company shall incur a penalty of \$1,000 per day, provided, however, that such fee shall not be due if the failure to deliver the shares is a result of a third party such as the transfer agent.

Upon the occurrence and during the continuation of certain events of default, the above 1800 Diagonal notes will become immediately due and payable and the Company will pay 1800 Diagonal in full satisfaction of its obligations in the amount equal to 150% of an amount equal to the then outstanding principal amount of the above 1800 Diagonal notes plus any interest accrued upon such event of default or prior events of default (the "Default Amount"). Further upon the occurrence and during the continuation of any event of default specified in section 3.2 as defined in the 1800 Diagonal note agreements and relates to the failure to issue shares of the Company's common stock upon the conversion of 1800 Diagonal notes, such above 1800 Diagonal notes shall become immediately due and payable in an amount equal to the Default Amount multiplied by two.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The total principal amount outstanding under the above Sixth Street financing agreements were \$65,000 and accrued interest of \$6,081 as of June 30, 2022 following conversion of \$117,500 of the principal balance and \$4,700 accrued interest during the year ended June 30, 2022. Accordingly, \$63,269 of the put premium was released to additional paid in capital in respect to the Sixth Street financing agreements during the year ended June 30, 2022 following conversion of the principal balance.

ONE44 Capital Securities Purchase Agreements

December 7, 2021 Securities Purchase Agreement

Effective December 7, 2021, the Company entered into a securities purchase agreement with ONE44 Capital LLC ("ONE44"), pursuant to which ONE44 purchased a convertible promissory note (the "December 7, 2021 ONE44") from the Company in the aggregate principal amount of \$170,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of ONE44 any time after the six-month anniversary of the December 7, 2021 ONE44. The December 7, 2021 ONE44 contains an original discount and debt issue cost for a total of \$25,500. The Company intends to use the net proceeds from the December 7, 2021 ONE44 for general working capital purposes. The maturity date of the December 7, 2021 ONE44 is December 7, 2022. The December 7, 2021 ONE44 bears interest at a rate of 10% per annum, which interest may be paid by the Company to ONE44 in shares of the Company's common stock; but shall not be payable until the December 7, 2021 ONE44 Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

March 29, 2022 Securities Purchase Agreement

Effective March 29, 2022, the Company entered into a securities purchase agreement with ONE44 Capital LLC, pursuant to which ONE44 purchased a convertible promissory note (the "March 29, 2022 ONE44") from the Company in the aggregate principal amount of \$120,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of ONE44 any time after the six-month anniversary of the March 29, 2022 ONE44. The December 7, 2021 ONE44 contains an original discount and debt issue cost for a total of \$18,000. The Company intends to use the net proceeds from the March 29, 2022 ONE44 for general working capital purposes. The maturity date of the March 29, 2022 ONE44 is March 29, 2023. The March 29, 2022 ONE44 bears interest at a rate of 10% per annum, which interest may be paid by the Company to ONE44 in shares of the Company's common stock; but shall not be payable until the March 29, 2022 ONE44 Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

During the first 60 to 180 days following the date of these notes, the Company has the right to prepay the principal and accrued but unpaid interest due under the above notes issued to ONE44, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 120% to 135% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such notes.

The conversion price for the above ONE44 notes shall be equal to a 65% discount of the market price which means the average of the lowest three trading prices of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion. Notwithstanding the foregoing, ONE44 shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by ONE44 and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock. These notes are treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$156,154 put premium.

The above ONE44 notes contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 24% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions. In the event that the Company fails to deliver to ONE44 shares of common stock issuable upon conversion of principal or interest under the ONE44 note, the penalty shall be \$250 per day the shares are not issued beginning on the 4th day after the conversion notice was delivered to the Company. This penalty shall increase to \$500 per day beginning on the 10th day. In an event of breach of section 8m as defined in the ONE44 note agreements, such ONE44 notes shall incur penalty and will increase the outstanding principal amounts by 20%.

The total principal amount outstanding under the above ONE44 financing agreements were \$235,700 and accrued interest of \$9,519 as of June 30, 2022 following conversion of \$54,300 of the principal balance and \$2,873 accrued interest during the year ended June 30, 2022. Accordingly, \$29,238 of the put premium was released to additional paid in capital in respect to the ONE44 financing agreements during the year ended June 30, 2022 following conversion of the principal balance.

Convertible notes in default

There are two convertible notes that are currently past due and are in default, consisting of \$44,280 principal and \$33,930 accrued interest which includes interest accruing at the default interest rates ranging from 15% to 18%.

Amortization of debt discounts

The Company recorded \$73,500 and \$211,000 of debt discounts related to the above note issuances during the years ended June 30, 2022 and 2021, respectively. The Company recorded \$452,308 and \$498,160 of put premiums related to the above note issuances during the years ended June 30, 2022 and 2021, respectively. The debt discounts are being amortized over the term of the debt and the put premiums are expensed on issuance of the debt with the liability released to additional paid in capital on conversion of the principal.

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Amortization of all debt discounts for the years ended June 30, 2022 and 2021 was \$7,971 and \$136,527, respectively.

The Company reclassified \$335,677 and \$590,504 in put premiums to additional paid in capital following conversions during the year ended June 30, 2022 and 2021, respectively.

NOTE 7 – INCOME TAXES

The Company follows ASC 740-10-10, under which an entity recognizes deferred tax assets and liabilities for future tax consequences or for events that were previously recognized in the Company's financial statements or tax returns. The measurement of deferred tax assets and liabilities is based on enacted tax law provisions. The effects of future changes in tax laws or rates are not anticipated. Through June 30, 2010, the Company operated exclusively in Australia. The Company was wholly subject to Australian income tax laws and regulations, which are administered by the Australian Taxation Office for the years ended June 30, 2010 and all prior years.

On November 23, 2010, the Company was incorporated in the state of Delaware. In January 2011, the Company acquired all of the outstanding shares of Propanc PTY LTD on a one-for-one basis with Propanc PTY LTD becoming a wholly owned subsidiary of the Company. As a result of these transactions, the Company is subject to the income tax laws of both the United States and Australia for the years ended June 30, 2013 through June 30, 2022.

The reconciliation of income tax expense computed at the U.S. federal statutory rate of 21% to the income tax provision for the years ended June 30, 2022 and 2021 is as follows:

	Year Ended	
	June 30, 2022	June 30, 2021
US		
Loss before Income taxes	\$ (2,658,087)	\$ (2,025,947)
Taxes under statutory US tax rates	\$ (558,198)	\$ (425,449)
Increase (decrease) in valuation allowance	339,334	1,146,001
Prior period adjustment	-	(1,063,710)
Foreign tax rate differential	(64,349)	(51,169)
Income tax rate change	272,008	392,767
Other	11,205	1,559
Income tax (expense) benefit	\$ -	\$ -

The Company reflects a tax benefit on its consolidated statement of operations and comprehensive income (loss) in 2022 and 2021 of \$4,977 and \$113,415, respectively. These amounts are research and development tax credits and are not considered income tax.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, permits NOL carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2022 and 2021

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities consist of the following:

	Year Ended	
	June 30, 2022	June 30, 2021
Deferred tax assets		
Warrant Derivative Liability	\$ 7,403	\$ 7,403
Accrued Expenses	363,873	342,464
Prepaid Investor Services	427,318	444,411
Non-cash interest	709,936	687,529
Intangibles (Intellectual Property and Patent Cost)	293,260	259,743
Deferred Rent	4,198	4,262
Formation Expense	6,553	6,815
Net Operating Loss carryforward	8,759,357	8,546,920
Foreign Exchange Loss (OCI)	(39,379)	(39,379)
Revalue of derivative liability	460,772	439,958
Stock Based Compensation	84,028	51,481
Total Deferred tax assets	\$ 11,077,318	\$ 10,751,607
Deferred tax liabilities		
R&D	\$ (170,435)	\$ (197,604)
Gain on extinguishment of debt	(259,470)	(277,614)
Capital Raising Costs	(352,981)	(321,291)
Total deferred tax liabilities	\$ (782,886)	\$ (796,509)
Net deferred tax assets	\$ 10,294,432	\$ 9,955,098
Valuation allowance	(10,294,432)	(9,955,098)
Net deferred tax assets	\$ -	\$ -

At June 30, 2022, the Company had U.S. net operating loss carry forwards of approximately \$10,183,947 that may be offset against future taxable income, subject to limitation under IRC Section 382. Of the approximately \$10.2 million of net operating loss carryforwards, \$7.2 million will begin to expire in 2024 and the remaining \$3.0 million will not expire but is subject to annual usage limitations. The Australian tax rate changed from 26% in 2021 to 25% in 2022. At June 30, 2022, the Company had Australia net operating loss carry forwards of approximately \$26,482,912 which can be carried forward without expiration. No tax benefit has been reported in the June 30, 2022 and 2021 consolidated financial statements due to the uncertainty surrounding the realizability of the benefit, based on a more likely than not criteria and in consideration of available positive and negative evidence.

The Company applied the "more-likely-than-not" recognition threshold to all tax positions taken or expected to be taken in a tax return, which resulted in unrecognized tax benefits as of June 30, 2022 and 2021, respectively.

Management has determined that the realization of the net deferred tax asset is not assured and has created a valuation allowance for the entire amount of such benefits.

The Company follows ASC 740-10, which provides guidance for the recognition and measurement of certain tax positions in an enterprise's financial statements. Recognition involves a determination whether it is more likely than not that a tax position will be sustained upon examination with the presumption that the tax position will be examined by the appropriate taxing authority having full knowledge of all relevant information.

The Company's policy is to record interest and penalties associated with unrecognized tax benefits as additional income taxes in the consolidated statement of operations. As of June 30, 2022, the Company had no unrecognized tax benefits. There were no changes in the Company's unrecognized tax benefits during the years ended June 30, 2022 and 2021. The Company did not recognize any interest or penalties during fiscal 2022 or 2021 related to unrecognized tax benefits.

The income tax returns filed for the tax years from inception will be subject to examination by the relevant taxing authorities.

NOTE 8 – STOCKHOLDERS' DEFICIT

Increase in Authorized Shares of Common Stock and Reverse Stock Split

On May 18, 2022, the board of directors of the Company approved and authorized, and the holders of a majority in interest of the Company's voting capital stock approved by written consent, in accordance with Section 228 of the Delaware General Corporation Law, for the Company to file a Certificate of Amendment to its Certificate of Incorporation with the Secretary of State of the State of Delaware, which increased the Company's authorized capital stock. The Certificate increased the number of authorized shares of the Company's common stock, par value \$0.001 per share, from 1,000,000,000 to 3,000,000,000. The number of authorized shares of preferred stock remains at 1,500,005, such that the total number of shares of all classes and series the Company is authorized to issue is 3,001,500,005 shares. The Certificate was filed and became effective on July 6, 2022.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2022 and 2021

On November 17, 2020, the Company effected a one-for-one thousand (1:1,000) reverse stock split of the Company's issued and outstanding shares of common stock (the "Reverse Stock Split"). Proportional adjustments for the Reverse Stock Split were made to the Company's outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

Preferred Stock

The total number of shares of preferred stock that the Company is authorized to issue is 1,500,005, \$0.01 par value per share. These preferred shares have no rights to dividends, profit sharing or liquidation preferences.

Of the total preferred shares authorized, 500,000 have been designated as Series A Preferred Stock ("Series A Preferred Stock"), pursuant to the Certificate of Designation filed with the Secretary of State of the State of Delaware on December 9, 2014. James Nathanielsz, the Company's Chief Executive Officer and Chief Financial Officer, beneficially owns all of the outstanding shares of Series A Preferred Stock via North Horizon Pty Ltd., which entitles him, as a holder of Series A Preferred Stock, to vote on all matters submitted or required to be submitted to a vote of the Company's stockholders, except election and removal of directors, and each share of Series A Preferred Stock entitles him to two votes per share of Series A Preferred Stock. North Horizon Pty Ltd. is a Nathanielsz Family Trust. Mr. James Nathanielsz, the Chief Executive Officer, Chief Financial Officer and a director of our Company, has voting and investment power over these shares. 500,000 shares of Series A Preferred Stock are issued and outstanding as of June 30, 2022 and 2021.

Of the total preferred shares authorized, pursuant to the Certificate of Designation filed with the Secretary of State of the State of Delaware on June 16, 2015, up to five shares have been designated as Series B Preferred Stock ("Series B Preferred Stock"). Each holder of outstanding shares of Series B Preferred Stock is entitled to voting power equivalent to the number of votes equal to the total number of shares of common stock outstanding as of the record date for the determination of stockholders entitled to vote at each meeting of stockholders of the Company and entitled to vote on all matters submitted or required to be submitted to a vote of the stockholders of the Company. One share of Series B Preferred Stock is issued and outstanding as of June 30, 2022 and 2021. Mr. Nathanielsz directly beneficially owns such one share of Series B Preferred Stock.

No additional shares of Series A Preferred Stock or Series B Preferred Stock were issued during fiscal year 2022 and 2021.

Common Stock

Shares issued under the Equity Line

On November 30, 2021, the Company entered into a Common Stock Purchase Agreement (the "Purchase Agreement") with Dutchess Capital Growth Fund LP, a Delaware limited partnership, ("Dutchess"), providing for an equity financing facility (the "Equity Line"). The Purchase Agreement provides that upon the terms and subject to the conditions in the Purchase Agreement, Dutchess is committed to purchase up to Five Million Dollars (\$5,000,000) of shares of the Company's common stock (the "Common Stock"), over the 36 month term of the Purchase Agreement (the "Total Commitment").

Under the terms of the Purchase Agreement, Dutchess will not be obligated to purchase shares of Common Stock unless and until certain conditions are met, including but not limited to a Registration Statement on Form S-1 (the "Registration Statement") becoming effective which registers Dutchess' resale of any Common Stock purchased by Dutchess under the Equity Line. From time to time over the 36-month term of the Purchase Agreement, commencing on the trading day immediately following the date on which the Registration Statement becomes effective, the Company, in our sole discretion, may provide Dutchess with a draw down notice (each, a "Draw Down Notice"), to purchase a specified number of shares of Common Stock (each, a "Draw Down Amount Requested"), subject to the limitations discussed below. The actual amount of proceeds the Company will receive pursuant to each Draw Down Notice (each, a "Draw Down Amount") is to be determined by multiplying the Draw Down Amount Requested by the applicable purchase price. The purchase price of each share of Common Stock equals 92% of the lowest trading price of the Common Stock during the five (5) business days prior to the Closing Date. Closing Date shall mean the five (5) business days after the Clearing Date. Clearing Date shall mean the first business day that the Selling Shareholder holds the Draw Down Amount in its brokerage account and is eligible to trade the shares.

The maximum number of shares of Common Stock requested to be purchased pursuant to any single Draw Down Notice cannot exceed the lesser of (i) 300% of the average daily share volume of the Common Stock in the five (5) trading days immediately preceding the Draw Down Notice or (ii) an aggregate value of \$250,000.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

The Company agreed to pay to Dutchess a commitment fee for entering into the Purchase Agreement of 1,000,000 restricted shares of the Company's common stock. The 1,000,000 shares of common stock were valued at approximately \$0.02 per share or \$20,000, being the closing price of the stock on November 30, 2021, the date of grant. The shares were issued on December 10, 2021. The Company initially recorded deferred offering cost of \$20,000. The Company deferred these costs until such time that the associated financings were completed. Upon completion and recognition of the proceeds, any deferred offering costs will be reported as a direct deduction from the amount of the proceeds received as a charge to additional paid in capital. During the year ended June 30, 2022, the \$20,000 deferred offering cost was directly deducted from the proceeds received below.

Between April 5, 2022 and June 30, 2022, the Company issued an aggregate of 25,663,288 shares of its common stock at an average price per share of approximately \$0.01, as a result of delivering four draw down notices to the Investor. Consequently, the Company received gross aggregate proceeds of \$99,285 and subscription receivable of \$23,758 from such draw down notice. The Company collected the \$23,758 subscription receivable in August 2022.

Shares issued for conversion of convertible debt

During the year ended June 30, 2021, the Company issued an aggregate of 8,786,113 shares of its common stock at an average contractual conversion price of \$0.13, ranging from \$0.03 to \$2.00, as a result of the conversion of principal of \$1,018,867, interest of \$103,321 and conversion fees \$16,500 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$1,239,075 prior to the reversal of unissued shares.

There were 24,427 unissued shares which were considered issuable for accounting purposes during the first quarter of fiscal 2021 related to conversion notices dated and received in September 2020. In November 2020, the Company was notified by the note holder of the cancellation of these conversion notices and as such the Company reversed the effects of these transactions thereby increasing the principal balance by \$19,600, accrued interest of \$416 and put premium by \$11,785 and a corresponding decrease in equity of \$31,801.

During the year ended June 30, 2021, converted notes totaling principal amount of \$9,000 and accrued interest of \$3,000 contained bifurcated embedded conversion option derivatives. Accordingly, the fair market value of the shares issued was \$178,368 resulting in a loss on extinguishment at the time of conversion of \$80,368 and \$130,975 of derivative fair value was recorded as a gain on extinguishment at the time of conversion.

The Company reclassified \$590,504 to additional paid in capital following conversions of notes accounted for as stock settled debt during the year ended June 30, 2021.

During the year ended June 30, 2022, the Company issued an aggregate of 96,959,620 shares of its common stock and common stock issuable of 7,326,007 at average contractual conversion prices ranging from \$0.01 to \$0.04, as a result of the conversion of principal of \$599,148, interest of \$36,154 and conversion fees \$2,250 underlying certain outstanding convertible notes converted during the year. The total recorded to equity was \$657,125 including the \$19,572 discussed below. The common stock issuable of 7,326,007 shares were issued on July 12, 2022.

During the year ended June 30, 2022, converted notes - principal of \$1,000 and accrued interest of \$8,000 contained bifurcated embedded conversion option derivatives. Accordingly, the fair market value of the shares issued upon conversion was \$28,572 resulting in a loss on extinguishment at the time of conversion of \$19,572 and \$2,069 of derivative fair value was recorded as a gain on extinguishment at the time of conversion. The Company reclassified \$335,677 to additional paid in capital following conversions of notes accounted for as stock settled debt during the year ended June 30, 2022.

The Company has 730,181,169 shares of its common stock reserved for future issuances based on lender reserve requirements pursuant to underlying financing agreements at June 30, 2022.

Shares issued for services and accrued expenses

On March 22, 2021, the Company issued an aggregate of 225,037 shares of the Company's common stock to a consultant for services rendered from January 1, 2021 to March 22, 2021. The Company issued 225,037 shares of the Company's common stock valued at \$0.30 per share, being the closing price of the stock on the date of grant to such consultant, or \$67,511. The Company recorded \$67,511 of consulting expense with respect to such shares of its common stock during the year ended June 30, 2021.

Between March 2021 and June 2021, the Company issued an aggregate of 580,609 shares of the Company's common stock to a consultant for services rendered from April 1, 2021 to June 30, 2021. The Company issued 580,609 shares of the Company's common stock valued at \$0.10 per share, being the closing price of the stock on the date of grant to such consultant, or \$58,061. The Company recorded \$58,061 of consulting expense with respect to such shares of its common stock during the year ended June 30, 2021.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

On August 12, 2021, the Board approved the issuance of 2,800,000 shares of the Company's common stock for bonus payable of \$84,000 as of June 30, 2021 to an employee who is the wife of the CEO of the Company. The 2,800,000 shares of common stock were valued at approximately \$0.03 per share or \$87,920, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021. The Company recorded stock-based compensation of \$3,920 during the year ended June 30, 2022 and reclassified bonus payable of \$84,000 to additional paid in capital upon issuance.

On August 12, 2021, the Board approved the issuance of 166,667 shares of the Company's common stock for legal services rendered for the month of August 2021. The 166,667 shares of common stock were valued at approximately \$0.05 per share or \$7,883, being the closing price of the stock on August 31, 2021, the date of grant. The shares were issued on September 3, 2021. The Company recorded stock-based compensation of \$7,883 during the year ended June 30, 2022.

In September 2021, the Company issued 2,819,712 shares of the Company's common stock to a consultant for services rendered from July 2021 to September 2021 valued at approximately \$0.04 per share or \$104,611, being the closing price of the stock on the date of grant to such consultant. The Company recorded stock-based compensation of \$104,611 during the year ended June 30, 2022.

On January 20, 2022, the Board approved the issuance of 666,667 shares of the Company's common stock for legal services rendered in January 2022. The 666,667 shares of common stock were valued at approximately \$0.03 per share or \$20,000, being the average closing prices of the stock for the month of January 2022, the date of grant. The Company recorded stock-based compensation of \$20,000 during the year ended June 30, 2022.

On January 24, 2022, the Company issued 2,274,224 shares of the Company's common stock to a consultant for services rendered from October 2021 to December 2021. The Company issued 2,274,224 shares of the Company's common stock valued at approximately \$0.02 per share or \$45,030, being the closing price of the stock on the date of grant to such consultant. The Company recorded stock-based compensation of \$45,030 during the year ended June 30, 2022.

On February 17, 2022, the Board approved the issuance of 1,148,326 shares of the Company's common stock to a consultant for services rendered upon the termination of the consulting agreement (see Note 9). The Company valued the shares at approximately \$0.02 per share or \$24,000 being the closing price of the stock on the date of grant to such

consultant. The shares were issued on April 7, 2022. The Company recorded stock-based compensation of \$24,000 during the year ended June 30, 2022.

On April 13, 2022, the Company issued 3,833,683 shares of the Company's common stock to a consultant for services rendered from January 2022 to March 2022. The Company issued 3,833,683 shares of the Company's common stock valued at approximately \$0.0122 per share or \$46,771, being the closing price of the stock on the date of grant to such consultant. The Company recorded stock-based compensation of \$46,771 during the year ended June 30, 2022.

On June 30, 2022, the Board approved the issuance of 12,270,958 shares of the Company's common stock to a consultant for services rendered from April 2022 to June 2022. The 12,270,958 shares was reflected as common stock issuable and was valued at approximately \$0.0037 per share or \$45,403, being the closing price of the stock on the date of grant to such consultant. The Company recorded stock-based compensation of \$45,403 during the year ended June 30, 2022. The common stock issuable of 12,270,958 shares were issued on July 1, 2022.

Nathanielsz Cancellation Agreement

On August 12, 2021, the Company entered into a Cancellation Agreement with James Nathanielsz ("Nathanielsz"), Chief Executive Officer and Director of the Company, whereby Nathanielsz agreed to cancel his cash compensation bonus award for fiscal year 2021, ended June 30, 2021, in exchange for common stock of the Company. The Company and Nathanielsz entered into an Amended and Restated Employment Agreement dated May 14, 2019 (the "Agreement"). Pursuant to the terms of the Agreement, Nathanielsz was eligible to earn an annual fiscal year cash performance bonus for each fiscal year of his employment period with the Company with a target performance bonus of 200% of his average annualized base salary during the fiscal year for which the performance bonus is earned. On July 20, 2021, Nathanielsz was awarded a "target" bonus of 78%, or \$177,840 USD (the "Debt") for the fiscal year ended June 30, 2021, by the Company's Board of Directors (the "Board"). Pursuant to the Cancellation Agreement, Nathanielsz agreed to cancel this Debt in exchange for 5,928,000 shares of the common stock of the Company (the "Shares"), valued at approximately \$0.03 per share or \$186,139, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021. The Company recorded stock-based compensation of \$299 during the year ended June 30, 2022 and reclassified bonus payable of \$177,840 to additional paid in capital upon issuance.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

Kenyon Cancellation Agreement

On August 12, 2021, the Company entered into a Cancellation Agreement with Dr. Julian Kenyon ("Kenyon"), Chief Scientific Officer and Director of the Company, whereby Kenyon agreed to cancel of \$102,600 USD of accrued salary due him as of June 30, 2021, pursuant to that certain Amended and Restated Services Agreement by and between Kenyon and the Company, dated May 14, 2019, in exchange for 3,420,000 shares of common stock of the Company (the "Shares"), valued at approximately \$0.03 per share or \$107,388, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021. The Company recorded stock-based compensation of \$788 during the year ended June 30, 2022 and reclassified accrued expenses of \$102,600 to additional paid in capital upon issuance.

Zelinger Amended and Restated Director Agreement

On August 12, 2021, the Company entered into an Amended and Restated Director Agreement (the "Director Agreement") with Josef Zelinger ("Zelinger"). Pursuant to the terms of the Director Agreement, the Company shall pay Zelinger a base salary of \$250.00 AUD (\$184 USD) per month, payable on the first day of each month. In addition, the Company may compensate Zelinger additional consideration for advisory services performed by the Director, either in the form of cash or common stock, at the discretion of the Board. The Company issued 2,800,000 shares of common stock of the Company for accrued director services of \$4,000 as of June 30, 2021. The 2,800,000 shares of common stock were valued at approximately \$0.03 per share or \$87,920, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021. The Company recorded stock-based compensation of \$3,920 during the year ended June 30, 2022 and reclassified accrued expenses of \$4,000 to additional paid in capital upon issuance.

Shares issued for exercise of warrants

During the year ended June 30, 2021, the Company received aggregate gross proceeds of \$776,044 from the exercise of 10,445 prefunded warrants and 19,375 Series B Warrants resulting in the issuance of 29,820 shares of common stock.

During the year ended June 30, 2022, the Company received aggregate gross proceeds of \$625,000 from the exercise of 15,625 Series B Warrants with an exercise price of \$40 per share and issued 15,625 shares of common stock.

Additionally, during the year ended June 30, 2021, the Company issued 4,199,979 shares of common stock from the alternate cashless exercise of 20 Series A and 1 Series C warrants. During the year ended June 30, 2022, the Company issued 56,799,716 shares of common stock from the alternate cashless exercise of 284 Series A warrants with an original exercise price of \$200 and alternate cashless exercise price of \$0.001. The Alternate Cashless Exercise provision, for a cashless conversion at the holder's option, is available should the trading price of the Company's common stock fall below \$200 per share calculated based on the difference between the exercise price of the Series A Warrant and 70% of the market price. The Company recognized the value of the effect of a down round feature in such warrants when triggered. Upon the occurrence of the triggering event that resulted in a reduction of the strike price, the Company measured the value of the effect of the feature as the difference between the fair value of the warrants without the down round feature or before the strike price reduction and the fair value of the warrants with a strike price corresponding to the reduced strike price upon the down round feature being triggered. Accordingly, the Company recognized deemed dividend of \$700,340 and \$391,749, during the years ended June 30, 2022 and 2021, respectively, and a corresponding reduction of income available to common stockholders upon the alternate cashless exercise of these warrants.

Restricted Stock Units

Pursuant to employment agreements dated in May 2019, the Company granted an aggregate of 78 and 39 restricted stock unit to the Company's Chief Executive Officer and Chief Scientific Officer, respectively. The total 117 restricted stock units are subject to vesting terms as defined in the employment agreements. The 117 restricted stock units were valued at the fair value of \$4,250 per unit or \$497,240 based on the quoted trading price on the date of grant. There were \$248,620 unrecognized restricted stock units expense as of June 30, 2022. There are 59 unvested restricted stock units which are subject to various performance conditions which have not yet been met and such restricted stock units have not yet vested as of June 30, 2022 and 2021 to which the \$248,620 relates.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

Stock Options

A summary of the Company's stock option activity during the years ended June 30, 2022 and 2021 is presented below:

	Number of Options	Weighted Average Price Per Share
Outstanding at June 30, 2020	60	\$ 76,370
Issued	-	-
Exercised	-	-
Expired	(1)	3,750,000
Outstanding at June 30, 2021	59	\$ 13,730
Issued	-	-
Exercised	-	-
Expired	-	-
Outstanding at June 30, 2022	59	\$ 4,533
Exercisable at June 30, 2022	59	\$ 4,531
Outstanding and Exercisable:		
Weighted average remaining contractual term	6.88	
Weighted average fair value of options granted during the period	\$ -	
Aggregate intrinsic value	\$ -	

On the Effective Date, the Company's board of directors approved and adopted the Company's 2019 Equity Incentive Plan (the "2019 Plan"), which reserves a total of 234 shares of the Company's common stock for issuance under the 2019 Plan. Incentive awards authorized under the 2019 Plan include, but are not limited to, incentive stock options, non-qualified stock options, restricted stock awards and restricted stock units.

During the years ended June 30, 2022 and 2021, the Company recognized stock-based compensation of \$72,513 and \$82,872 related to vested stock options. There was \$0 of unvested stock options expense as of June 30, 2022.

No stock options were granted during the years ended June 30, 2022 and 2021.

Stock Warrants

The following table summarizes common stock warrant activity for the years ended June 30, 2022 and 2021:

	Number of Warrants	Weighted Average Price Per Share
Outstanding at June 30, 2020	151,170	\$ 150.00
Issued	-	-
Exercised	(29,841)	26.15
Forfeited	-	-
Expired	-	-
Outstanding at June 30, 2021	121,329	\$ 179.63
Issued	-	-
Exercised	(15,909)	42.86
Forfeited	-	-
Expired	-	-
Outstanding at June 30, 2022	105,420*	\$ 200.27
Exercisable at June 30, 2022	76,671	\$ 275.37
Outstanding and Exercisable:		
Weighted average remaining contractual term	0.77	
Aggregate intrinsic value	\$ -	

* The total warrants of 105,420 above consisted of the following:

	Number of Warrants	Exercisable
Series A warrants	10,946	10,946
Series B warrants	28,750	28,750
Series C warrants	63,749	35,000
Warrants with no class designation	1,975	1,975
Total	105,420	76,671

In connection with the issuance of shares on April 3, 2020, the Company closed on a transaction related to a Securities Purchase Agreement (the "Securities Purchase Agreement") entered into on March 30, 2020, whereby an investor purchased from the Company, 7,500 units, each consisting of (i) 1.5 shares of the Company's common stock, or pre-funded warrants upon Investor's election due to the 4.99% blocker provision and (ii) 1.5 warrants to purchase one share of Common Stock ("Series A Warrants", and collectively with the Common Stock the "Units"). In addition to the Units, the Investor was issued 63,750 warrants to purchase one share of Common Stock (the "Series B Warrants") and an additional 63,750 warrants to purchase one share of Common Stock, subject to a vesting schedule (the "Series C Warrants" and, together with the Prefunded Warrants, the Series A Warrants, and the Series B Warrants, the "Warrants").

Warrants shall be exercisable immediately and shall expire when exercised in full.

Series A Warrants

Pursuant to the Securities Purchase Agreement entered into March 20, 2020 as discussed above, the Investor purchased Series A Warrants to purchase up to 11,250 shares of Common Stock, subject to adjustment as provided therein. The Series A Warrants have a cash exercise price of \$ 200 per share and are immediately exercisable and expire in 3 years. The Series A Warrants contain a provision for cashless exercise in the event there is no effective registration statement registering the shares underlying the Series A Warrants calculated based on the difference between the exercise price of the Series A Warrant and the trading price of the stock (the "Cashless Exercise"). Additionally, the Series A Warrants contain a provision for a cashless conversion at the Holder's option should the trading price of the Common Stock fall below \$200 per share calculated based on the difference between the exercise price of the Series A Warrant and 70% of the Market Price, as defined therein (the "Alternate Cashless Exercise"). The Alternate Cashless Exercise price is \$0.001. See above "Shares issued for exercise of warrants" for discussion of deemed dividend related to alternate cashless exercise.

Series B Warrants

Pursuant to the Securities Purchase Agreement entered into March 20, 2020 as discussed above, the Investor purchased Series B Warrants to purchase up to 63,750 shares of Common Stock, subject to adjustment as provided therein; provided, however, commencing on the 90th day following the effective date, the Company may reduce the number of Warrant Shares issuable upon exercise thereof by 37,500 upon 10 Trading Days' prior written notice to the Holder provided that the Company issues to the Holder 3,750 shares of Common Stock (or, at the election of the Holder, an equivalent number of pre-funded warrants) and Series A Warrants to purchase up to 3,750 shares of Common Stock, which shares shall be issued pursuant to a registration statement without restrictions on resale. The Series B Warrants have a cash exercise price of \$40 per share and expire in 3 years. The Series B Warrants contain a provision for Cashless Exercise.

Series C Warrants

Pursuant to the Securities Purchase Agreement entered into March 20, 2020 as discussed above, the Investor purchased Series C Warrants to purchase up to 63,750 shares of Common Stock, subject to adjustment as provided therein and expire in 3 years. The Series C Warrants have a cash exercise price of \$200 per share, subject to a vesting schedule, which is based on such Holder's exercise of the Series B Warrants (warrants shall be exercisable ratably upon exercise of Series B Warrants). The Series C Warrants contain provisions for Cashless Exercise and Alternate Cashless Exercise. See above "Shares issued for exercise of warrants" for discussion of deemed dividend related to alternate cashless exercise.

Exercise of Warrants

During the year ended June 30, 2021, the Company received aggregate gross proceeds of \$776,044 from the exercise of 10,445 prefunded warrants and 19,375 Series B Warrants resulting in the issuance of 29,820 shares of common stock. Additionally, the Company issued 4,199,979 shares of common stock from the alternate cashless exercise of 20 Series A and 1 Series C warrants.

During the year ended June 30, 2022, the Company received aggregate gross proceeds of \$625,001 from the exercise of 15,625 Series B Warrants and issued 15,625 shares of common stock. During the year ended June 30, 2022, the Company issued 56,799,716 shares of common stock from the alternate cashless exercise of 284 Series A warrants.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Legal Matters

On September 26, 2019, a complaint was filed against the Company with Supreme Court of the State of New York, County of New York, by Foley Shechter Ablovatskiy LLP ("Foley Shechter"), our former counsel, seeking \$151,031 in professional fees allegedly owed, in addition to interest and costs of suit. The Company filed an answer, together with affirmative defenses and counterclaims. Certain amounts related to this claim were included in accounts payable and accrued expenses in the accompanying consolidated financial statements at June 30, 2020. On March 22, 2021, the Company entered into a settlement agreement with Foley Shechter whereby both parties agreed to settle all claims for professional fees owed for a total of \$51,032. The Company paid the settlement amount of \$51,032 on March 22, 2021. Prior to the settlement agreement, the Company recorded total accounts payable and accrued expenses \$142,660. Accordingly, the Company recognized gain from settlement of debt of \$92,556 during the year ended June 30, 2021.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2022 and 2021

Regal Consulting, LLC ("Regal") initiated litigation against the Company in Clark County District Court, Nevada on November 18, 2019. Regal was demanding approximately \$400,000 and 60 shares of the Company's common stock as payment for services that Regal purports to have performed. Regal additionally claimed that \$06,500 remained due on a Convertible Note executed by the Company in May of 2017 and asserted that it was owed in excess of \$100,000 in penalties in connection with the Company's refusal to honor certain Conversion Notices. The Company filed an Answer and Counterclaim, denying liability and alleging that Regal procured by fraud the Company's execution of various consulting agreements and additionally failed to provide the consulting services contemplated by said agreements. On December 23, 2020, the parties mediated their dispute and negotiated a settlement agreement. On March 15, 2021, the Company entered into a Settlement and Mutual Release Agreement with Regal whereby both parties agreed to settle all claims and liabilities under the August 10, 2017 Convertible note (see Note 6) for a total of \$100,000. All other terms of the August 10, 2017 Convertible Note shall remain in full force and effect. Both parties agree that all future penalties under this convertible note are waived unless the Company fails to authorize the issuance of the requested shares upon conversion. The Company has the right to pay off the balance of any remaining amounts due under this convertible note in cash at any time 61 days after March 15, 2021. Prior to the Settlement Agreement, the Company recorded total liabilities \$56,762 consisting of remaining principal amount of \$8,500, accrued interest of \$23,262 and accrued expenses of \$25,000. Accordingly, the Company recognized loss from settlement of debt of \$43,238 during the year ended June 30, 2021.

IRS Liability

As part of its requirement for having a foreign operating subsidiary, the Company's parent U.S. entity is required to file an informational Form 5471 to the Internal Revenue Service (the "IRS"), which is a form that explains the nature of the relationship between the foreign subsidiary and the parent company. From 2012 through the 2014, the Company did not file this form in a timely manner. As a result of the non-timely filings, the Company incurred a penalty from the IRS in the amount of \$ 10,000 per year, or \$30,000 in total, plus accrued interest, such penalty and interest having been accrued and is included in the accrued expenses and other payable figure in the June 30, 2022 and 2021 consolidated balance sheets. The Company recorded the penalties for all three years during the year ended June 30, 2018. The Company is current on all subsequent filings.

Operating Agreements

In November 2009, the Company entered into a commercialization agreement with the University of Bath (UK) (the "University") whereby the Company and the University owned the intellectual property relating to the Company's pro-enzyme formulations. In June 2012, the Company and the University entered into an assignment and amendment whereby the Company assumed full ownership of the intellectual property while agreeing to pay royalties of 2% of net revenues to the University. Additionally, the Company agreed to pay 5% of each and every license agreement subscribed for. The contract is cancellable at any time by either party. To date, no amounts are owed under the

agreement.

Operating Leases

On May 5, 2016, the Company entered into a new five-year operating lease agreement with North Horizon Pty Ltd., a related party, of which Mr. Nathanielsz, our CEO, CFO and a director, and his wife are owners and directors, with monthly rent at \$3,606 AUD or \$2,469 USD (depending on exchange rate), inclusive of GST (see Note 10). The initial rental amount was \$3,000 AUD and subject to 3% yearly escalation. Such lease expired in May 2021 and was renewed for another one-year term from May 2021 to May 2022. On May 4, 2022, the Company entered in a three-year lease agreement with North Horizon Pty Ltd. for a monthly rent of \$3,000 AUD or \$2,176 USD (depending on exchange rate) per month plus taxes. On May 4, 2022, the Company recorded right-of-use assets \$66,201 and total lease liabilities of \$66,201 based on an incremental borrowing rate of 8%.

ROU is summarized below:

	June 30, 2022	June 30, 2021
Office lease	\$ 66,201	\$ 48,662
Less: accumulated amortization	(3,678)	(48,662)
Right-of-use asset, net	<u>\$ 62,523</u>	<u>\$ -</u>

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Operating Lease liabilities are summarized below:

	June 30, 2022	June 30, 2021
Office lease	\$ 66,201	\$ 48,662
Reduction of lease liability	(3,277)	(48,662)
Less: office lease, current portion	(20,605)	-
Long term portion of lease liability	<u>\$ 42,319</u>	<u>\$ -</u>

Remaining future minimum lease payments under non-cancelable operating lease at June 30, 2022 are as follows:

Fiscal Year 2023	\$ 24,894
Fiscal Year 2024	24,894
Fiscal Year 2025	20,745
Imputed interest	(7,609)
Total operating lease liability	<u>\$ 62,924</u>

The weighted average remaining lease term for the operating lease is 2.77 years.

Collaboration Agreement

On September 13, 2018, the Company entered into a two-year collaboration agreement with the University of Jaén (the “University”) to provide certain research services to the Company. In consideration of such services, the Company agreed to pay the University approximately 52,000 Euros (\$59,508 USD) in year one and a maximum of 40,000 Euros (\$45,775 USD) in year two. The Company paid 31,754 Euros (\$36,117 USD) in 2019 and has accrued 28,493 Euros (\$24,043 USD) as of June 30, 2021. Additionally, in exchange for full ownership of the intellectual property the Company agreed to pay royalties of 2% of net revenues to the University. On October 1, 2020, the Company entered into another two-year collaboration agreement with the University of Jaén to provide certain research services to the Company. In consideration of such services, the Company agreed to pay the University approximately 30,000 Euros (\$35,145 USD) which shall be paid in four installment payment of 5,000 Euros in November 2020, 5,000 Euros (\$5,858) in March 2021, 10,000 Euros (\$11,715) in December 2021 and 10,000 Euros (\$11,715) in September 2022. Additionally, the University shall hire and train a doctoral student for this project and as such the Company shall pay the University 25,837 Euros (\$30,268 USD). In exchange for full ownership of the intellectual property the Company agreed to pay royalties of 2% of net revenues to the University. As of June 30, 2022, the Company has \$0 balance due to the University.

Consulting Agreement

On October 1, 2021, the Company entered into a consulting agreement (the “Consulting Agreement”) with a consultant who will assist in the development of the Company’s business and financing activities. The consultant will serve initially as an independent contractor, and upon certain mutually agreed upon conditions being met, will be appointed Vice Chairman, President and Interim CFO. The term of the Consulting Agreement was for three years commencing on October 1, 2021 and can be terminated by either party upon 30 day written notice. The monthly payment per the Consulting Agreement was \$7,000. The Company was to issue shares of common stock equal to 1% of the total issued and outstanding shares at the end of each year of service and to be expensed upon date of grant. On February 17, 2022, the Board approved the issuance of 1,148,326 shares of the Company’s common stock to such consultant for services rendered upon the termination of the Consulting Agreement (see Note 8). The Company valued the shares at approximately \$0.02 per share or \$24,000 being the closing price of the stock on the date of grant to such consultant and recorded stock-based compensation of \$24,000 during the year ended June 30, 2022 (see Note 8).

NOTE 10 – RELATED PARTY TRANSACTIONS AND BALANCES

Since its inception, the Company has conducted transactions with its directors and entities related to such directors. These transactions have included the following:

As of June 30, 2022 and 2021, the Company owed its former director a total of \$1,171 and \$55,500, respectively, for money loaned to the Company, throughout the years. The total loans balance owed at June 30, 2022 and 2021 is not interest bearing (see Note 5).

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As of June 30, 2022 and 2021, the Company owed its former director a total of \$0,746 and \$33,347, respectively, related to expenses paid on behalf of the Company related to corporate startup costs and intellectual property (see Note 4).

Effective May 5, 2016, the Company entered into an agreement for the lease of its principal executive offices with North Horizon Pty Ltd., a related party, of which Mr. Nathanielsz, our CEO, CFO and a director, and his wife are owners and directors. The lease had a five-year term and provided for annual rental payments of \$39,600 AUD or \$28,325 USD, which includes \$3,600 AUD or \$2,575 USD of goods and service tax for total payments of \$198,000 AUD or \$141,629 USD during the term of the lease. Such lease expired in May 2021 and was renewed for another one-year term from May 2021 to May 2022. On May 4, 2022, the Company entered into a three-year lease agreement with North Horizon Pty Ltd. for a monthly rent of \$3,000 AUD or \$2,176 USD (depending on exchange rate) per month plus taxes (See Note 9). As of June 30, 2022 and 2021, total rent payable of \$122,129 AUD (\$84,452 USD) and \$86,129 AUD (\$64,597 USD), respectively, was included in accrued expenses in the accompanying consolidated balance sheet. Rent expense under those lease was \$28,366 and \$28,112 in fiscal 2022 and 2021, respectively and reflected as occupancy expenses in the accompanying consolidated statements of operations and comprehensive income (loss).

Employment and Services Agreements with Management

The Company and Mr. Nathanielsz entered into an employment agreement as of February 25, 2015 (the “Nathanielsz Employment Agreement”) setting forth the terms and conditions of Mr. Nathanielsz employment as the Company’s President and Chief Executive Officer. The Nathanielsz Employment Agreement was scheduled to expire on February 25, 2019; however, the term of the Nathanielsz Employment Agreement automatically renews for successive one-year periods unless either party provides 30 days’ prior written notice of its intent not to renew. The Nathanielsz Employment Agreement continues in effect as of June 30, 2021 as amended May 14, 2019 (see below). The Nathanielsz Employment Agreement provides Mr. Nathanielsz with a base salary of \$25,000 AUD per month (\$300,000 AUD annually or \$205,680 USD) and a monthly contribution to Mr. Nathanielsz’s pension equal to 9.5% of his monthly salary. Mr. Nathanielsz has the ability to convert any accrued but unpaid salary into common stock at the end of each fiscal year at a conversion price to be determined by Mr. Nathanielsz and the Company, which will in no event be lower than par value or higher than the closing bid price on the date of conversion. Pursuant to the Nathanielsz Employment Agreement, Mr. Nathanielsz is entitled to an annual discretionary bonus in an amount up to 200% of his annual base salary, which bonus shall be determined by the Company’s board of directors based upon the performance of the Company. On March 16, 2018, the Company’s board of directors approved an increase of Mr. Nathanielsz’s annual base salary from \$300,000 AUD (\$205,680 USD) to \$400,000 AUD (\$274,240 USD), effective February 2018. On August 1, 2022, the Company’s board of directors approved an increase of Mr. Nathanielsz’s annual base salary from \$400,000 AUD (\$276,600 USD) to \$600,000 AUD (\$414,900 USD), effective July 1, 2022.

Mr. Nathanielsz’s wife, Sylvia Nathanielsz, is and has been a non-executive part-time employee of the Company since October 2015. Effective February 1, 2018, Mrs. Nathanielsz receives an annual salary of \$120,000 AUD (\$80,904 USD) and is entitled to customary benefits.

Pursuant to a February 25, 2016 board resolution, James Nathanielsz shall be paid \$4,481 AUD (\$3,205 USD), on a monthly basis for the purpose of acquiring and maintaining an automobile. For the year ended June 30, 2021, a total of \$46,135 AUD (\$34,476 USD) in payments have been made with respect to Mr. Nathanielsz’s car allowance. For the year ended June 30, 2022, a total of \$7,689 AUD (\$5,577 USD) in payments have been made with respect to Mr. Nathanielsz’s car allowance which expired in August 2022.

Pursuant to the approval of the Company’s board of directors, on May 14, 2019, Mr. Nathanielsz was granted a \$460,000 AUD (\$315,376 USD) bonus for accomplishments achieved while serving as the Company’s Chief Executive Officer during the fiscal year ended June 30, 2019 with \$200,000 AUD (\$137,120 USD) of such bonus payable by the Corporation to the CEO throughout the Corporation’s 2019 fiscal year as the Corporation’s cash resources allow, with the remaining \$260,000 AUD (\$178,256 USD) of such bonus to be deferred by the CEO until a future date when the Corporation’s cash resources allow for such payment, as agreed to by the CEO. A total of \$90,000 AUD (\$64,377 USD) in payments were made in the year ended June 30, 2019. On July 13, 2020, the Board approved a bonus of \$240,000 AUD being equal to 60% of Mr. Nathanielsz base salary which was accrued as of June 30, 2020. A total of \$202,620 AUD (\$136,606 USD) in payments were made against the bonuses during the year ended June 30, 2020 which resulted to a remaining balance of \$407,380 AUD (\$280,726 USD) bonus payable as of June 30, 2020. On August 12, 2021, the Board approved a bonus of \$77,840 USD. A total of \$221,890 AUD (\$166,418 USD) in payments were made against the bonuses during the year ended June 30, 2021 resulting in a remaining balance of \$22,610 AUD (\$316,957 USD) bonus payable as of June 30, 2021 which was included in accrued expenses in the accompanying consolidated balance sheet. On August 12, 2021, pursuant to the Cancellation Agreement, Mr. Nathanielsz agreed to cancel \$177,840 of the bonus payable in exchange for 5,928,000 shares of the common stock of the Company (see Note 8). On August 1, 2022, the Board approved a bonus of \$140,000 AUD or \$96,810 USD. A total of \$144,166 AUD (\$99,691 USD) in payments were made against the bonuses during the year ended June 30, 2022 resulting in a remaining balance of \$181,324 AUD (\$125,386 USD) bonus payable as of June 30, 2022 which was included in accrued expenses in the accompanying consolidated balance sheet.

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Amended and Restated Employment Agreement - On May 14, 2019 (the “Effective Date”), the Company entered into an Amended and Restated Employment Agreement (the “Employment Agreement”) with James Nathanielsz, the Company’s Chief Executive Officer, Chairman, acting Chief Financial Officer and a director, for a term of three years, subject to automatic one-year renewals, at an annual salary of \$400,000 AUD. Pursuant to the Employment Agreement, Mr. Nathanielsz was granted options to purchase 39 shares of the Company’s common stock (the “Nathanielsz Options”), with an exercise price per share of \$4,675 (110% of the closing market price of the Company’s common stock on May 14, 2019 (or \$4,250), the date of approval of such grant by the Company’s board of directors), (ii) 39 restricted stock units of the Company (the “Initial Nathanielsz RSUs”), and (iii) an additional 39 restricted stock units of the Company (the “Additional Nathanielsz RSUs”). Such options and restricted stock units were granted pursuant to the 2019 Plan approved by the Company’s board of directors on the Effective Date. The Nathanielsz Options have a term of 10 years from the date of grant. 1/3rd of the Nathanielsz Options shall vest every successive one-year anniversary following the Effective Date, provided, that on each such vesting date Mr. Nathanielsz is employed by the Company and subject to the other provisions of the Employment Agreement. The Initial Nathanielsz RSUs shall vest on the one-year anniversary of the Effective Date, subject to Mr. Nathanielsz’s continued employment with the Company through such vesting date. The Additional Nathanielsz RSUs will vest as follows, subject to Mr. Nathanielsz’s continued employment with the Company through the applicable vesting date: (i) 7.80 of the Additional Nathanielsz RSUs shall vest upon the Company submitting Clinical Trial Application (the “CTA”) for PRP, the Company’s lead product candidate (“PRP”), for a First-In-Human study for PRP (the “Study”) in an applicable jurisdiction to be selected by the Company, (ii) 7.80 of the Additional Nathanielsz RSUs shall vest upon the CTA being approved in an applicable jurisdiction, (iii) 7.80 of the Additional RSUs shall vest upon the Company completing an equity financing in the amount of at least \$4,000,000 in gross proceeds, (iv) 7.80 of the Additional Nathanielsz RSUs shall vest upon the shares of the Company’s Common Stock being listed on a senior stock exchange (NYSE, NYSEMKT or NASDAQ), and (v) the remaining 7.80 of the Additional Nathanielsz RSUs shall vest upon the Company enrolling its first patient in the Study. Each vested restricted stock unit shall be settled by delivery to Mr. Nathanielsz of one share of the Company’s common stock and/or the fair market value of one share of common stock in cash, at the sole discretion of the Company’s board of directors and subject to the 2019 Plan, on the first to occur of: (i) the date of a Change of Control (as defined in the Employment Agreement), (ii) the date that is ten business days following the vesting of such restricted stock unit, (iii) the date of Mr. Nathanielsz’s death or Disability (as defined in the Employment Agreement), and (iv) Mr. Nathanielsz’s employment being terminated either by the Company without Cause or by Mr. Nathanielsz for Good Reason (each as defined in the Employment Agreement). In the event of a Change of Control, any unvested portion of the Nathanielsz Options and such restricted stock units shall vest immediately prior to such event. The 39 vested restricted stock unit are considered issuable as of June 30, 2022 and 2021.

Amended and Restated Services Agreement - On May 14, 2019, the Company also entered into an Amended and Restated Services Agreement (the “Services Agreement”) with Dr. Kenyon, the Company’s Chief Scientific Officer and a director, for a term of three years, subject to automatic one-year renewals, at an annual salary of \$54,000 AUD. In connection with the execution of the Services Agreement, Dr. Kenyon was designated as an executive officer of the Company and assumed a more active executive role with the Company. Pursuant to the Services Agreement, Dr. Kenyon was granted options to purchase 20 shares of the Company’s common stock (the “Kenyon Options”), with an exercise price per share of \$4,250 (100% of the closing market price of the Company’s common stock on May 14, 2019, the date of approval of such grant by the Company’s board of directors), (ii) 20 restricted stock units of the Company (the “Initial Kenyon RSUs”), and (iii) an additional 20 restricted stock units of the Company (the “Additional Kenyon RSUs”). Such options and restricted stock units were granted pursuant to the 2019 Plan approved by the Company’s board of directors on the Effective Date. The Kenyon Options have a term of 10 years from the date of grant. 1/3rd of the Kenyon Options shall vest every successive one-year anniversary following the Effective Date, provided, that on each such vesting date Dr. Kenyon is employed by the Company and subject to the other provisions of the Services Agreement. The Initial Kenyon RSUs shall

vest on the one-year anniversary of the Effective Date, subject to Dr. Kenyon's continued employment with the Company through such vesting date. The Additional Kenyon RSUs will vest as follows, subject to Dr. Kenyon's continued employment with the Company through the applicable vesting date: (i) 5 of the Additional Kenyon RSUs shall vest upon the Company submitting the CTA for PRP for the Study in an applicable jurisdiction to be selected by the Company, (ii) 5 of the Additional Kenyon RSUs shall vest upon the Company completing an equity financing in the amount of at least \$4,000,000 in gross proceeds, (iii) 5 of the Additional Kenyon RSUs shall vest upon the shares of the Company's Common Stock being listed on a senior stock exchange (NYSE, NYSEMKT or NASDAQ), and (iv) the remaining 5 of the Additional Kenyon RSUs shall vest upon the Company enrolling its first patient in the Study. Each vested Kenyon RSU shall be settled by delivery to Mr. Kenyon of one share of the Company's common stock and/or the fair market value of one share of common stock in cash, at the sole discretion of the Company's board of directors and subject to the Plan, on the first to occur of: (i) the date of a Change of Control (as defined in the Services Agreement), (ii) the date that is ten business days following the vesting of such Kenyon RSU, (iii) the date of Dr. Kenyon's death or Disability (as defined in the Services Agreement), and (iv) Dr. Kenyon's employment being terminated either by the Company without Cause or by Dr. Kenyon for Good Reason (as defined in the Services Agreement). In the event of a Change of Control (as defined in the Services Agreement), 50% of any unvested portion of the Kenyon Options and the Kenyon RSUs shall vest immediately prior to such event. The 20 vested restricted stock unit are considered issuable as of June 30, 2022 and 2021. On August 12, 2021, pursuant to the Cancellation Agreement, Mr. Kenyon agreed to cancel accrued salaries of \$102,600 in exchange for 3,420,000 shares of the common stock of the Company (see Note 8). As of June 30, 2022 and 2021, total accrued salaries of \$54,000 AUD (\$37,341 USD) and \$135,000 AUD (\$101,250 USD) was included in accrued expenses in the accompanying consolidated balance sheet, respectively.

Collaboration Agreement

On October 1, 2020, the Company entered into a two-year collaboration agreement with the University of Jaén to provide certain research services to the Company (see Note 9). One of the Company's Scientific Advisory Board is the lead joint researcher of University of Jaén. Additionally, on July 27, 2022, the Company entered into a two-year research agreement with the University of Jaén to provide certain research and experiment services to the Company (see Note 13). Further, the Company agreed to pay royalties of 1% of net revenues each to two members of the Scientific Advisory Board.

Intercompany Loans

All Intercompany loans were made by the parent to the subsidiary, Propanc PTY LTD, which have not been repaid as of June 30, 2022. Effective fiscal year 2021, the parent company determined that intercompany loans will not be repaid in the foreseeable future and thus, per ASC 830-20-35-3, gains and losses from measuring the intercompany balances are recorded within cumulative translation adjustment on the consolidated balance sheet as accumulated other comprehensive income.

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NOTE 11 – CONCENTRATIONS AND RISKS

Concentration of Credit Risk

The Company maintains its cash in banks and financial institutions in Australia. Bank deposits in Australian banks are uninsured. The Company has not experienced any losses in such accounts through June 30, 2022.

In fiscal year 2021, the Company primarily relied on funding from two convertible debt lenders and received net proceeds after deductions of \$6,000 for original issue discounts and debt issue costs during the year ended June 30, 2021 from each of the two lenders of \$125,000 and \$200,000, respectively, which represents approximately 39% and 61%, respectively of total proceeds received by the Company during fiscal year 2021.

In fiscal year 2022, the Company primarily relied on funding from three convertible debt lenders and received net proceeds after deductions of \$3,500 for original issue discounts and debt issue costs from the lenders of \$766,500 (from each of the three lenders of \$160,000, \$360,000 and \$246,500, respectively) which represents approximately 21%, 47% and 32%, respectively of total proceeds received by the Company during fiscal year 2022.

Receivable Concentration

As of June 30, 2022 and 2021, the Company's receivables were 100% related to reimbursements on GST taxes paid.

Patent and Patent Concentration

The Company has filed multiple patent applications relating to its lead product, PRP. The Company's lead patent application has been granted and remains in force in the United States, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, Liechtenstein, Turkey, United Kingdom, Australia, China, Japan, Indonesia, Israel, New Zealand, Singapore, Malaysia, South Africa, Mexico, Republic of Korea, India and Brazil. In Canada, the patent application remains under examination.

In 2016 and early 2017, we filed other patent applications. Three applications were filed under the Patent Cooperation Treaty (the "PCT"). The PCT assists applicants in seeking patent protection by filing one international patent application under the PCT, applicants can simultaneously seek protection for an invention in over 150 countries. Once filed, the application is placed under the control of the national or regional patent offices, as applicable, in what is called the national phase. One of the PCT applications filed in November 2016, entered national phase in July 2018 and another PCT application is currently entering national phase in August 2018. A third PCT application entered the national phase in October 2018.

In July 2020, a world first patent was granted in Australia for the cancer treatment method patent family. Presently, there are 43 granted, allowed, or accepted patents and 22 patents filed, or under examination in key global jurisdictions relating to the use of proenzymes against solid tumors, covering the lead product candidate PRP.

Further patent applications are expected to be filed to capture and protect additional patentable subject matter based on the Company's field of technology relating to pharmaceutical compositions of proenzymes for treating cancer.

Foreign Operations

As of June 30, 2022 and 2021, the Company's operations are based in Camberwell, Australia, however the majority of research and development is being conducted in the European Union.

On July 22, 2016, the Company formed a wholly owned subsidiary, Propanc (UK) Limited under the laws of England and Wales for the purpose of submitting an orphan drug application with the European Medicines Agency as a small and medium-sized enterprise. As of June 30, 2022 and 2021, there has been no activity within this entity.

NOTE 12 - DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Derivative Financial Instruments:

The Company applies the provisions of ASC 815-40, *Contracts in Entity's Own Equity*, under which convertible instruments and warrants, which contain terms that protect holders from declines in the stock price (reset provisions), may not be exempt from derivative accounting treatment. As a result, warrants and embedded conversion options in convertible debt are recorded as a liability and are revalued at fair value at each reporting date. If the fair value of the warrants exceeds the face value of the related debt, the excess is recorded as change in fair value in operations on the issuance date. The Company had \$79,000 (1 note) and \$80,000 (1 note) of convertible debt, which is treated as derivative instruments outstanding at June 30, 2022 and 2021 respectively.

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The Company calculates the estimated fair values of the liabilities for derivative instruments using the Binomial Trees Method. The closing price of the Company's common stock at June 30, 2022, the last trading day of the fiscal year ended June 30, 2022, was \$0.0037. Volatility, expected remaining term and risk-free interest rates used to estimate the fair value of derivative liabilities at June 30, 2022 and 2021 are indicated in the table that follows. The expected term is equal to the remaining term of the warrants or convertible instruments and the risk-free rate is based upon rates for treasury securities with the same term.

Convertible Debt

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Volatility	228%	222%
Expected remaining term	0.01	0.01
Risk-free interest rate	1.28%	0.05%
Expected dividend yield	None	None

Fair Value Measurements:

The Company measures and reports at fair value the liability for derivative instruments. The fair value liabilities for price adjustable warrants and embedded conversion options have been recorded as determined utilizing the Binomial Trees model. The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2022:

	<u>Balance at June 30, 2022</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Embedded conversion option liabilities	\$ 151,262	\$ —	\$ —	\$ 151,262
Total	<u>\$ 151,262</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 151,262</u>

The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2021:

	<u>Balance at June 30, 2021</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Embedded conversion option liabilities	\$ 54,220	\$ —	\$ —	\$ 54,220
Total	<u>\$ 54,220</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 54,220</u>

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The following is a roll forward for the years ended June 30, 2022 and 2021 of the fair value liability of price adjustable derivative instruments:

	<u>Fair Value of Liability for Derivative Instruments</u>
Balance at June 30, 2020	\$ 177,009
Gain on debt extinguishment	(130,975)
Change in fair value included in statements of operations	8,186
Balance at June 30, 2021	<u>54,220</u>
Gain on debt extinguishment	(2,069)
Change in fair value included in statements of operations	99,111
Balance at June 30, 2022	<u>\$ 151,262</u>

NOTE 13 – SUBSEQUENT EVENTS

Exercise of warrants

On August 2, 2022, the Company received gross proceeds of \$50,000 from the exercise of 1,250 Series B Warrants and issued 1,250 shares of common stock.

Additionally, the Company issued an aggregate of 158,399,208 shares of common stock from the alternate cashless exercise of 792 Series A warrants. The Company

recognized the value of the effect of a down round feature in such warrants when triggered. Upon the occurrence of the triggering event that resulted in a reduction of the strike price, the Company measured the value of the effect of the feature as the difference between the fair value of the warrants without the down round feature or before the strike price reduction and the fair value of the warrants with a strike price corresponding to the reduced strike price upon the down round feature being triggered. Accordingly, the Company recognized deemed dividend of \$389,235 and a corresponding reduction of income available to common stockholders upon the alternate cashless exercise of these warrants

Shares issued for conversion of convertible debt

From July 1, 2022 through September 14, 2022, the Company issued an aggregate of 264,492,661 shares of its common stock at an average contractual conversion price of \$0.001 as a result of the conversion of principal of \$327,200, and accrued interest of \$22,330 underlying certain outstanding convertible notes converted during such period. The Company reclassified \$133,646 in put premiums to additional paid in capital following these conversions.

Shares issued under the Equity Line

On July 13, 2022, the Company issued 14,336,712 shares of its common stock at an average price per share of approximately \$0.002, as a result of delivering one draw down notice to the Investor (see Note 8). Consequently, the Company received gross aggregate proceeds of \$24,711 from such draw down notice.

Issuance of convertible notes

1800 Diagonal Lending, LLC Securities Purchase Agreement

On June 30, 2022, the Company entered into a securities purchase agreement with 1800 Diagonal Lending LLC (“1800 Diagonal”), which closed on July 11, 2022, pursuant to which 1800 Diagonal purchased a convertible promissory note (the “July 11, 2022 1800 Diagonal Note”) from the Company in the aggregate principal amount of \$105,000, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of 1800 Diagonal any time after 180 days of the July 11, 2022 1800 Diagonal Note. The July 11, 2022 1800 Diagonal Note contains debt issue cost of \$3,750. The Company intends to use the net proceeds from the July 11, 2022 1800 Diagonal Note for general working capital purposes. The maturity date of the July 11, 2022 1800 Diagonal Note is June 30, 2023. The 1800 Diagonal Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to 1800 Diagonal in shares of the Company’s common stock; but shall not be payable until the July 11, 2022 1800 Diagonal Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

During the first 60 to 180 days following the date of these notes, the Company has the right to prepay the principal and accrued but unpaid interest due under the above note, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 110% to 129% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such note.

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The conversion price for the above note shall be equal to a 35% discount of the market price which means the average of the lowest three trading prices of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion. Notwithstanding the foregoing, 1800 Diagonal shall be restricted from effecting a conversion if such conversion, along with other shares of the Company’s common stock beneficially owned by 1800 Diagonal and its affiliates, exceeds 9.99% of the outstanding shares of the Company’s common stock. The Company treats this convertible note as stock settled debt under ASC 480.

The above note contains certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 22% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

GS Capital Partners, LLC Securities Purchase Agreement dated August 12, 2022

On August 12, 2022, the Company entered into a securities purchase agreement (the “GS Capital Purchase Agreement”) with GS Capital Partners, LLC (“GS Capital”), pursuant to which GS Capital purchased a convertible redeemable note (the “GS Capital Note”) from the Company in the aggregate principal amount of \$93,000, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of GS Capital. The transaction contemplated by the GS Capital Purchase Agreement closed on August 16, 2022. The GS Capital Note contains a \$5,000 original issue discount. Pursuant to the terms of the GS Purchase Agreement, the Company paid GS Capital’s legal fees of \$3,000. The Company intends to use the net proceeds from the GS Capital Note for general working capital purposes.

The maturity date of the GS Capital Note is April 12, 2023. The GS Capital Note shall bear interest at a rate of 8% per annum, which interest may be paid by the Company to GS Capital in shares of common stock but shall not be payable until the GS Capital Note becomes payable, whether at the Maturity Date or upon acceleration or by prepayment. The GS Capital Note is exchangeable for an equal aggregate principal amount of notes of different authorized denominations, as requested by GS Capital surrendering the same. GS Capital is entitled, at its option, at any time after cash payment, to convert all or any amount of the principal face amount of the GS Capital Note then outstanding into shares of the Company’s common stock at a price for each share of Common Stock (“Conversion Price”) of \$0.0028 per share (the “Fixed Price”). However, in the event the Company’s common stock trades below \$0.002 per share for more than five (5) consecutive trading days, then the Fixed Price shall be equal to \$0.0013 per share. In the event of default, the Conversion Price shall be equal to 65% of the lowest trading price of the common stock as reported on the OTC Markets on which the Company’s shares are then traded or any exchange upon which the common stock may be traded in the future, for the ten prior trading days including the day upon which a Notice of Conversion is received by the Company. GS Capital is restricted from effecting a conversion if such conversion, along with other shares of the Company’s common stock beneficially owned by GS Capital, exceeds 4.99% of the outstanding shares of the Company’s common stock.

During the first 60 to 180 days following the date of this note, the Company has the right to prepay the principal and accrued but unpaid interest due under the above note issued to GS Capital, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 110% to 130% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such note.

Upon the occurrence and during the continuation of certain events of default, interest shall accrue at a default interest rate of 24% per annum or, if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. In the event that the Company fails to deliver to GS Capital shares of common stock issuable upon conversion of principal or interest under the GS Capital Note, the penalty shall be \$250 per day the shares are not issued beginning on the 4th day after the conversion notice was delivered to the Company. This penalty shall increase to \$500 per day beginning on the 10th day. In an event of breach of section 8m as defined in the GS Capital note agreement, such GS Capital note shall incur penalty and will increase the outstanding principal amounts by 20%.

GS Capital Partners, LLC Securities Purchase Agreement dated September 21, 2022

On September 21, 2022, the Company entered into a securities purchase agreement with GS Capital Partners, LLC, pursuant to which GS Capital purchased a convertible redeemable note from the Company in the aggregate principal amount of \$71,500, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of GS Capital. The transaction contemplated by the GS Capital Purchase Agreement closed on September 26, 2022. The GS Capital Note contains a \$4,000 original issue discount. Pursuant to the terms of the GS Purchase Agreement, the Company paid GS Capital’s legal fees of \$2,500. The Company intends to use the net proceeds

(\$67,500) from the GS Capital Note for general working capital purposes.

The maturity date of the GS Capital Note is March 21, 2023. The GS Capital Note shall bear interest at a rate of 8% per annum, which interest may be paid by the Company to GS Capital in shares of common stock, but shall not be payable until the GS Capital Note becomes payable, whether at the Maturity Date or upon acceleration or by prepayment. The GS Capital Note is exchangeable for an equal aggregate principal amount of notes of different authorized denominations, as requested by GS Capital surrendering the same. GS Capital is entitled, at its option, at any time after cash payment, to convert all or any amount of the principal face amount of the GS Capital Note then outstanding into shares of the Company's common stock (the "Common Stock") at a price for each share of Common Stock ("Conversion Price") of \$0.002 per share (the "Fixed Price"). However, in the event the Company's Common Stock trades below \$0.0014 per share for more than five (5) consecutive trading days, then the Fixed Price shall be equal to \$0.0009 per share. In the event of default, the Conversion Price shall be equal to 65% of the lowest trading price of the Common Stock as reported on the OTC Markets on which the Company's shares are then traded or any exchange upon which the Common Stock may be traded in the future, for the ten prior trading days including the day upon which a Notice of Conversion is received by the Company. GS Capital is restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by GS Capital, exceeds 4.99% of the outstanding shares of the Company's Common Stock.

During the first 60 to 180 days following the date of this note, the Company has the right to prepay the principal and accrued but unpaid interest due under the above note issued to GS Capital, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 110% to 125% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such note.

Upon the occurrence and during the continuation of certain events of default, interest shall accrue at a default interest rate of 24% per annum or, if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. In the event that the Company fails to deliver to GS Capital shares of Common Stock issuable upon conversion of principal or interest under the GS Capital Note, the penalty shall be \$250 per day the shares are not issued beginning on the 4th day after the conversion notice was delivered to the Company. This penalty shall increase to \$500 per day beginning on the 10th day. In an event of breach of section 8m as defined in the GS Capital note agreement, such GS Capital note shall incur penalty and will increase the outstanding principal amounts by 20%.

ONE44 Capital LLC Securities Purchase Agreement

On August 15, 2022, the Company entered into a securities purchase agreement (the "ONE44 Purchase Agreement") with ONE44 Capital LLC, ("ONE44 Capital"), pursuant to which ONE44 Capital purchased a convertible redeemable note (the "ONE44 Note") from the Company in the aggregate principal amount of \$110,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of ONE44 Capital. The transaction contemplated by the ONE44 Purchase Agreement closed on August 16, 2022. The ONE44 Note contains an original issue discount amount of \$10,000. Pursuant to the terms of the ONE44 Purchase Agreement, the Company will pay ONE44 Capital's legal fees of \$5,500. The Company intends to use the net proceeds from the ONE44 Note for general working capital purposes.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2022 and 2021

The maturity date of the ONE44 Note is August 15, 2023. The ONE44 Note shall bear interest at a rate of 10% per annum, which interest may be paid by the Company to ONE44 Capital in shares of common stock, but shall not be payable until the ONE44 Note becomes payable, whether at the Maturity Date or upon acceleration or by prepayment, as described below. The ONE44 Note is exchangeable for an equal aggregate principal amount of notes of different authorized denominations, as requested by ONE44 Capital surrendering the same. ONE44 Capital has the option to convert all or any amount of the principal face amount of the ONE44 Note at any time after the 6th monthly anniversary of the ONE44 Note. The "Conversion Price" shall mean 65% multiplied by the lowest closing bid price of the Company's common stock as reported on the OTC Markets on which the Company's shares are then traded or any exchange upon which the Common Stock may be traded in the future, for the ten prior trading days including the day upon which a Notice of Conversion is received by the Company. Notwithstanding the foregoing, ONE44 shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by ONE44 and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock. The Company treats this convertible note as stock settled debt under ASC 480.

During the first 60 to 180 days following the date of this note, the Company has the right to prepay the principal and accrued but unpaid interest due under the above note issued to GS Capital, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 120% to 135% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such note.

Upon the occurrence and during the continuation of certain events of default, the ONE44 Note will accrue an interest rate of 24%. In the event that the Company fails to deliver to ONE44 Capital shares of common stock issuable upon conversion of principal or interest under the ONE44 Capital Note, the penalty shall be \$250 per day the shares are not issued beginning on the 4th day after the conversion notice was delivered to the Company. This penalty shall increase to \$500 per day beginning on the 10th day. In an event of breach of section 8m as defined in the ONE44 note agreement, such ONE44 note shall incur penalty and will increase the outstanding principal amounts by 20%.

Research Agreement

On July 27, 2022, the Company entered into a two-year research agreement with the University of Jaén (the "University") to provide certain research and experiment services to the Company. In exchange for full ownership of the intellectual property the Company agreed to pay royalties of 2% of net revenues. In consideration of such services, the Company agreed to pay the University approximately 53,200 Euros (\$53,806 USD) payable as follows:

- 18,200 Euros (\$18,407 USD) upon execution,
- 8,000 Euros (\$8,091 USD) in September 2022,
- 7,000 Euros (\$7,080 USD) in December 2022,
- 10,000 Euros (\$10,114 USD) in March 2023, and
- 10,000 Euros (\$10,114 USD) in July 2023.

The commencement date for the experiments is on September 1, 2022, and the estimated length of time for completion is 24 months.

Consulting Agreement

On July 1, 2022, the Company and a consultant agreed to extend the term of a consulting agreement from July 1, 2022 to June 30, 2023 to provide media related services for a monthly fee of \$50,000. In addition, the Company shall pay a stock fee equal to 9.9% of the outstanding common stock of the Company during the term of the agreement. The Company shall bring up the consultant's diluted holdings back up to 9.9% and accrue the value of the common stock at each reporting period until June 30, 2023. All service fees are non-refundable.

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	<u>December 31, 2022</u>	<u>June 30, 2022</u>
	<u>(Unaudited)</u>	
ASSETS		
CURRENT ASSETS:		
Cash	\$ 24,476	\$ 4,067
GST tax receivable	4,543	2,342
Prepaid expenses and other current assets	<u>25,207</u>	<u>8,621</u>
TOTAL CURRENT ASSETS	54,226	15,030
Security deposit - related party	2,042	2,075
Operating lease right-of-use assets, net - related party	50,671	62,523
Property and equipment, net	<u>1,083</u>	<u>2,023</u>
TOTAL ASSETS	<u>\$ 108,022</u>	<u>\$ 81,651</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 914,491	\$ 943,023
Accrued expenses and other payables	556,114	466,115
Accrued interest	59,733	57,822
Loan payable	65,280	-
Note payable, net of debt discount	72,404	-
Convertible notes, net of discounts and including premiums	633,740	926,438
Operating lease liability - related party, current portion	21,102	20,605
Embedded conversion option liabilities	10,623	151,262
Due to former director - related party	30,257	30,746
Loan from former director - related party	50,357	51,171
Employee benefit liability	<u>578,453</u>	<u>415,799</u>
TOTAL CURRENT LIABILITIES	2,992,554	3,062,981
NON-CURRENT LIABILITIES:		
Operating lease liability - long-term portion - related party	<u>30,885</u>	<u>42,319</u>
TOTAL NON-CURRENT LIABILITIES	<u>30,885</u>	<u>42,319</u>
TOTAL LIABILITIES	<u>\$ 3,023,439</u>	<u>\$ 3,105,300</u>
Commitments and Contingencies (See Note 8)		
STOCKHOLDERS' DEFICIT:		
Preferred stock, 1,500,005 shares authorized, \$0.01 par value:		
Series A preferred stock, \$0.01 par value; 500,000 shares authorized; 500,000 shares issued and outstanding as of December 31, 2022 and June 30, 2022	\$ 5,000	\$ 5,000
Series B preferred stock, \$0.01 par value; 5 shares authorized; 1 share issued and outstanding as of December 31, 2022 and June 30, 2022	-	-
Common stock, \$0.001 par value; 10,000,000,000 shares authorized; 1,245,699,501 and 220,350,921 shares issued and outstanding as of December 31, 2022 and June 30, 2022, respectively	1,245,700	220,351
Common stock issuable (59 and 19,597,024 shares as of December 31, 2022 and June 30, 2022, respectively)	-	19,597
Additional paid-in capital	57,696,390	57,124,982
Subscription receivable	-	(23,758)
Accumulated other comprehensive income	1,253,133	1,234,549
Accumulated deficit	(63,069,163)	(61,557,893)
Treasury stock (1 share)	<u>(46,477)</u>	<u>(46,477)</u>
TOTAL STOCKHOLDERS' DEFICIT	<u>(2,915,417)</u>	<u>(3,023,649)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 108,022</u>	<u>\$ 81,651</u>

The accompanying unaudited condensed notes are an integral part of these unaudited condensed consolidated financial statements.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	<u>Three Months Ended</u>		<u>For the six months ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
REVENUE				
Revenue	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES				

Administration expenses	525,620	346,164	990,752	777,904
Occupancy expenses - related party	7,506	6,550	13,879	14,286
Research and development	74,878	50,753	176,203	97,307
TOTAL OPERATING EXPENSES	608,004	403,467	1,180,834	889,497
LOSS FROM OPERATIONS	(608,004)	(403,467)	(1,180,834)	(889,497)
OTHER INCOME (EXPENSE)				
Interest expense	(98,619)	(177,905)	(261,371)	(287,758)
Interest income	17	-	19	-
Change in fair value of derivative liabilities	62,335	(163,853)	127,508	(167,757)
Gain from settlement of accounts payable	-	-	17,499	-
Gain on extinguishment of debt, net	43,520	-	42,910	-
Foreign currency transaction gain (loss)	(13,988)	(110,215)	22,235	(1,086)
TOTAL OTHER EXPENSE, NET	(6,735)	(451,973)	(51,200)	(456,601)
LOSS BEFORE TAXES	(614,739)	(855,440)	(1,232,034)	(1,346,098)
Tax benefit	129,321	55,463	129,321	55,463
NET LOSS	\$ (485,418)	\$ (799,977)	\$ (1,102,713)	\$ (1,290,635)
Deemed Dividend	(19,322)	(93,398)	(408,557)	(208,242)
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	\$ (504,740)	\$ (893,375)	\$ (1,511,270)	\$ (1,498,877)
BASIC AND DILUTED NET LOSS PER SHARE AVAILABLE TO COMMON STOCKHOLDERS	\$ (0.00)	\$ (0.02)	\$ (0.00)	\$ (0.04)
BASIC AND DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	960,470,651	49,373,565	718,360,144	38,318,783
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	\$ (504,740)	\$ (893,375)	\$ (1,511,270)	\$ (1,498,877)
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized foreign currency translation gain (loss)	(107,812)	(7,697)	18,584	56,496
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(107,812)	(7,697)	18,584	56,496
TOTAL COMPREHENSIVE LOSS	\$ (612,552)	\$ (901,072)	\$ (1,492,686)	\$ (1,442,381)

The accompanying unaudited condensed notes are an integral part of these unaudited condensed consolidated financial statements.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2022 AND 2021
(Unaudited)

	Preferred Stock				Common Stock				Additional Paid-in Capital	Subscription Receivable	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total Stockholders' Deficit
	Series A		Series B		Common Stock		Issuable							
	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value						
Balance at June 30, 2021	500,000	\$ 5,000	1	\$ -	14,055,393	\$ 14,056	59	\$ -	\$ 54,074,110	\$ -	\$ (58,199,466)	\$ 1,085,204	\$ (46,477)	\$ (3,067,573)
Issuance of common stock for conversion of convertible debt, conversion fee and accrued interest	-	-	-	-	9,445,009	9,445	-	-	190,741	-	-	-	-	200,186
Issuance of common stock for services and accrued expenses	-	-	-	-	17,934,379	17,934	-	-	563,927	-	-	-	-	581,861
Issuance of common stock for exercise of warrants	-	-	-	-	6,875	7	2,500	2	374,991	(100,000)	-	-	-	275,000
Issuance of common stock for alternate cashless exercise of warrants	-	-	-	-	2,399,988	2,400	1,999,990	2,000	(4,400)	-	-	-	-	-

Reclassification of put premium upon debt conversion	-	-	-	-	-	-	-	-	-	109,643	-	-	-	-	109,643	
Stock based compensation in connection with stock option grants	-	-	-	-	-	-	-	-	-	20,718	-	-	-	-	20,718	
Foreign currency translation gain	-	-	-	-	-	-	-	-	-	-	-	-	64,193	-	64,193	
Deemed dividend upon alternate cashless exercise of warrants	-	-	-	-	-	-	-	-	-	114,844	-	(114,844)	-	-	-	
Net loss for the three months ended September 30, 2021	-	-	-	-	-	-	-	-	-	-	-	(490,658)	-	-	(490,658)	
Balance at September 30, 2021	500,000	5,000	1	-	43,841,644	43,842	2,002,549	2,002	55,444,574	(100,000)	(58,804,968)	1,149,397	(46,477)	(2,306,630)		
Issuance of common stock for conversion of convertible debt and accrued interest	-	-	-	-	1,818,097	1,818	-	-	24,908	-	-	-	-	-	26,726	
Issuance of common stock for deferred offering cost	-	-	-	-	1,000,000	1,000	-	-	19,000	-	-	-	-	-	20,000	
Issuance of common stock for exercise of warrants	-	-	-	-	2,500	2	(2,500)	(2)	-	100,000	-	-	-	-	100,000	
Issuance of common stock for alternate cashless exercise of warrants	-	-	-	-	6,399,968	6,400	(1,999,990)	(2,000)	(4,400)	-	-	-	-	-	-	
Reclassification of put premium upon debt conversion	-	-	-	-	-	-	-	-	16,667	-	-	-	-	-	16,667	
Stock based compensation in connection with stock option grants	-	-	-	-	-	-	-	-	20,718	-	-	-	-	-	20,718	
Foreign currency translation loss	-	-	-	-	-	-	-	-	-	-	-	-	(7,697)	-	(7,697)	
Deemed dividend upon alternate cashless exercise of warrants	-	-	-	-	-	-	-	-	93,398	-	(93,398)	-	-	-	-	
Net loss for the three months ended December 31, 2021	-	-	-	-	-	-	-	-	-	-	-	(799,977)	-	-	(799,977)	
Balance at December 31, 2021	500,000	\$ 5,000	1	\$ -	53,062,209	\$ 53,062	59	\$ -	\$ 55,614,865	\$ -	\$ (59,698,343)	\$ 1,141,700	\$ (46,477)	\$ (2,930,193)		
	Preferred Stock				Common Stock				Common Stock Issuable		Additional Paid-in Capital	Subscription Receivable	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total Stockholders' Deficit
	Series A	Series B		Common Stock		Common Stock Issuable		Additional Paid-in Capital	Subscription Receivable	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total Stockholders' Deficit			
	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value	Additional Paid-in Capital	Subscription Receivable	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total Stockholders' Deficit		
Balance at June 30, 2022	500,000	\$ 5,000	1	\$ -	220,350,921	\$ 220,351	19,597,024	\$ 19,597	\$ 57,124,982	\$ (23,758)	\$ (61,557,893)	\$ 1,234,549	\$ (46,477)	\$ (3,023,649)		
Issuance of common stock for cash	-	-	-	-	14,336,712	14,337	-	-	10,374	23,758	-	-	-	-	48,469	

Issuance of common stock for conversion of convertible debt, conversion fee and accrued interest	-	-	-	-	264,492,661	264,493	-	-	192,446	-	-	-	-	456,939
Issuance of common stock for issuable shares	-	-	-	-	19,596,965	19,597	(19,596,965)	(19,597)	-	-	-	-	-	-
Issuance of common stock for exercise of warrants	-	-	-	-	1,250	1	1,250	1	99,998	-	-	-	-	100,000
Issuance of common stock for alternate cashless exercise of warrants	-	-	-	-	158,399,208	158,399	-	-	(158,399)	-	-	-	-	-
Reclassification of put premium upon debt conversion	-	-	-	-	-	-	-	-	133,646	-	-	-	-	133,646
Stock based compensation in connection with stock warrant grant	-	-	-	-	-	-	-	-	2,408	-	-	-	-	2,408
Warrant grant for settlement of accounts payable	-	-	-	-	-	-	-	-	5,551	-	-	-	-	5,551
Foreign currency translation gain	-	-	-	-	-	-	-	-	-	-	-	126,396	-	126,396
Deemed dividend upon alternate cashless exercise of warrants	-	-	-	-	-	-	-	-	389,235	-	(389,235)	-	-	-
Net loss for the three months ended September 30, 2022	-	-	-	-	-	-	-	-	-	-	(617,295)	-	-	(617,295)
Balance at September 30, 2022	500,000	5,000	1	-	677,177,717	677,178	1,309	1	57,800,241	-	(62,564,423)	1,360,945	(46,477)	(2,767,535)
Issuance of common stock for conversion of convertible debt, conversion fee and accrued interest	-	-	-	-	380,506,070	380,506	-	-	(214,815)	-	-	-	-	165,691
Issuance of common stock for issuable shares	-	-	-	-	1,250	1	(1,250)	(1)	-	-	-	-	-	-
Issuance of common stock for exercise of warrants	-	-	-	-	2,500	3	-	-	99,997	-	-	-	-	100,000
Issuance of common stock for alternate cashless exercise of warrants	-	-	-	-	33,599,832	33,600	-	-	(33,600)	-	-	-	-	-
Issuance of common stock for services	-	-	-	-	79,412,132	79,412	-	-	(22,601)	-	-	-	-	56,811
Issuance of common stock in connection with a note payable	-	-	-	-	75,000,000	75,000	-	-	(37,500)	-	-	-	-	37,500
Reclassification of put premium upon debt conversion	-	-	-	-	-	-	-	-	85,346	-	-	-	-	85,346

Foreign currency translation loss	-	-	-	-	-	-	-	-	-	-	-	(107,812)	-	(107,812)
Deemed dividend upon alternate cashless exercise of warrants	-	-	-	-	-	-	-	-	19,322	-	(19,322)	-	-	-
Net loss for the three months ended December 31, 2022	-	-	-	-	-	-	-	-	-	-	-	(485,418)	-	(485,418)
Balance at December 31, 2022	500,000	\$ 5,000	1	\$ -	1,245,699,501	\$ 1,245,700	59	\$ -	\$ 57,696,390	\$ -	\$ (63,069,163)	\$ 1,253,133	\$ (46,477)	\$ (2,915,417)

The accompanying unaudited condensed notes are an integral part of these unaudited condensed consolidated financial statements.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the six months ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,102,713)	\$ (1,290,635)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Issuance and amortization of common stock for services	56,811	133,422
Foreign currency transaction gain	(22,235)	1,086
Depreciation expense	895	1,013
Amortization of debt discounts	83,903	11,295
Amortization of right-of-use assets	10,858	-
Change in fair value of derivative liabilities	(127,508)	167,757
Gain on extinguishment of debt, net	(42,910)	-
Gain from settlement of accounts payable	(17,499)	-
Stock option, stock warrants and restricted stock expense	2,408	41,436
Non-cash interest expense	-	2,250
Accretion of put premium	144,711	245,000
Changes in Assets and Liabilities:		
GST receivable	(2,238)	(1,417)
Prepaid expenses and other assets	(16,724)	(5,637)
Accounts payable	9,520	(51,037)
Employee benefit liability	169,268	12,882
Accrued expenses and other payables	97,414	(6,772)
Accrued interest	31,433	28,264
Operating lease liability	(9,936)	-
NET CASH USED IN OPERATING ACTIVITIES	(734,542)	(711,093)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from convertible promissory notes, net of original issue discounts and issue costs	395,750	414,500
Proceeds from note payable, net of original issue discounts and issue costs	100,000	-
Proceeds from the sale of common stock	24,711	-
Collection of subscription receivable	23,758	-
Proceeds from the exercise of warrants	200,000	375,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	744,219	789,500
Effect of exchange rate changes on cash	10,732	(7,046)
NET INCREASE IN CASH	20,409	71,361
CASH AT BEGINNING OF PERIOD	4,067	2,255
CASH AT END OF PERIOD	\$ 24,476	\$ 73,616
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period:		
Interest	\$ 1,323	\$ 950
Income Tax	\$ -	\$ -
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Common stock issued for offering cost applied against proceeds received	\$ -	\$ 20,000
Reduction of put premium related to conversions of convertible notes	\$ 218,992	\$ 126,310
Conversion of convertible notes and accrued interest to common stock	\$ 515,221	\$ 224,662
Debt discounts related to derivative liability	\$ 93,668	\$ -
Debt discounts related to common stock issued with a note payable	\$ 37,500	\$ -

Warrant grant for settlement of accounts payable	\$ 5,551	\$ -
Common stock issued for accrued services	\$ -	\$ 448,440
Deemed dividend upon alternate cashless exercise of warrants	\$ 408,557	\$ 208,242

The accompanying unaudited condensed notes are an integral part of these unaudited condensed consolidated financial statements.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022
(Unaudited)

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Nature of Operations

Propanc Biopharma, Inc. (the “Company,” “we,” “us” or “our”) was originally incorporated in Melbourne, Victoria Australia on October 15, 2007 as Propanc PTY LTD, and continues to be based in Camberwell, Victoria Australia. Since its inception, substantially all of the operations of the Company have been focused on the development of new cancer treatments targeting high-risk patients, particularly cancer survivors, who need a follow-up, non-toxic, long-term therapy designed to prevent the cancer from returning and spreading. The Company anticipates establishing global markets for its technologies. Our lead product candidate, which we refer to as PRP, is an enhanced pro-enzyme formulation designed to enhance the anti-cancer effects of multiple enzymes acting synergistically. It is currently in the preclinical phase of development.

On November 23, 2010, the Company was incorporated in the state of Delaware as Propanc Health Group Corporation. In January 2011, to reorganize the Company, we acquired all of the outstanding shares of Propanc PTY LTD on a one-for-one basis making it a wholly-owned subsidiary of the Company.

On July 22, 2016, the Company formed a wholly-owned subsidiary, Propanc (UK) Limited under the laws of England and Wales for the purpose of submitting an orphan drug application to the European Medicines Agency as a small and medium-sized enterprise. As of December 31, 2022, there has been no activity within this entity.

Effective April 20, 2017, the Company changed its name to “Propanc Biopharma, Inc.” to reflect the Company’s stage of operations and development better.

In July 2020, a world-first patent was granted in Australia for the cancer treatment method patent family. Presently, there are 43 granted, allowed, or accepted patents and 22 patents filed, or under examination in key global jurisdictions relating to the use of proenzymes against solid tumors, covering the lead product candidate PRP.

The Company hopes to capture and protect additional patentable subject matter based on the Company’s field of technology relating to pharmaceutical compositions of proenzymes for treating cancer by filing additional patent applications as it advances its lead product candidate, PRP, through various stages of development.

On May 18, 2022, the board of directors of the Company approved and authorized, and the holders of a majority-in-interest of the Company’s voting capital stock approved by written consent, in accordance with Section 228 of the Delaware General Corporation Law, for the Company to file a Certificate of Amendment to its Certificate of Incorporation (the “May Certificate”) with the Secretary of State of the State of Delaware, which increased the Company’s authorized capital stock. The May Certificate increased the number of authorized shares of the Company’s Common Stock, par value \$0.001 per share, from 1,000,000,000 to 3,000,000,000. The number of authorized shares of preferred stock remains at 1,500,005, such that the total number of shares of all classes and series the Company was authorized to issue became 3,001,500,005 shares. The Certificate was filed and became effective on July 6, 2022.

On September 21, 2022, the board of directors of the Company approved and authorized, and the holders of a majority-in-interest of the Company’s voting capital stock approved by written consent, in accordance with Section 228 of the Delaware General Corporation Law, for the Company to file a Certificate of Amendment to its Certificate of Incorporation (the “September Certificate”) with the Secretary of State of the State of Delaware, which increased the Company’s authorized capital stock. The September Certificate increased the number of authorized shares of the Company’s Common Stock, par value \$0.001 per share, from 3,000,000,000 to 10,000,000,000. The number of authorized shares of preferred stock remains at 1,500,005, such that the total number of shares of all classes and series the Company is authorized to issue is 10,001,500,005 shares. The Certificate was filed and became effective on November 4, 2022.

Basis of Presentation

The Company’s interim unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q (this “Quarterly Report”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”). In the opinion of the Company’s management, all adjustments (consisting of normal recurring adjustments and reclassifications and non-recurring adjustments) necessary to present fairly our consolidated results of operations for the three and six months ended December 31, 2022 and 2021 and cash flows for the three and six months ended December 31, 2022 and 2021, and our consolidated financial position at December 31, 2022 have been made. The Company’s results of operations for the six months ended December 31, 2022 are not necessarily indicative of the operating results to be expected for the full fiscal year ending June 30, 2023.

Certain information and disclosures normally included in the notes to the Company’s annual audited consolidated financial statements have been condensed or omitted from the Company’s interim unaudited condensed consolidated financial statements included in this Quarterly Report. Accordingly, these interim unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto for the fiscal year ended June 30, 2022. The June 30, 2022 balance sheet is derived from those statements.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of Propanc Biopharma, Inc., the parent entity, and its wholly-owned subsidiary, Propanc PTY LTD. All intercompany balances and transactions have been eliminated in consolidation. Propanc (UK) Limited was an inactive wholly-owned subsidiary through December 31, 2022.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022
(Unaudited)

Use of Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America (“US GAAP”) requires management to

make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates in the accompanying consolidated financial statements include the estimates of useful lives for depreciation, valuation of the operating lease liability and related right-of-use asset, valuation of derivatives, allowance for uncollectable receivables, valuation of equity based instruments issued for other than cash, the valuation allowance on deferred tax assets and foreign currency translation due to certain average exchange rates applied in lieu of spot rates on transaction dates.

Foreign Currency Translation and Other Comprehensive Income (Loss)

The Company's wholly-owned subsidiary's functional currency is the Australian dollar (AUD). For financial reporting purposes, the Australian dollar has been translated into the Company's reporting currency which is the United States dollar (\$) and/or (USD). Assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the reporting period. Equity transactions are translated at each historical transaction date spot rate. Translation adjustments arising from the use of different exchange rates from period to period are included as a component of stockholders' equity (deficit) as "Accumulated other comprehensive income (loss)." Gains and losses resulting from foreign currency transactions are included in the statements of operations and comprehensive income (loss) as a component of other comprehensive income (loss). There have been no significant fluctuations in the exchange rate for the conversion of Australian dollars to USD after the balance sheet date.

Other Comprehensive Income (Loss) for all periods presented includes only foreign currency translation gains (losses).

Assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the consolidated balance sheet date with any transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency included in the consolidated results of operations as incurred. Effective fiscal year 2021, the parent company determined that the intercompany loans will not be repaid in the foreseeable future and thus, per ASC 830-20-35-3, gains and losses from measuring the intercompany balances are recorded within cumulative translation adjustment, a component of accumulated other comprehensive income (loss). Prior to July 1, 2020, the Company recorded the foreign currency transaction gains and losses from measuring the intercompany balances as a component of other income (expenses) titled foreign currency transaction gain (loss). As of December 31, 2022 and 2021, the Company recognized a cumulative exchange gain (loss) of approximately \$269,000 and \$485,000, respectively, on intercompany loans made by the parent to the subsidiary that have not been repaid as of December 31, 2022, which is included as component of accumulated other comprehensive income on the accompanying unaudited condensed consolidated balance sheet.

As of December 31, 2022 and June 30, 2022, the exchange rates used to translate amounts in Australian dollars into USD for the purposes of preparing the consolidated financial statements were as follows:

	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Exchange rate on balance sheet dates		
USD : AUD exchange rate	0.6805	0.6915
Average exchange rate for the period		
USD : AUD exchange rate	0.6705	0.7253

The change in Accumulated Other Comprehensive Income by component during the six months ended December 31, 2022 was as follows:

	<u>Foreign Currency Items:</u>
Balance, June 30, 2022	\$ 1,234,549
Unrealized foreign currency translation gain	18,584
Ending balance, December 31, 2022	<u>\$ 1,253,133</u>

Fair Value of Financial Instruments and Fair Value Measurements

The Company measures its financial assets and liabilities in accordance with US GAAP. For certain financial instruments, including cash and cash equivalents, receivables, accounts payable and accrued liabilities, the carrying amounts approximate fair value due to their short maturities. Amounts recorded for notes payable, net of discount, and loans payable also approximate fair value because current interest rates available for debt with similar terms and maturities are substantially the same.

The Company follows accounting guidance for financial assets and liabilities. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost).

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
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(Unaudited)

The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs, other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

Also see Note 11 – Derivative Financial Instruments and Fair Value Measurements.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less with financial institutions, and bank overdrafts. Bank overdrafts are reflected as a current liability on the balance sheets. There were no cash equivalents as of December 31, 2022 or June 30, 2022.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Expenditures for maintenance and repairs are expensed as incurred; additions, renewals, and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the declining balance method. The depreciable amount is the cost less its residual value.

The estimated useful lives are as follows:

Machinery and equipment	- 5 years
Furniture	- 7 years

Patents

Patents are stated at cost and amortized on a straight-line basis over the estimated future periods if and once the patent has been granted by a regulatory agency. However, the Company will expense any patent costs as long as we are in the startup stage. Accordingly, as the Company's products are not currently approved for market, all patent costs incurred from 2013 through December 31, 2022 were expensed immediately. This practice of expensing patent costs immediately ends when a product receives market authorization from a government regulatory agency.

Impairment of Long-Lived Assets

In accordance with ASC 360-10, "Long-lived assets," which include property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable.

Employee Benefit Liability

Liabilities arising in respect of wages and salaries, accumulated annual leave, accumulated long service leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured based on the employee's remuneration rates applicable at the reporting date. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. All employee liabilities are owed within the next twelve months.

Australian Goods and Services Tax ("GST")

Revenues, expenses and balance sheet items are recognized net of the amount of GST, except payable and receivable balances which are shown inclusive of GST. The GST incurred is payable on revenues to, and recoverable on purchases from, the Australian Taxation Office.

Cash flows are presented in the statements of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

As of December 31, 2022, and June 30, 2022, the Company was owed \$4,543 and \$2,342, respectively, from the Australian Taxation Office. These amounts were fully collected subsequent to the balance sheet reporting dates.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
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Derivative Instruments

ASC Topic 815, *Derivatives and Hedging* ("ASC Topic 815"), establishes accounting and reporting standards for derivative instruments and for hedging activities by requiring that all derivatives be recognized in the balance sheet and measured at fair value. Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings. On the date of conversion or payoff of debt, the Company records the fair value of the conversion shares, removes the fair value of the related derivative liability, removes any discounts and records a net gain or loss on debt extinguishment. On July 1, 2019 the Company adopted ASU 2017-11 under which down-round Features in Financial Instruments will no longer cause derivative treatment.

Convertible Notes With Variable Conversion Options

The Company has entered into convertible notes, some of which contain variable conversion options, whereby the outstanding principal and accrued interest may be converted, by the holder, into common shares at a fixed discount to the price of the common stock at or around the time of conversion. The Company treats these convertible notes as stock settled debt under ASC 480, "*Distinguishing Liabilities from Equity*" and measures the fair value of the notes at the time of issuance, which is the result of the share price discount at the time of conversion and records the put premium as interest expense.

Income Taxes

The Company is governed by Australia and United States income tax laws, which are administered by the Australian Taxation Office and the United States Internal Revenue Service, respectively. The Company follows ASC 740 "*Accounting for Income Taxes*," when accounting for income taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company follows ASC 740, Sections 25 through 60, "*Accounting for Uncertainty in Income Taxes*." These sections provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods.

Research and Development Costs and Tax Credits

In accordance with ASC 730-10, “*Research and Development-Overall*,” research and development costs are expensed when incurred. Total research and development costs for the three months ended December 31, 2022 and 2021 were \$74,878 and \$50,753, respectively. Total research and development costs for the six months ended December 31, 2022 and 2021 were \$176,203 and \$97,307, respectively. Research and development costs include allocations of salary among certain officers.

The Company may apply for research and development tax concessions with the Australian Taxation Office on an annual basis. Although the amount is possible to estimate at year end, the Australian Taxation Office may reject or materially alter the claim amount. Accordingly, the Company does not recognize the benefit of the claim amount until cash receipt since collectability is not certain until such time. The tax concession is a refundable credit. If the Company has net income, then the Company can receive the credit which reduces its income tax liability. If the Company has net losses, then the Company may still receive a cash payment for the credit, however, the Company’s net operating loss carryforwards are reduced by the gross equivalent loss that would produce the credit amount when the income tax rate is applied to that gross amount. The concession is recognized as tax benefit, in operations, upon receipt.

During each of the six months ended December 31, 2022 and 2021, the Company applied for, and received from the Australian Taxation Office, a research and development tax credit in the amount of \$129,321 and \$55,463, respectively, which is reflected as a tax benefit in the accompanying unaudited condensed consolidated statements of operations and comprehensive income (loss).

Stock Based Compensation

The Company records stock-based compensation in accordance with ASC 718, “*Stock Compensation*”. ASC 718 requires the fair value of all stock-based employee compensation awarded to employees to be recorded as an expense over the shorter of the service period or the vesting period. The Company values employee and non-employee stock-based compensation at fair value using the Black-Scholes Option Pricing Model.

The Company adopted ASU 2018-07 and accounts for non-employee share-based awards in accordance with the measurement and recognition criteria of ASC 718 and recognizes the fair value of such awards over the service period. The Company used the modified prospective method of adoption.

Revenue Recognition

The Company applies ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”). ASC 606 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This standard requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures. Subject to these criteria, the Company intends to recognize revenue relating to royalties on product sales in the period in which the sale occurs and the royalty term has begun.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
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(Unaudited)

Legal Expenses

All legal costs for litigation are charged to expense as incurred.

Leases

The Company follows ASC Topic 842, Leases (Topic 842) and applies the package of practical expedients, which permit it not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. In addition, the Company elected not to apply ASC Topic 842 to arrangements with lease terms of 12 months or less. Operating lease right of use assets (“ROU”) represents the right to use the leased asset for the lease term and operating lease liabilities are recognized based on the present value of future minimum lease payments over the lease term at commencement date. As most leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at the adoption date in determining the present value of future payments. Lease expense for minimum lease payments is amortized on a straight-line basis over the lease term and is included in general and administrative expenses.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation. The reclassified amounts have no impact on the Company’s previously reported financial position or results of operations and relate to the presentation of accrued interest separately on the consolidated balance sheet of which \$57,822 was previously included in convertible notes, net of discounts and including premiums at June 30, 2022.

Basic and Diluted Net Loss Per Common Share

Basic net loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding for the period and, if dilutive, potential common shares outstanding during the period. Potentially dilutive securities consist of the incremental common shares issuable upon exercise of common stock equivalents such as stock options, warrants and convertible debt instruments. Potentially dilutive securities are excluded from the computation if their effect is anti-dilutive. As a result, the basic and diluted per-share amounts for all periods presented are identical. Each holder of the notes has agreed to a 4.99% beneficial ownership conversion limitation (subject to certain noteholders’ abilities to increase such limitation to 9.99% upon 60 days’ notice to the Company), and each note may not be converted during the first six-month period from the date of issuance. The Company’s CEO holds Series A Preferred Stock and B Preferred Stock that, when combined, confers upon him a majority vote regarding authorization of additional common shares and/or the authorization of a reverse split the stock as considered necessary. Such securities are considered dilutive securities, which were excluded from the computation since the effect is anti-dilutive.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Stock Options	59	59
Stock Warrants with no designations	3,305,975	111,910
Series A Warrants as if converted at alternate cashless exercise prices	1,997,190,014	-
Series B Warrants	23,750	-
Series C Warrants as if converted at alternate cashless exercise prices *	7,999,960,000	-
Unvested restricted stock	59	59
Convertible Debt	930,128,205	28,520,974
Total	<u>10,930,608,062</u>	<u>28,633,002</u>

*Only convertible ratably upon exercise of Series B Warrants

Recent Accounting Pronouncements

We have reviewed the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. We have carefully considered the new pronouncements that alter previous generally accepted accounting principles and do not believe that any new or modified principles will have a material impact on the Company’s reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of the Company’s financial management.

In August 2020, the FASB issued Accounting Standards Update (“ASU”) 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging Contracts in Entity’s Own Equity (Subtopic 815-40), which eliminates the beneficial conversion and cash conversion accounting models for convertible instruments, amends the accounting for certain contracts in an entity’s own equity that are currently accounted for as derivatives because of specific settlement provisions, and modifies how particular convertible instruments and certain contracts that may be settled in cash or shares impact the diluted EPS calculation. The standard is effective for annual periods beginning after December 15, 2023 for smaller reporting companies, and interim periods within those reporting periods. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those reporting periods. The Company is currently assessing the impact the new guidance will have on our consolidated financial statements.

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PROPANC BIOPHARMA, INC. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited)

NOTE 2 – GOING CONCERN

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with US GAAP, which contemplate continuation of the Company as a going concern. For the six months ended December 31, 2022, the Company had no revenues, had a net loss of \$1,102,713, and had net cash used in operations of \$734,542. Additionally, As of December 31, 2022, the Company had a working capital deficit, stockholders’ deficit and accumulated deficit of \$ 2,938,328, \$2,915,417, and \$63,069,163, respectively. It is management’s opinion that these conditions raise substantial doubt about the Company’s ability to continue as a going concern for a period of at least twelve months from the issue date of this Quarterly Report.

The unaudited condensed consolidated financial statements do not include any adjustments to reflect the possible future effect on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of this uncertainty.

Successful completion of the Company’s development program and, ultimately, the attainment of profitable operations are dependent upon future events, including obtaining adequate financing to fulfill its development activities, acceptance of the Company’s patent applications, obtaining additional sources of suitable and adequate financing and ultimately achieving a level of sales adequate to support the Company’s cost structure and business plan. The Company’s ability to continue as a going concern is also dependent on its ability to further develop and execute on its business plan. However, there can be no assurances that any or all of these endeavors will be successful.

In March 2020, the outbreak of COVID-19 (coronavirus) caused by a novel strain of the coronavirus was recognized as a pandemic by the World Health Organization, and the outbreak has become increasingly widespread in the United States, Europe and Australia, including in each of the areas in which the Company operates. The COVID-19 (coronavirus) outbreak has had a notable impact on general economic conditions, including but not limited to the temporary closures of many businesses, “shelter-in-place” and other governmental regulations, reduced business and consumer spending due to both job losses, reduced investing activity and M&A transactions, among many other effects attributable to the COVID-19 (coronavirus), and there continue to be many unknowns. While to date the Company has not been required to stop operating, management is evaluating its use of its office space, virtual meetings and the like. The Company continues to monitor the impact of the COVID-19 (coronavirus) outbreak closely. The extent to which the COVID-19 (coronavirus) outbreak will impact the Company’s operations, ability to obtain financing or future financial results is uncertain.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2022 and June 30, 2022.

	<u>December 31, 2022</u>	<u>June 30, 2022</u>
	(Unaudited)	
Office equipment at cost	\$ 25,971	\$ 28,623
Less: Accumulated depreciation	(24,888)	(26,600)
Total property, plant, and equipment	<u>\$ 1,083</u>	<u>\$ 2,023</u>

Depreciation expenses for the three months ended December 31, 2022 and 2021 were \$422 and \$504, respectively. Depreciation expenses for the six months ended December 31, 2022 and 2021 were \$895 and \$1,013, respectively.

NOTE 4 – DUE TO FORMER DIRECTOR – RELATED PARTY

Due to former director – related party represents unsecured advances made primarily by a former director for operating expenses on behalf of the Company, such as intellectual property and formation expenses. The expenses were paid for on behalf of the Company and are due upon demand. The Company is currently not being charged interest under these advances. The total amounts owed the former director at December 31, 2022 and June 30, 2022 were \$30,257 and \$30,746, respectively. The Company plans to repay the advances as its cash resources allow (see Note 9).

NOTE 5 – LOANS

Loan from Former Director – Related Party

Loans from the Company’s former director at December 31, 2022 and June 30, 2022 were \$0,357 and \$51,171, respectively. The loans bear no interest and are payable on demand. The Company did not repay any amount on this loan during the six months ended December 31, 2022 and 2021, respectively (see Note 9).

Loan Payable

Crown Bridge Securities Purchase Agreements

Effective October 3, 2019, the Company entered into a securities purchase agreement with Crown Bridge Partners, pursuant to which Crown Bridge purchased a convertible promissory note from the Company with a remaining principal balance of \$65,280 as of December 31, 2022 (see Note 6). The maturity date of the October 3, 2019 Crown Bridge was October 3, 2020 and is currently past due. The October 3, 2019 Crown Bridge note currently bears interest at a default interest rate of 5% per annum. In August 2022, the Securities and Exchange Commission (the “SEC”) filed a complaint against Crown Bridge due to its violation of Section 15(a)(1) of the Securities Exchange Act of

1934. Crown Bridge agreed to surrender all conversion rights in its currently held convertible notes, including the Company's note. Consequently, as of December 31, 2022, the Company reclassified the remaining principal balance of \$65,280 from convertible note into a loan payable. Additionally, the Company recorded the remaining put premium of \$43,520 into gain on extinguishment of debt during the six months ended December 31, 2022. The total accrued interest from this loan amounted to \$30,866 as of December 31, 2022.

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Loan in default

The Crown Bridge loan is currently past due and in default, consisting of \$65,280 principal and \$30,866 accrued interest, which includes interest accruing at the default interest rate at 15%.

NOTE 6 – NOTES PAYABLE AND CONVERTIBLE NOTES

Note Payable

The Company's note payable outstanding at December 31, 2022 and June 30, 2022 were as follows:

	<u>December 31, 2022</u>	<u>June 30, 2022</u>
	(Unaudited)	
Principal amount	\$ 125,000	\$ -
Unamortized discounts	(52,596)	-
Note payable, net	<u>\$ 72,404</u>	<u>\$ -</u>

Coventry Enterprises, LLC Securities Purchase Agreement

On November 3, 2022, the Company entered into a Securities Purchase Agreement with Coventry Enterprises, LLC ("Coventry"), pursuant to which Coventry purchased a promissory note from the Company in the aggregate principal amount of \$125,000, such principal and the interest thereon convertible into shares of the Company's common stock following an event of default. The Coventry note contains a \$25,000 original issue discount. The Company intends to use the net proceeds of \$100,000 from the Coventry note for general working capital purposes.

The Coventry note bears interest at a rate of 10% per annum, a \$12,500 guaranteed interest. The principal amount and the guaranteed interest is due and payable in seven equal monthly payments (each, a "Monthly Payment") of \$19,643, commencing on March 24, 2023 and continuing on the 24th day of each month thereafter (each, a "Monthly Payment Date") until paid in full not later than October 24, 2023 (the "Maturity Date"), or such earlier date as the Coventry note is required or permitted to be repaid and to pay such other interest to Coventry on the aggregate unconverted and then-outstanding principal amount of the Coventry note in accordance with the provisions thereof. Any or all of the principal amount and guaranteed interest may be pre-paid at any time and from time to time, in each case without penalty or premium.

Additionally, in the event that, while the Coventry note has been outstanding for four months, there is a qualified Offering Statement on Form 1-A, then Coventry may choose to convert any amount up to the entire balance of the Coventry Note, including guaranteed interest into shares at the 1-A offering price.

At any time following an event of default under 7(a)(i) of the Coventry Note, it becomes convertible, in whole or in part, into shares of Common Stock at the option of Coventry, at any time and from time to time thereafter (subject to the beneficial ownership limitations set forth in Section 5d thereof). The conversion price of the Coventry note is ninety percent (90%) per share of the lowest per-share VWAP during the twenty (20) trading-day period before the conversion (each, a "Calculated Conversion Price"). In the event that, within 30 calendar days either before or after any conversion, the conversion price of which is based upon a Calculated Conversion Price, the Company consummates (in whole or in part) any financing (whether such financing is equity, equity-equivalent, or debt or any combination thereof) or for any other reason issues any shares of its Common Stock or any Common Stock Equivalents at a price less than the most recent Calculated Conversion Price (the "Alternative Conversion Price"), regardless of when that note or instrument was originated, then, in respect of such conversion and at the option of Coventry, (i) if the conversion shall not then have yet occurred, then the Alternative Conversion Price shall be substituted for the Calculated Conversion Price and (ii) if the conversion shall already have occurred, then, within two Trading Days following the written request from Coventry therefor, the Company shall issue to Coventry that number of shares of Common Stock equivalent to the difference between the number of shares of Common Stock that had been issued using the Calculated Conversion Price and the number of shares of Common Stock that would have been issued using the Alternative Conversion Price.

Upon the occurrence and during the continuation of certain events of default, interest shall accrue at a default interest rate that shall be equal to the lesser of i) 18% per annum or ii) the maximum rate permitted by law. Subject to the beneficial ownership limitation as set forth in Section 5(d) of the Coventry note, if any event of default occurs, then the outstanding principal amount of the note, the outstanding guaranteed interest amount of the note, plus accrued but unpaid default rate interest, liquidated damages and other amounts owing in respect thereof through the date of acceleration, shall become, at Coventry's election, immediately due and payable at its option, in cash or in shares of Common Stock, at the mandatory default amount, which amount is equal to 120% of the outstanding principal amount of the note and accrued and unpaid interest thereon, in addition to the payment of all other amounts, costs, expenses, and liquidated damages due in respect of the note. In the event that the Company fails to deliver to Coventry shares of Common Stock issuable upon conversion of principal or interest, the Company shall pay in cash an amount that is equivalent to the amount in excess of the sales value of the shares of Common Stock that Coventry would have been entitled to receive from the conversion over the principal amount and interest of the attempted conversion.

As an additional inducement to Coventry purchasing the Coventry note, the Company, as of the Original Issue Date and for no additional consideration, issued to Coventry 75,000,000 shares of the Company's Common Stock, which was valued using the relative fair value method at \$7,500 and recognized as debt discount to be amortized over the term of the note.

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The total principal amount outstanding under the Coventry note was \$125,000 and accrued interest of \$2,020 as of December 31, 2022.

Convertible Notes Payable

The Company's convertible notes outstanding at December 31, 2022 and June 30, 2022 were as follows:

	<u>December 31, 2022</u>	<u>June 30, 2022</u>
	(Unaudited)	
Convertible notes and debenture	\$ 527,250	\$ 644,980
Unamortized discounts	(88,837)	(31,669)
Premium, net	195,327	313,127
Convertible notes, net	<u>\$ 633,740</u>	<u>\$ 926,438</u>

Convertible Note Issued with Consulting Agreement

August 10, 2017 Consulting Agreement

On August 10, 2017, the Company entered into a consulting agreement, retroactive to May 16, 2017, with a certain consultant, pursuant to which the consultant agreed to provide certain consulting and business advisory services in exchange for a \$310,000 junior subordinated convertible note. The maturity date of the August 10, 2017 convertible note was August 10, 2019 and was past due (see Note 8). The note accrued interest at a rate of 0% per annum and was convertible into shares of the Company's Common Stock at the lesser of \$750 or 65% of the three lowest trades in the ten trading days prior to the conversion. The August 10, 2017 convertible note was fully earned upon signing the consulting agreement and matured on August 10, 2019. The Company accrued \$155,000 related to this expense at June 30, 2017 and recorded the remaining \$155,000 related to this expense in fiscal year 2018. Upon an event of default, principal and accrued interest immediately became due and payable under the note. Additionally, upon an event of default, at the election of the holder, the note would accrue interest at a default interest rate of 18% per annum or the highest rate of interest permitted by law. The consulting agreement had a three-month term and expired on August 16, 2017. An aggregate total of \$578,212 of the August 10, 2017 convertible note was bifurcated with the embedded conversion option recorded as a derivative liability at fair value. During the year ended June 30, 2018, the consultant converted \$140,000 of principal and \$10,764 of interest. During the year ended June 30, 2019, the consultant converted an additional \$161,000 of principal and \$19,418 of interest leaving a principal balance owed of \$9,000 at June 30, 2019. During the year ended June 30, 2020, the consultant converted an additional \$500 of principal and \$5,248 of interest, such that the remaining principal outstanding and accrued interest under the August 10, 2017 convertible note as of June 30, 2020 was \$8,500 and \$22,168, respectively.

On March 15, 2021, the Company entered into a Settlement and Mutual Release Agreement (the "Settlement Agreement") with the consultant, whereby both parties agreed to settle all claims and liabilities under the August 10, 2017 convertible note for a total of \$100,000 in the form of a new convertible note. All other terms of the August 10, 2017 convertible note remained in full force and effect. Both parties agreed that all future penalties under the new note were waived unless the Company failed to authorize and deliver the requested shares of Common Stock upon conversion. The Company had the right to pay the balance of any remaining amounts due under the new note in cash at any time more than 60 days after March 15, 2021 (or May 30, 2021). Prior to the Settlement Agreement, the Company recorded total liabilities \$56,762 consisting of remaining principal amount of \$8,500, accrued interest of \$23,262 and accrued expenses of \$25,000. Accordingly, the Company recognized loss from settlement of debt of \$43,238 during fiscal year 2021.

The total principal and accrued interest outstanding under the August 10, 2017 convertible note was \$79,000 and \$10,185, respectively, as of June 30, 2022 following conversion of \$1,000 of principal and \$8,000 accrued interest during the year ended June 30, 2022.

The total principal and accrued interest outstanding under the August 10, 2017 Convertible Note was \$0 as of December 31, 2022 following conversion of \$79,000 of principal and \$9,543 accrued interest during the six months ended December 31, 2022 (see Note 7).

Crown Bridge Securities Purchase Agreements

Effective October 3, 2019, the Company entered into a securities purchase agreement with Crown Bridge Partners, pursuant to which Crown Bridge purchased a convertible promissory note (the "October 3, 2019 Crown Bridge Note") from the Company in the aggregate principal amount of \$108,000, such principal and the interest thereon convertible into shares of the Company's Common Stock at the option of Crown Bridge any time from the of issuance of the of the October 3, 2019 Crown Bridge Note. The transactions contemplated by the Crown Bridge Securities Purchase Agreement closed on October 3, 2019. Pursuant to the terms of the Crown Bridge Securities Purchase Agreement, Crown Bridge deducted \$3,000 from the principal payment due under the October 3, 2019 Crown Bridge Note, at the time of closing, to be applied to its legal expenses, and there was a \$5,000 original issuance discount resulting in \$100,000 net proceeds to the Company. The Company used the net proceeds from the October 3, 2019 Crown Bridge Note for general working capital purposes. The maturity date of the October 3, 2019 Crown Bridge was October 3, 2020 and is currently past due. The October 3, 2019 Crown Bridge Note currently bears interest at a default interest rate of 15% per annum.

Additionally, Crown Bridge had the option to convert all or any amount of the principal face amount of the October 3, 2019 Crown Bridge Note at any time from the date of issuance and ending on the later of the maturity date or the date the Default Amount was paid if an event of default occurs, which was an amount between 110% and 150% of an amount equal to the then outstanding principal amount of the October 3, 2019 Crown Bridge Note plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price.

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The conversion price for the October 3, 2019 Crown Bridge Note was equal to 60% (representing a 40% discount) of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion was received. Notwithstanding the foregoing, Crown Bridge was restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Crown Bridge and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock which may be increased up to 9.99% upon 60 days prior written notice by the Crown Bridge to the Company. The note was treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$72,000 put premium.

The October 3, 2019 Crown Bridge Note contained certain events of default, upon which principal and accrued interest would become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal accrued at a default interest rate of 15% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amount outstanding under the October 3, 2019 Crown Bridge Note was \$65,280 and accrued interest of \$7,232 as of as of June 30, 2020 following conversion of \$42,720 of the principal balance during the year ended June 30, 2020. Accordingly, \$28,480 of the put premium was released in respect of the October 3, 2019 Crown Bridge Note during the year ended June 30, 2020 following partial conversion of the principal balance.

There were 15,000 unissued shares of Common Stock that were considered issuable for accounting purposes during the 1st quarter of fiscal 2021 related to a conversion notice dated and received on September 16, 2020. In November 2020, the Company was notified by Crown Bridge of the cancellation of this conversion notice as a result of the reverse stock split and, as such, the Company reversed the effects of this transaction, thereby increasing the principal balance by \$9,600 and put premium by \$6,400 and a corresponding decrease in equity of \$16,000.

The total principal amount outstanding under the October 3, 2019 Crown Bridge Note was \$65,280 and accrued interest of \$25,930 as of June 30, 2022.

In August 2022, the SEC filed a complaint against Crown Bridge due to its violation of Section 15(a)(1) of the Securities Exchange Act of 1934. Crown Bridge agreed to surrender all conversion rights in its currently held convertible notes, including the Company's note. Consequently, as of December 31, 2022, the Company reclassified the remaining principal balance of \$65,280 from convertible note into a loan payable (see Note 5). Additionally, the Company recorded the remaining put premium of \$43,520 into gain on extinguishment of debt during the six months ended December 31, 2022. Therefore, the total principal amount outstanding under the above Crown Bridge financing agreement was \$0 after the reclass of principal to loan payable as of December 31, 2022.

1800 Diagonal Lending (formerly known as Sixth Street Lending) Securities Purchase Agreements

October 21, 2021 Securities Purchase Agreement

Effective October 21, 2021, the Company entered into a securities purchase agreement with Sixth Street Lending LLC ("Sixth Street"), pursuant to which Sixth Street purchased a convertible promissory note (the "October 21, 2021 Sixth Street") from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company's Common Stock at the option of Sixth Street any time after the six-month anniversary of the October 21, 2021 Sixth Street. The October 21, 2021 Sixth Street contained debt issue costs of \$3,750. The Company used the net proceeds from the October 21, 2021 Sixth Street for general working capital purposes. The maturity date of the October 21, 2021 Sixth Street Note was October 21, 2022. The October 21, 2021 Sixth Street Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Sixth Street in shares of the Company's Common Stock; but shall not be payable until the October 21, 2021 Sixth Street Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

November 26, 2021 Securities Purchase Agreement

Effective November 26, 2021, the Company entered into a securities purchase agreement with Sixth Street, pursuant to which Sixth Street purchased a convertible promissory note (the "November 26, 2021 Sixth Street") from the Company in the aggregate principal amount of \$53,750, such principal and the interest thereon convertible into shares of the Company's Common Stock at the option of Sixth Street any time after the six-month anniversary of the November 26, 2021 Sixth Street. The November 26, 2021 Sixth Street contained debt issue costs of \$3,750. The Company used the net proceeds from the November 26, 2021 Sixth Street for general working capital purposes. The maturity date of the November 26, 2021 Sixth Street Note was November 26, 2022. The November 26, 2021 Sixth Street Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Sixth Street in shares of the Company's Common Stock; but shall not be payable until the November 26, 2021 Sixth Street Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

January 4, 2022 Securities Purchase Agreement

Effective January 4, 2022, the Company entered into a securities purchase agreement with Sixth Street, pursuant to which Sixth Street purchased a convertible promissory note (the "January 4, 2022 Sixth Street") from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company's Common Stock at the option of Sixth Street any time after the six-month anniversary of the January 4, 2022 Sixth Street. The January 4, 2022 Sixth Street contained debt issue costs of \$3,750. The Company used the net proceeds from the January 4, 2022 Sixth Street for general working capital purposes. The maturity date of the January 4, 2022 Sixth Street Note was January 4, 2023. The January 4, 2022 Sixth Street Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Sixth Street in shares of the Company's Common Stock; but shall not be payable until the January 4, 2022 Sixth Street Note becomes payable, whether at the maturity date or upon acceleration or by prepayment (see conversions below).

March 7, 2022 Securities Purchase Agreement

Effective March 7, 2022, the Company entered into a securities purchase agreement with Sixth Street, pursuant to which Sixth Street purchased a convertible promissory note (the "March 7, 2022 Sixth Street") from the Company in the aggregate principal amount of \$68,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Sixth Street any time after the six-month anniversary of the March 7, 2022 Sixth Street. The March 7, 2022 Sixth Street contained debt issue costs of \$3,750. The Company used the net proceeds from the March 7, 2022 Sixth Street for general working capital purposes. The maturity date of the March 7, 2022 Sixth Street Note was March 7, 2023. The March 7, 2022 Sixth Street Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Sixth Street in shares of the Company's Common Stock; but shall not be payable until the March 7, 2022 Sixth Street Note becomes payable, whether at the maturity date or upon acceleration or by prepayment (see conversions below).

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April 12, 2022 Securities Purchase Agreement

Effective April 12, 2022, the Company entered into a securities purchase agreement with Sixth Street, pursuant to which Sixth Street purchased a convertible promissory note (the "April 12, 2022 Sixth Street") from the Company in the aggregate principal amount of \$68,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Sixth Street any time after the six-month anniversary of the April 12, 2022 Sixth Street. The April 12, 2022 Sixth Street contained debt issue costs of \$3,750. The Company used the net proceeds from the April 12, 2022 Sixth Street for general working capital purposes. The maturity date of the April 12, 2022 Sixth Street Note is April 12, 2023. The April 12, 2022 Sixth Street Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Sixth Street in shares of the Company's Common Stock; but shall not be payable until the April 12, 2022 Sixth Street Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

May 12, 2022 Securities Purchase Agreement

Effective May 12, 2022, the Company entered into a securities purchase agreement with 1800 Diagonal Lending LLC ("1800 Diagonal"), pursuant to which 1800 Diagonal purchased a convertible promissory note (the "May 12, 2022 1800 Diagonal Note") from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of 1800 Diagonal any time after the six-month anniversary of the May 12, 2022 1800 Diagonal Note. The May 12, 2022 1800 Diagonal Note contained debt issue costs of \$3,750. The Company used the net proceeds from the May 12, 2022 1800 Diagonal Note for general working capital purposes. The maturity date of the May 12, 2022 1800 Diagonal Note is May 12, 2023. The May 12, 2022 1800 Diagonal Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to 1800 Diagonal in shares of the Company's Common Stock; but shall not be payable until the May 12, 2022 1800 Diagonal Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

June 30, 2022 Securities Purchase Agreement

On June 30, 2022, the Company entered into a securities purchase agreement with 1800 Diagonal, which closed on July 11, 2022, pursuant to which 1800 Diagonal purchased a convertible promissory note (the "July 11, 2022 1800 Diagonal Note") from the Company in the aggregate principal amount of \$105,000, such principal and the interest thereon convertible into shares of the Company's Common Stock at the option of 1800 Diagonal any time after 180 days of the July 11, 2022 1800 Diagonal Note. The July 11, 2022 1800 Diagonal Note contains debt issue cost of \$3,750. The Company intends to use the net proceeds from the July 11, 2022 1800 Diagonal Note for general working capital

purposes. The maturity date of the July 11, 2022 1800 Diagonal Note is June 30, 2023. The 1800 Diagonal Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to 1800 Diagonal in shares of the Company's Common Stock; but shall not be payable until the July 11, 2022 1800 Diagonal Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

The following terms apply to all of the above 1800 Diagonal notes:

During the first 60 to 180 days following the date of the above listed notes, the Company has the right to prepay the principal and accrued but unpaid interest due under the above notes issued, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 110% to 129% as defined in the relevant note. After this initial 180-day period, the Company does not have a right to prepay such note.

The conversion price for the above 1800 Diagonal notes shall be equal to 65% (representing a 35% discount) of the market price, which means the average of the lowest three trading prices of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion. Notwithstanding the foregoing, 1800 Diagonal shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's Common Stock beneficially owned by 1800 Diagonal and its affiliates, exceeds 9.99% of the outstanding shares of the Company's Common Stock. All of the above 1800 Diagonal notes are treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$262,500 put premium, of which \$56,538 was recorded during the six months ended December 31, 2022.

The above 1800 Diagonal notes contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 22% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

Other than as described above, the above 1800 Diagonal notes contain certain events of default, including failure to timely issue shares upon receipt of a notice of conversion, as well as certain customary events of default, including, among others, breach of covenants, representations or warranties, insolvency, bankruptcy, liquidation and failure by the Company to pay the principal and interest due under the Note. Additional events of default shall include, among others: (i) failure to reserve at least five times the number of shares issuable upon full conversion of the Note; (ii) bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Company or any subsidiary of the Company; provided, that in the event such event is triggered without the Company's consent, the Company shall have sixty (60) days after such event is triggered to discharge such event, (iii) the Company's failure to maintain the listing of the common stock on at least one of the OTC markets (which specifically includes the quotation platforms maintained by the OTC Markets Group Inc.) or an equivalent replacement exchange, any tier of the Nasdaq Stock Market, the New York Stock Exchange, or the NYSE American, (iv) The restatement of any financial statements filed by the Company with the SEC at any time after 180 days after the issuance date for any date or period until the relevant 1800 Diagonal note is no longer outstanding, if the result of such restatement would, by comparison to the un-restated financial statement, have reasonably constituted a material adverse effect on the rights of 1800 Diagonal with respect to the relevant 1800 Diagonal note or the Purchase Agreement, and (v) the Company's failure to comply with its reporting requirements of the Securities and Exchange Act of 1934 (the "Exchange Act"), and/or the Company ceases to be subject to the reporting requirements of the Exchange Act.

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In the event that the Company fails to deliver the shares of common stock issuable upon conversion of principal or interest under the above 1800 Diagonal notes within three business days of a notice of conversion by 1800 Diagonal, the Company shall incur a penalty of \$1,000 per day; provided, however, that such fee shall not be due if the failure to deliver the shares is a result of a third party, such as the transfer agent.

Upon the occurrence and during the continuation of certain events of default, the above 1800 Diagonal notes will become immediately due and payable and the Company will pay 1800 Diagonal in full satisfaction of its obligations in the amount equal to 150% of an amount equal to the then-outstanding principal amount of the above 1800 Diagonal notes, plus any interest accrued upon such event of default or prior events of default (the "Default Amount"). Further, upon the occurrence and during the continuation of any event of default specified in section 3.2 as defined in the 1800 Diagonal note agreements, which relates to the failure to issue shares of the Company's Common Stock upon the conversion of 1800 Diagonal notes, such above 1800 Diagonal notes shall become immediately due and payable in an amount equal to the Default Amount multiplied by two.

The total principal amount outstanding under the above 1800 Diagonal notes was \$265,000 and accrued interest of \$6,081 as of June 30, 2022 following conversion of \$117,500 of the principal balance and \$4,700 accrued interest during the year ended June 30, 2022. Accordingly, \$63,269 of the put premium was released to additional paid in capital in respect to the 1800 Diagonal financing agreements during the year ended June 30, 2022 following conversion of the principal balance.

The total principal amount outstanding under the above 1800 Diagonal notes was \$105,000 and accrued interest of \$3,981 as of December 31, 2022 following conversion of \$265,000 of the principal balance and \$10,600 accrued interest during the six months ended December 31, 2022. Accordingly, \$142,692 of the put premium was released to additional paid in capital in respect to the 1800 Diagonal financing agreements during the six months ended December 31, 2022 following conversion of the principal balance (see Note 7).

ONE44 Capital Securities Purchase Agreements

December 7, 2021 Securities Purchase Agreement

Effective December 7, 2021, the Company entered into a securities purchase agreement with ONE44 Capital LLC ("ONE44"), pursuant to which ONE44 purchased a convertible promissory note (the "December 7, 2021 ONE44") from the Company in the aggregate principal amount of \$170,000, such principal and the interest thereon convertible into shares of the Company's Common Stock at the option of ONE44 any time after the six-month anniversary of the December 7, 2021 ONE44. The December 7, 2021 ONE44 contained an original discount and debt issue cost for a total of \$25,500. The Company used the net proceeds from the December 7, 2021 ONE44 for general working capital purposes. The maturity date of the December 7, 2021 ONE44 was December 7, 2022. The December 7, 2021 ONE44 bore interest at a rate of 10% per annum, which interest may be paid by the Company to ONE44 in shares of the Company's Common Stock; but shall not be payable until the December 7, 2021 ONE44 Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

March 29, 2022 Securities Purchase Agreement

Effective March 29, 2022, the Company entered into a securities purchase agreement with ONE44, pursuant to which ONE44 purchased a convertible promissory note (the "March 29, 2022 ONE44") from the Company in the aggregate principal amount of \$120,000, such principal and the interest thereon convertible into shares of the Company's Common Stock at the option of ONE44 any time after the six-month anniversary of the March 29, 2022 ONE44. The March 29, 2022 ONE44 contains an original discount and debt issue cost for a total of \$18,000. The Company intends to use the net proceeds from the March 29, 2022 ONE44 for general working capital purposes. The maturity date of the March 29, 2022 ONE44 is March 29, 2023. The March 29, 2022 ONE44 bears interest at a rate of 10% per annum, which interest may be paid by the Company to ONE44 in shares of the Company's Common Stock; but shall not be payable until the March 29, 2022 ONE44 Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

August 15, 2022 Securities Purchase Agreement

On August 15, 2022, the Company entered into a securities purchase agreement with ONE44, pursuant to which ONE44 purchased a convertible redeemable note (the “August 15, 2022 ONE44 Note”) from the Company in the aggregate principal amount of \$110,000, such principal and the interest thereon convertible into shares of the Company’s Common Stock at the option of ONE44 Capital any time after the six-month anniversary of the August 15, 2022 ONE44 Note. The transaction contemplated by the ONE44 Purchase Agreement closed on August 16, 2022. The August 15, 2022 ONE44 Note contains an original issue discount amount of \$ 10,000. Pursuant to the terms of the August 15, 2022 ONE44 Purchase Agreement, the Company will pay ONE44 Capital’s legal fees of \$ 5,500. The Company intends to use the net proceeds from the August 15, 2022 ONE44 Note for general working capital purposes. The maturity date of the August 15, 2022 ONE44 Note is August 15, 2023. The August 15, 2022 ONE44 Note bears interest at a rate of 10% per annum, which interest may be paid by the Company to ONE44 Capital in shares of the Company’s Common Stock, but shall not be payable until the Maturity Date or upon acceleration or by prepayment.

The following terms apply to all of the above ONE44 notes:

During the first 60 to 180 days following the date of these notes, the Company has the right to prepay the principal and accrued but unpaid interest due under the above notes issued to ONE44, together with any other amounts that the Company may owe ONE44 under the terms of the note, at a premium ranging from 120% to 135% as defined in the relevant note. After this initial 180-day period, the Company does not have a right to prepay such note.

The conversion price for the above ONE44 notes shall be equal to 65% (representing a 35% discount) of the market price, which means the lowest closing bid prices of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion. Notwithstanding the foregoing, ONE44 shall be restricted from effecting a conversion if such conversion, along with other shares of the Company’s Common Stock beneficially owned by ONE44 and its affiliates, exceeds 4.99% of the outstanding shares of the Company’s common stock. All of the above ONE44 notes are treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$215,385 put premium of which \$59,231 was recorded during the six months ended December 31, 2022.

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The above ONE44 notes contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 24% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions. In the event that the Company fails to deliver to ONE44 shares of its Common Stock issuable upon conversion of principal or interest under a ONE44 note, the penalty shall be \$250 per day the shares are not issued beginning on the 4th day after the conversion notice was delivered to the Company. This penalty shall increase to \$500 per day beginning on the 10th day. In an event of breach of section 8m as defined in the ONE44 notes, such ONE44 note shall incur penalty and will increase the outstanding principal amounts by 20%.

The total principal amount outstanding under the above ONE44 notes was \$235,700 and accrued interest of \$9,519 as of June 30, 2022, following conversion of \$54,300 of the principal balance and \$2,873 accrued interest during the year ended June 30, 2022. Accordingly, \$29,238 of the put premium was released to additional paid in capital in respect to the ONE44 notes during the year ended June 30, 2022 following conversion of the principal balance.

The total principal amount outstanding under the above ONE44 notes was \$204,000 and accrued interest of \$11,287 as of December 31, 2022, following conversion of \$141,700 of the principal balance and \$9,378 accrued interest during the six months ended December 31, 2022. Accordingly, \$76,300 of the put premium was released to additional paid in capital in respect to the ONE44 financing agreements during the six months ended December 31, 2022 following conversion of the principal balance (see Note 7).

GS Capital Partners Securities Purchase Agreements

August 12, 2022 Securities Purchase Agreement

On August 12, 2022, the Company entered into a securities purchase agreement (the “GS Capital Purchase Agreement”) with GS Capital Partners, LLC (“GS Capital”), pursuant to which GS Capital purchased a convertible redeemable note (the “GS Capital Note”) from the Company in the aggregate principal amount of \$93,000, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of GS Capital. The transaction contemplated by the GS Capital Purchase Agreement closed on August 16, 2022. The GS Capital Note contains a \$5,000 original issue discount. Pursuant to the terms of the GS Purchase Agreement, the Company paid GS Capital’s legal fees of \$3,000. The Company intends to use the net proceeds (\$85,000) from the GS Capital Note for general working capital purposes.

The maturity date of the GS Capital Note is April 12, 2023. The GS Capital Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to GS Capital in shares of the Company’s Common Stock, but shall not be payable until the GS Capital Note becomes payable, whether at the Maturity Date or upon acceleration or by prepayment. The GS Capital Note is exchangeable for an equal aggregate principal amount of notes of different authorized denominations, as requested by GS Capital by surrendering the same. GS Capital is entitled, at its option, at any time after cash payment, to convert all or any amount of the principal face amount of the GS Capital Note then outstanding into shares of the Company’s Common Stock at a price for each share of Common Stock (“Conversion Price”) of \$0.0028 per share (the “Fixed Price”). However, in the event the Company’s common stock trades below \$0.002 per share for more than five consecutive trading days, then the Fixed Price shall be equal to \$0.0013 per share. In the event of default, the Conversion Price shall be equal to 65% of the lowest trading price of the Company’s Common Stock as reported on the OTC Markets on which the Company’s shares are then quoted or any exchange upon which the Company’s Common Stock may be traded in the future for the ten prior trading days, including the day upon which a Notice of Conversion is received by the Company. GS Capital is restricted from effecting a conversion if such conversion, along with other shares of the Company’s Common Stock beneficially owned by GS Capital, exceeds 4.99% of the outstanding shares of the Company’s Common Stock.

September 21, 2022 Securities Purchase Agreement

On September 21, 2022, the Company entered into a securities purchase agreement with GS Capital, pursuant to which GS Capital purchased a convertible redeemable note from the Company in the aggregate principal amount of \$71,500, such principal and the interest thereon convertible into shares of the Company’s Common Stock at the option of GS Capital. The transaction contemplated by the GS Capital Purchase Agreement closed on September 26, 2022. The GS Capital Note contains a \$4,000 original issue discount. Pursuant to the terms of the GS Purchase Agreement, the Company paid GS Capital’s legal fees of \$2,500. The Company intends to use the net proceeds (\$65,000) from the GS Capital Note for general working capital purposes.

The maturity date of the GS Capital Note is March 21, 2023. The GS Capital Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to GS Capital in shares of the Company’s Common Stock, but shall not be payable until the GS Capital Note becomes payable, whether at the Maturity Date or upon acceleration or by prepayment. The GS Capital Note is exchangeable for an equal aggregate principal amount of notes of different authorized denominations, as requested by GS Capital surrendering the same. GS Capital is entitled, at its option, at any time after cash payment, to convert all or any amount of the principal face amount of the GS Capital Note then outstanding into shares of the Company’s Common Stock at a price for each share of Common Stock (“Conversion Price”) of \$0.002 per share (the “Fixed Price”). However, in the event the Company’s Common Stock trades below \$0.0014 per share for more than five consecutive trading days, then the Fixed Price shall be equal to \$0.0009 per share. In the event of default, the Conversion Price shall be equal to 65% of the lowest trading price of the Common Stock as reported on the OTC Markets on which the Company’s shares are then quoted or any exchange upon which the Common Stock may be traded in the future for the ten prior trading days, including the day upon which a Notice of Conversion is received by the Company. GS Capital is restricted from effecting a conversion if such conversion, along with other shares of the Company’s Common Stock beneficially owned by GS Capital, exceeds 4.99% of the outstanding shares of the Company’s Common Stock.

During the first 60 to 180 days following the date of the above GS Capital notes, the Company has the right to prepay the principal and accrued but unpaid interest due under the above notes issued to GS Capital, together with any other amounts that the Company may owe GS Capital under the terms of the notes, at a premium ranging from 110% to 125% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such notes.

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Upon the occurrence and during the continuation of certain events of default, interest shall accrue at a default interest rate of 24% per annum or, if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. In the event that the Company fails to deliver to GS Capital shares of Common Stock issuable upon conversion of principal or interest under the above GS Capital notes, the penalty shall be \$250 per day for each day that the shares are not issued beginning on the 4th day after the conversion notice was delivered to the Company. This penalty shall increase to \$500 per day beginning on the 10th day. In an event of breach of section 8m as defined in each GS Capital note, such GS Capital note shall incur penalty and will increase the outstanding principal amounts by 20%.

The total principal outstanding and accrued interest under the above GS Capital notes were \$164,500 and \$4,457, respectively, as of December 31, 2022. An aggregate total of \$164,500 of the above GS Capital notes were bifurcated with the embedded conversion option which were recorded as derivative liabilities at fair value (see Note 11).

Red Road Holdings Securities Purchase Agreement

On October 6, 2022, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Red Road Holdings Corporation, a Virginia corporation ("Red Road"), pursuant to which Red Road purchased a convertible promissory note (the "Note") from the Company in the aggregate principal amount of \$53,750, such principal and the interest thereon convertible into shares of the Company's Common Stock at the option of Red Road. The transaction contemplated by the Purchase Agreement closed on October 12, 2022. The Company intends to use the net proceeds (\$50,000) from the Note for general working capital purposes. The maturity date of the Note is October 6, 2023 (the "Maturity Date"). The Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Red Road in shares of the Company's Common Stock, but shall not be payable until the Note becomes payable, whether at the Maturity Date or upon acceleration or by prepayment, as described below. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 22% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions. Red Road has the option to convert all or any amount of the principal face amount of the Note, beginning on the date which is one hundred eighty (180) days following the date of the Note and ending on the later of: (i) the Maturity Date and (ii) the date of payment of the Default Amount (as defined below), each in respect of the remaining outstanding amount of the Note, to convert all or any part of the outstanding and unpaid amount of the Note into common stock at the then-applicable conversion price. Pursuant to the terms of the Purchase Agreement, the Company paid Red Road's legal fees and due diligence expenses in the aggregate amount of \$3,750 which was recorded as a debt discount.

The conversion price for the Note shall be equal to the Variable Conversion Price (as defined therein) (subject to equitable adjustments for stock splits, stock dividends or rights offerings by the Company relating to the Company's securities or the securities of any subsidiary of the Company, combinations, recapitalization, reclassifications, extraordinary distributions and similar events). The "Variable Conversion Price" shall mean 65% multiplied by the Market Price (as defined therein) (representing a discount rate of 35%). "Market Price" means the average of the lowest three (3) Trading Prices (as defined below) for the Company's Common Stock during the ten (10) trading days prior to the conversion date. Notwithstanding the foregoing, Red Road shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's Common Stock beneficially owned by Red Road and its affiliates, exceeds 4.99% of the outstanding shares of the Company's Common Stock. The Note is treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$28,942 put premium.

The Note may be prepaid until 180 days from the Issuance date. If the Note is prepaid within 60 days of the issuance date, then the prepayment premium shall be 110% of the face amount plus any accrued interest, if prepaid after 60 days from the issuance date, but less than 91 days from the issuance date, then the prepayment premium shall be 115% of the face amount plus any accrued interest, if prepaid after 90 days from the issuance date, but less than 121 days from the issuance date, then the prepayment premium shall be 120% of the face amount plus any accrued interest, if prepaid after 120 days from the issuance date, but less than 151 days from the issuance date, then the prepayment premium shall be 125% of the face amount plus any accrued interest, and if prepaid after 150 days from the issuance date, but less than 181 days from the issuance date, then the prepayment premium shall be 129% of the face amount plus any accrued interest. So long as the Note is outstanding, the Company covenants not to, without prior written consent from Red Road, sell, lease or otherwise dispose of all or substantially all of its assets outside the ordinary course of business, which would render the Company a "shell company" as such term is defined in Rule 144.

In the event that the Company fails to deliver to Red Road shares of the Company's Common Stock issuable upon conversion of principal or interest under the Note within three business days of a notice of conversion by Red Road, the Company shall incur a penalty of \$1,000 per day; provided, however, that such fee shall not be due if the failure to deliver the shares is a result of a third party, such as the transfer agent. Upon the occurrence and during the continuation of certain events of default, the Note will become immediately due and payable and the Company will pay Red Road in full satisfaction of its obligations in the Note an amount equal to 150% of an amount equal to the then outstanding principal amount of the Note plus any interest accrued upon such event of default or prior events of default.

The total principal amount outstanding under the above Red Road Note was \$53,750 and accrued interest of \$1,013 as of December 31, 2022.

Amortization of debt discounts

The Company recorded \$131,168 and \$40,500 of debt discounts related to the above note issuances during the six months ended December 31, 2022 and 2021, respectively. The Company recorded \$144,711 and \$245,000 of put premiums related to the above note issuances during the six months ended December 31, 2022 and 2021, respectively. The debt discounts are being amortized over the term of the debt and the put premiums are expensed on issuance of the debt with the liability released to additional paid in capital on conversion of the principal.

Amortization of all debt discounts for the three months ended December 31, 2022 and 2021 was \$2,629 and \$5,221, respectively. Amortization of all debt discounts for the six months ended December 31, 2022 and 2021 was \$83,903 and \$11,295, respectively.

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The Company reclassified \$218,992 and \$126,310 in put premiums to additional paid in capital following conversions during the six months ended December 31, 2022 and 2021, respectively.

NOTE 7 – STOCKHOLDERS’ DEFICIT

Increase in Authorized Shares of Common Stock and Reverse Stock Split

On May 18, 2022, the board of directors of the Company approved and authorized, and the holders of a majority-in-interest of the Company’s voting capital stock approved by written consent, in accordance with Section 228 of the Delaware General Corporation Law, for the Company to file a Certificate of Amendment to its Certificate of Incorporation with the Secretary of State of the State of Delaware, which increased the Company’s authorized capital stock. The Certificate increased the number of authorized shares of the Company’s common stock, par value \$0.001 per share, from 1,000,000,000 to 3,000,000,000. The number of authorized shares of preferred stock remains at 1,500,005, such that the total number of shares of all classes and series the Company was authorized to issue became 3,001,500,005 shares. The Certificate was filed and became effective on July 6, 2022.

On September 21, 2022, the board of directors of the Company approved and authorized, and the holders of a majority-in-interest of the Company’s voting capital stock approved by written consent, in accordance with Section 228 of the Delaware General Corporation Law, for the Company to file a Certificate of Amendment to its Certificate of Incorporation with the Secretary of State of the State of Delaware, which increased the Company’s authorized capital stock. The Certificate increased the number of authorized shares of the Company’s common stock, par value \$0.001 per share, from 3,000,000,000 to 10,000,000,000. The number of authorized shares of preferred stock remains at 1,500,005, such that the total number of shares of all classes and series the Company is authorized to issue is 10,001,500,005 shares. The Certificate was filed and became effective on November 4, 2022.

Preferred Stock

The total number of shares of preferred stock that the Company is authorized to issue is 1,500,005, \$0.01 par value per share. These preferred shares have no rights to dividends, profit sharing or liquidation preferences.

Of the total preferred shares authorized, 500,000 have been designated as Series A Preferred Stock (“Series A Preferred Stock”), pursuant to the Certificate of Designation filed with the Secretary of State of the State of Delaware on December 9, 2014. James Nathanielsz, the Company’s Chief Executive Officer and Chief Financial Officer, beneficially owns all of the outstanding shares of Series A Preferred Stock via North Horizon Pty Ltd., which entitles him, as a holder of Series A Preferred Stock, to vote on all matters submitted or required to be submitted to a vote of the Company’s stockholders, except election and removal of directors, and each share of Series A Preferred Stock entitles him to two votes per share of Series A Preferred Stock. North Horizon Pty Ltd. is a Nathanielsz Family Trust. Mr. James Nathanielsz, the Chief Executive Officer, Chief Financial Officer and a director of our Company, has voting and investment power over these shares. 500,000 shares of Series A Preferred Stock are issued and outstanding as of December 31, 2022 and June 30, 2022.

Of the total preferred shares authorized, pursuant to the Certificate of Designation filed with the Secretary of State of the State of Delaware on June 16, 2015, up to five shares have been designated as Series B Preferred Stock (“Series B Preferred Stock”). Each holder of outstanding shares of Series B Preferred Stock is entitled to voting power equivalent to the number of votes equal to the total number of shares of common stock outstanding as of the record date for the determination of stockholders entitled to vote at each meeting of stockholders of the Company and entitled to vote on all matters submitted or required to be submitted to a vote of the stockholders of the Company. One share of Series B Preferred Stock is issued and outstanding as of December 31, 2022 and June 30, 2022. Mr. Nathanielsz directly beneficially owns such one share of Series B Preferred Stock.

No additional shares of Series A Preferred Stock or Series B Preferred Stock were issued during the six months ended December 31, 2022 and fiscal year 2022.

Common Stock:

Shares issued for Common Stock Purchase Agreement

Dutchess Capital Growth Fund LP

On November 30, 2021, the Company entered into a Common Stock Purchase Agreement (the “Purchase Agreement”) with Dutchess Capital Growth Fund LP, a Delaware limited partnership (“Dutchess”), providing for an equity financing facility (the “Equity Line”). The Purchase Agreement provides that, upon the terms and subject to the conditions in the Purchase Agreement, Dutchess is committed to purchase up to Five Million Dollars (\$5,000,000) of shares of the Company’s Common Stock, over the 36-month term of the Purchase Agreement (the “Total Commitment”).

Under the terms of the Purchase Agreement, Dutchess will not be obligated to purchase shares of Common Stock unless and until certain conditions are met, including but not limited to a Registration Statement on Form S-1 (the “Registration Statement”) becoming effective, which registers Dutchess’ resale of any Common Stock purchased by Dutchess under the Equity Line. From time to time over the 36-month term of the Purchase Agreement, commencing on the trading day immediately following the date on which the Registration Statement becomes effective, the Company, in its sole discretion, may provide Dutchess with a draw down notice (each, a “Draw Down Notice”), to purchase a specified number of shares of Common Stock (each, a “Draw Down Amount Requested”), subject to the limitations discussed below. The actual amount of proceeds the Company will receive pursuant to each Draw Down Notice (each, a “Draw Down Amount”) is to be determined by multiplying the Draw Down Amount Requested by the applicable purchase price. The purchase price of each share of Common Stock equals 92% of the lowest trading price of the Common Stock during the five (5) business days prior to the Closing Date. Closing Date shall mean the five business days after the Clearing Date. Clearing Date shall mean the first business day that the Selling Shareholder holds the Draw Down Amount in its brokerage account and is eligible to trade the shares.

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The maximum number of shares of Common Stock requested to be purchased pursuant to any single Draw Down Notice cannot exceed the lesser of (i) 300% of the average daily share volume of the Common Stock in the five trading days immediately preceding the Draw Down Notice or (ii) an aggregate value of \$250,000.

On July 13, 2022, the Company issued 14,336,712 shares of its common stock at an average price per share of approximately \$0.002, as a result of delivering one draw down notice to Dutchess. Consequently, the Company received gross aggregate proceeds of \$24,711 from such draw down notice. The Company received \$23,758 of a previously recorded subscription receivable during the six months ended December 31, 2022.

Coventry Enterprises, LLC

On November 3, 2022, the Company entered into a Common Stock Purchase Agreement (the “Purchase Agreement”) with Coventry Enterprises, LLC, a Delaware limited company (“Coventry”), providing for an equity financing facility (the “Equity Line”). The Purchase Agreement provides that, upon the terms and subject to the conditions in the Purchase Agreement, Coventry is committed to purchase up to Five Million Dollars (\$5,000,000) of shares of the Company’s Common Stock (the “Common Stock”), over the 36 month term of the Purchase Agreement (the “Total Commitment”).

Under the terms of the Purchase Agreement, Coventry will not be obligated to purchase shares of Common Stock unless and until certain conditions are met, including but not

limited to a Registration Statement on Form S-1 (the "Registration Statement") becoming effective which registers Coventry's resale of any Common Stock purchased by Coventry under the Equity Line. From time to time over the 36-month term of the Purchase Agreement, commencing on the trading day immediately following the date on which the Registration Statement becomes effective, the Company, in its sole discretion, may provide Coventry with a draw down notice (each, a "Draw Down Notice"), to purchase a specified number of shares of Common Stock (each, a "Draw Down Amount Requested"), subject to the limitations discussed below. The actual amount of proceeds the Company will receive pursuant to each Draw Down Notice (each, a "Draw Down Amount") is to be determined by multiplying the Draw Down Amount Requested by the applicable purchase price. The purchase price of each share of Common Stock equals 80% of the lowest volume weighted average price of the Common Stock during the 10 business days immediately preceding the Drawdown Notice date.

The maximum number of shares of Common Stock requested to be purchased pursuant to any single Draw Down Notice cannot exceed the lesser of (i) 200% of the average daily traded value of the Common Stock during the 10 business days immediately preceding the Draw Down Notice or (ii) an aggregate value of \$250,000 or (iii) beneficial ownership limitation which is equivalent to 9.99% of the outstanding number of shares of common stock immediately after giving effect to the issuance of the Draw Down Notice. During the six months ended December 31, 2022, the Company has not received a draw down notice from Coventry.

Shares issued for conversion of convertible debt

As of June 30, 2022, there were 7,326,007 shares of Common Stock issuable from the conversion of debt during fiscal 2022. Such shares were issued on July 12, 2022.

From July 1, 2022 through September 14, 2022, the Company issued an aggregate of 2,644,926,661 shares of its common stock at an average contractual conversion price of \$0.001 as a result of the conversion of principal of \$327,200, and accrued interest of \$22,330 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$456,939.

From October 17, 2022 through December 27, 2022, the Company issued an aggregate of 380,506,070 shares of its common stock at an average contractual conversion price of \$0.001 as a result of the conversion of principal of \$158,500, and accrued interest of \$7,191 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$165,691.

The Company reclassified \$218,992 from put premium liabilities to additional paid in capital following conversions during the six months ended December 31, 2022.

During the six months ended December 31, 2022, converted notes – principal of \$9,000 and accrued interest of \$9,543 containing bifurcated embedded conversion option derivatives. Accordingly, the fair market value of the shares issued upon conversion was \$195,952 resulting in a loss on extinguishment at the time of conversion of \$07,409 and \$106,799 of derivative fair value was recorded as a gain on extinguishment at the time of conversion, resulting in a net loss of \$10.

The Company has 3,835,337,946 shares of its Common Stock reserved for future issuances based on lender reserve requirements pursuant to underlying financing agreements at December 31, 2022.

Shares issued for services and accrued expenses

As of June 30, 2022, there was common stock issuable of 12,270,958 for services rendered during fiscal 2022. The common stock issuable of 12,270,958 were issued on July 1, 2022.

On October 25, 2022, the Company issued 6,111,112 shares of the Company's Common Stock to a consultant for services rendered in October 2022. The Company valued these shares based on quoted trading prices on the date of grant at \$0.0009 per share or \$5,500 which was recorded as stock-based consulting expense.

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On November 16, 2022, the Company issued 73,301,020 shares of the Company's Common Stock to a consultant for services rendered from July 2022 to November 2022. Those shares were valued at approximately \$0.00007 per share or \$51,311, being the closing price of the stock on the date of grant to such consultant. The Company recorded stock-based compensation of \$51,311 during the six months ended December 31, 2022.

Shares issued for exercise of warrants

Between July 29, 2022 and December 6, 2022, the Company received gross proceeds of \$200,000 from the exercise of 5,000 Series B Warrants and issued 5,000 shares of its Common Stock.

During the six months ended December 31, 2022, the Company issued 191,999,040 shares of its Common Stock from the alternate cashless exercise of 960 Series A warrants with an original exercise price of \$200 and alternate cashless exercise price of \$0.001. The Alternate Cashless Exercise provision, for a cashless conversion at the holder's option, is available should the trading price of the Company's Common Stock fall below \$200 per share calculated based on the difference between the exercise price of the Series A Warrant and 70% of the market price. The Company recognized the value of the effect of a down round feature in such warrants when triggered. Upon the occurrence of the triggering event that resulted in a reduction of the strike price, the Company measured the value of the effect of the feature as the difference between the fair value of the warrants without the down round feature or before the strike price reduction and the fair value of the warrants with a strike price corresponding to the reduced strike price upon the down round feature being triggered. Accordingly, the Company recognized a deemed dividend of \$19,322 and \$408,557 during the three and six months ended December 31, 2022, respectively, and a corresponding increase in loss available to common stockholders upon the alternate cashless exercise of these warrants.

Shares issued in connection with a note payable

On November 3, 2022, the Company entered into a securities purchase agreement with Coventry Enterprises, LLC, pursuant to which Coventry purchased a promissory note from the Company in the aggregate principal amount of \$125,000 (see Note 5). As an additional inducement to the Coventry purchasing the note, the Company, as of the original issue date and for no additional consideration, issued to Coventry an aggregate of 75,000,000 shares of the Company's Common Stock, which were valued using the relative fair value method at \$37,500 and recognized as debt discount to be amortized over the term of the note.

Restricted Stock Units

Pursuant to employment agreements dated in May 2019, the Company granted an aggregate of 78 and 39 restricted stock units to the Company's Chief Executive Officer and Chief Scientific Officer, respectively. The total 117 restricted stock units are subject to vesting terms as defined in the employment agreements. The 117 restricted stock units were valued at the fair value of \$4,250 per unit or \$497,240 based on the quoted trading price on the date of grant. There were \$248,620 unrecognized restricted stock units expense as of December 31, 2022 and June 30, 2022. There are 59 unvested restricted stock units which are subject to various performance conditions which have not yet been met and such restricted stock units have not yet vested as of December 31, 2022 and June 30, 2022 to which the \$248,620 relates.

Warrants:

The following table summarizes warrant activity for the six months ended December 31, 2022:

	Number of Shares	Weighted Average Price Per Share
Outstanding at June 30, 2022	105,420	\$ 200.27
Granted	3,305,000	0.01
Exercised	(5,960)	65.77
Forfeited	(1,000)	2,000.00
Expired	-	-
Outstanding at December 31, 2022	3,403,460*	\$ 5.51
Exercisable at December 31, 2022	3,379,711	\$ 5.55
Outstanding and Exercisable:		
Weighted average remaining contractual term	2.58	
Aggregate intrinsic value	\$ -	

* The total warrants of 3,403,460 above consisted of the following:

	Number of Warrants	Exercisable
Series A warrants	9,986	9,986
Series B warrants	23,750	23,750
Series C warrants	63,749	40,000
Warrants with no class designation	3,305,975	3,305,975
Total	3,403,460	3,379,711

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On August 16, 2022, the Company entered into an agreement with a certain consultant to provide services over a three-month period in exchange for 1,000,000 warrants to purchase the Company's common stock at \$0.01 per share with an expiry date of August 16, 2025. The fair market value of the warrants was \$2,408 on the date of grant as calculated under the Black Scholes Option Pricing model with the following assumptions: stock price at valuation date of \$0.0026 based on quoted trading price on date of grant, exercise price of \$0.01, dividend yield of zero, years to maturity of 3.00, a risk-free rate of 3.19%, and expected volatility 236%. The Company recorded \$2,408 of stock-based compensation expenses with respect to the grant of such warrants during the six months ended December 31, 2022.

On August 16, 2022, the Company and a third-party investor relations consultant agreed to settle an outstanding payable of \$23,050 in exchange for 2,305,000 warrants to purchase the Company's common stock at \$0.01 per share with an expiry date of August 16, 2025. The fair market value of the warrants was \$5,551 on the date of grant as calculated under the Black Scholes Option Pricing model with the following assumptions: stock price at valuation date of \$0.0026 based on quoted trading price on date of grant, exercise price of \$0.01, dividend yield of zero, years to maturity of 3.00, a risk-free rate of 3.19%, and expected volatility 236%. Accordingly, the Company recognized gain from settlement of debt of \$17,499 during the six months ended December 31, 2022 as reflected in the accompanying condensed consolidated statements of operations.

Options:

A summary of the Company's option activity during the six months ended December 31, 2022 is presented below:

	Number of Shares	Weighted Average Exercise Price Per Share
Outstanding at June 30, 2022	59	\$ 4,533
Granted	-	-
Exercised	-	-
Forfeited	-	-
Expired	-	-
Outstanding at December 31, 2022	59	\$ 4,533
Exercisable at December 31, 2022	59	\$ 4,533
Outstanding and Exercisable:		
Weighted average remaining contractual term	6.37	
Weighted average fair value of options granted during the period	\$ -	
Aggregate intrinsic value	\$ -	

On the Effective Date, the Company's board of directors approved and adopted the Company's 2019 Equity Incentive Plan (the "2019 Plan"), which reserves a total of 234 shares of the Company's common stock for issuance under the 2019 Plan. Incentive awards authorized under the 2019 Plan include, but are not limited to, incentive stock options, non-qualified stock options, restricted stock awards and restricted stock units.

During the six months ended December 31, 2022 and 2021, the Company recognized stock-based compensation of \$0 and \$41,436, respectively related to vested stock options. There was \$0 of unvested stock options expense as of December 31, 2022. No stock options were granted during the six months ended December 31, 2022.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Legal Matters

From time to time, the Company may be subject to litigation and claims arising in the ordinary course of business. The Company is not currently a party to any material legal proceedings and the Company is not aware of any pending or threatened legal proceeding against the Company that we believe could have a material adverse effect on our business, operating results, cash flows or financial condition.

IRS Liability

As part of its requirement for having a foreign operating subsidiary, the Company's parent U.S. entity is required to file an informational Form 5471 to the Internal Revenue Service (the "IRS"), which is a form that explains the nature of the relationship between the foreign subsidiary and the parent company. From 2012 through the 2014, the Company did not file this form in a timely manner. As a result of the non-timely filings, the Company incurred a penalty from the IRS in the amount of \$ 10,000 per year, or \$30,000 in total, plus accrued interest, such penalty and interest having been accrued and is included in the accrued expenses and other payable figure in the December 31, 2022 and June 30, 2022 consolidated balance sheets. The Company recorded the penalties for all three years during the year ended June 30, 2018. The Company is current on all subsequent filings.

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Operating Agreements

In November 2009, the Company entered into a commercialization agreement with the University of Bath (UK) (the "University"), whereby the Company and the University co-owned the intellectual property relating to the Company's pro-enzyme formulations. In June 2012, the Company and the University entered into an assignment and amendment whereby the Company assumed full ownership of the intellectual property, while agreeing to pay royalties of 2% of net revenues to the University. Additionally, the Company agreed to pay 5% of each and every license agreement subscribed for. The contract is cancellable at any time by either party. To date, no amounts are owed under the agreement.

Collaboration Agreement

On September 13, 2018, the Company entered into a two-year collaboration agreement with the University of Jaén (the "University") to provide certain research services to the Company. In consideration of such services, the Company agreed to pay the University approximately 52,000 Euros (\$59,508 USD) in year one and a maximum of 40,000 Euros (\$45,775 USD) in year two. The Company paid 31,754 Euros (\$36,117 USD) in 2019 and has accrued 28,493 Euros (\$24,043 USD) as of June 30, 2021. Additionally, in exchange for full ownership of the intellectual property, the Company agreed to pay royalties of 2% of net revenues to the University. On October 1, 2020, the Company entered into another two-year collaboration agreement with the University to provide certain research services to the Company. In consideration of such services, the Company agreed to pay the University approximately 30,000 Euros (\$35,145 USD), which were paid in four installment payment of 5,000 Euros in November 2020, 5,000 Euros (\$5,858) in March 2021, 10,000 Euros (\$11,715) in December 2021 and 10,000 Euros (\$11,715) in September 2022. Additionally, the University shall hire and train a doctoral student for this project and as such the Company shall pay the University 25,837 Euros (\$30,268 USD). In exchange for full ownership of the intellectual property the Company agreed to pay royalties of 2% of net revenues to the University.

On July 27, 2022, the Company entered into a two-year research agreement with the University to provide certain research and experiment services to the Company. In exchange for full ownership of the intellectual property, the Company agreed to pay royalties of 2% of net revenues. In consideration of such services, the Company agreed to pay the University approximately 53,200 Euros (\$53,806 USD) payable as follows:

- 18,200 Euros (\$18,407 USD) upon execution (paid in August 2022),
- 8,000 Euros (\$8,091 USD) in September 2022 (unpaid),
- 7,000 Euros (\$7,080 USD) in December 2022 (unpaid),
- 10,000 Euros (\$10,114 USD) in March 2023, and
- 10,000 Euros (\$10,114 USD) in July 2023.

The commencement date for the experiments was on September 1, 2022, and the estimated length of time for completion is 24 months.

As of December 31, 2022 and June 30, 2022, the Company has \$4,135 and \$14,364, respectively, balance due to the University for unreimbursed lab fees, which are included in accrued expenses and other liabilities in the accompanying condensed consolidated balance sheets. As of December 31, 2022 and June 30, 2022, there are no royalty fees owed to the University.

Consulting Agreement

On July 1, 2022, the Company and a consultant agreed to extend the term of a consulting agreement from July 1, 2022 to June 30, 2023 to provide media-related services for a monthly fee of \$50,000. In addition, the Company shall pay a stock fee equal to 9.9% of the outstanding common stock of the Company during the term of the agreement. The Company shall bring the consultant's diluted holdings back to 9.9% and accrue the value of the Common Stock at each reporting period until June 30, 2023. All service fees are non-refundable. On November 16, 2022, the Company issued 73,301,020 shares of the Company's common stock to this consultant for services rendered from July 2022 to November 2022 (see Note 7). Accordingly, the Company recorded accrued expenses of \$17,479 as of December 31, 2022 based on the amount of shares owed multiplied by the December 31, 2022 stock price, which are included in accrued expenses and other liabilities in the accompanying condensed unaudited consolidated balance sheets along with \$100,000 related to the monthly fees for a total balance owed of \$117,479 as of December 31, 2022.

Operating Leases

On May 4, 2022, the Company entered in a three-year lease agreement with North Horizon Pty Ltd., a related party, (see Note 9) for a monthly rent of \$,000 AUD or \$2,176 USD (depending on exchange rate) per month plus taxes. On May 4, 2022, the Company recorded right-of-use assets \$66,201 and total lease liabilities of \$66,201 based on an incremental borrowing rate of 8%.

ROU is summarized below:

	December 31, 2022	June 30, 2022
Office lease	\$ 66,201	\$ 66,201
Less: accumulated amortization	(15,530)	(3,678)
Right-of-use asset, net	<u>\$ 50,671</u>	<u>\$ 62,523</u>

Operating Lease liabilities are summarized below:

	December 31, 2022	June 30, 2022
Office lease	\$ 66,201	\$ 66,201
Reduction of lease liability	(14,214)	(3,277)
Less: office lease, current portion	<u>(21,102)</u>	<u>(20,605)</u>

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Remaining future minimum lease payments under non-cancelable operating lease at December 31, 2022 are as follows:

Fiscal Year 2023 (remaining)	\$ 12,249
Fiscal Year 2024	24,498
Fiscal Year 2025	20,415
Imputed interest	(5,175)
Total operating lease liability	\$ 51,987

The weighted average remaining lease term for the operating lease is 2.26 years.

NOTE 9 – RELATED PARTY TRANSACTIONS

Since its inception, the Company has conducted transactions with its directors and entities related to such directors. These transactions have included the following:

As of December 31, 2022 and June 30, 2022, the Company owed its former director a total of \$0,257 and \$30,746, respectively, related to expenses paid on behalf of the Company related to corporate startup costs and intellectual property (see Note 4).

As of December 31, 2022 and June 30, 2022, the Company owed its former director a total of \$0,357 and \$51,171, respectively, for money loaned to the Company throughout the years. The total loans balance owed at December 31, 2022 and June 30, 2022 is not interest bearing (see Note 5).

On May 4, 2022, the Company entered into a three-year lease agreement with North Horizon Pty Ltd., a related party, of which Mr. Nathanielsz, our CEO, CFO and a director, and his wife are owners and directors, for a monthly rent of \$3,000 AUD or \$2,176 USD (depending on exchange rate) per month plus taxes (See Note 8). As of December 31, 2022 and June 30, 2022, total rent payable of \$140,129 AUD (\$95,358 USD) and \$122,129 AUD (\$84,452 USD), respectively, was included in accrued expenses in the accompanying condensed consolidated balance sheet. Rent expense under this lease was \$13,879 and \$14,286 for the six months ended December 31, 2022 and 2021, respectively and reflected as occupancy expenses in the accompanying condensed consolidated statements of operations and comprehensive income (loss).

Employment and Services Agreements with Management

The Company and Mr. Nathanielsz entered into an employment agreement as of February 25, 2015 (the “Nathanielsz Employment Agreement”) setting forth the terms and conditions of Mr. Nathanielsz’s employment as the Company’s President and Chief Executive Officer. The Nathanielsz Employment Agreement was scheduled to expire on February 25, 2019; however, the term of the Nathanielsz Employment Agreement automatically renews for successive one-year periods unless either party provides 30 days’ prior written notice of his or its intent not to renew. The Nathanielsz Employment Agreement continues in effect as of December 31, 2022 as amended on October 26, 2022 (see below). The Nathanielsz Employment Agreement provides Mr. Nathanielsz with a base salary of \$25,000 AUD per month (\$300,000 AUD annually or \$205,680 USD) and a monthly contribution to Mr. Nathanielsz’s pension equal to 9.5% of his monthly salary. Mr. Nathanielsz has the ability to convert any accrued but unpaid salary into common stock at the end of each fiscal year at a conversion price to be determined by Mr. Nathanielsz and the Company, which will in no event be lower than par value or higher than the closing bid price on the date of conversion. Pursuant to the Nathanielsz Employment Agreement, Mr. Nathanielsz is entitled to an annual discretionary bonus in an amount up to 200% of his annual base salary, which bonus shall be determined by the Company’s board of directors based upon the performance of the Company. On March 16, 2018, the Company’s board of directors approved an increase of Mr. Nathanielsz’s annual base salary from \$300,000 AUD (\$205,680 USD) to \$400,000 AUD (\$274,240 USD), effective February 2018. On August 1, 2022, the Company’s board of directors approved an increase of Mr. Nathanielsz’s annual base salary from \$400,000 AUD (\$276,600 USD) to \$600,000 AUD (\$414,900 USD), effective July 1, 2022.

Mr. Nathanielsz’s wife, Sylvia Nathanielsz, is and has been a non-executive, part-time employee of the Company since October 2015. Effective February 1, 2018, Mrs. Nathanielsz receives an annual salary of \$120,000 AUD (\$80,904 USD) and is entitled to customary benefits.

Pursuant to a February 25, 2016 board resolution, James Nathanielsz shall be paid \$4,481 AUD (\$3,205 USD), on a monthly basis for the purpose of acquiring and maintaining an automobile. For the year ended June 30, 2022, a total of \$7,689 AUD (\$5,577 USD) in payments have been made with respect to Mr. Nathanielsz’s car allowance which expired in August 2022. No payments were made during the six months ended December 31, 2022.

Pursuant to the approval of the Company’s board of directors (the “Board”), on May 14, 2019, Mr. Nathanielsz was granted a \$60,000 AUD (\$315,376 USD) bonus for accomplishments achieved while serving as the Company’s Chief Executive Officer during the fiscal year ended June 30, 2019 with \$200,000 AUD (\$137,120 USD) of such bonus payable by the Company to him throughout the Company’s 2019 fiscal year as its cash resources allow, with the remaining \$260,000 AUD (\$178,256 USD) of such bonus to be deferred by Mr. Nathanielsz until a future date when the Company’s cash resources allow for such payment, as agreed to by him. A total of \$90,000 AUD (\$64,377 USD) in payments were made in the year ended June 30, 2019. On July 13, 2020, the Board approved a bonus of \$240,000 AUD being equal to 60% of Mr. Nathanielsz’s base salary which was accrued as of June 30, 2020. A total of \$202,620 AUD (\$136,606 USD) in payments were made against the bonuses during the year ended June 30, 2020, which resulted to a remaining balance of \$407,380 AUD (\$280,726 USD) bonus payable as of June 30, 2020. On August 12, 2021, the Board approved a bonus of \$77,840 USD. A total of \$221,890 AUD (\$166,418 USD) in payments were made against the bonuses during the year ended June 30, 2021 resulting in a remaining balance of \$22,610 AUD (\$316,957 USD) bonus payable as of June 30, 2021 which was included in accrued expenses in the accompanying consolidated balance sheet. On August 12, 2021, pursuant to the Cancellation Agreement, Mr. Nathanielsz agreed to cancel \$177,840 of the bonus payable in exchange for 5,928,000 shares of the Company’s Common Stock. On August 1, 2022, the Board approved a bonus of \$140,000 AUD or \$96,810 USD. A total of \$144,166 AUD (\$99,691 USD) in payments were made in respect of the bonuses during the year ended June 30, 2022 resulting in a remaining balance of \$181,324 AUD (\$125,386 USD) bonus payable as of June 30, 2022, which was included in accrued expenses in the accompanying condensed consolidated balance sheet. A total of \$41,387 AUD (\$26,620 USD) in payments were made in respect of the bonuses during the six months ended December 31, 2022, resulting in a remaining balance of \$139,937 AUD (\$95,227 USD) bonus payable as of December 31, 2022 which was included in accrued expenses in the accompanying condensed consolidated balance sheet.

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Amended and Restated Employment Agreement – On May 14, 2019 (the “Effective Date”), the Company entered into an Amended and Restated Employment Agreement (the

“Employment Agreement”) with James Nathanielsz, the Company’s Chief Executive Officer, Chairman, acting Chief Financial Officer and a director, for a term of three years, subject to automatic one-year renewals, at an annual salary of \$400,000 AUD (\$309,313 USD). Pursuant to the Employment Agreement, Mr. Nathanielsz was granted options to purchase 39 shares of the Company’s Common Stock (the “Nathanielsz Options”), with an exercise price per share of \$4,675 (110% of the closing market price of the Company’s Common Stock on May 14, 2019 (or \$4,250), the date of approval of such grant by the Board), (ii) 39 restricted stock units of the Company (the “Initial Nathanielsz RSUs”), and (iii) an additional 39 restricted stock units of the Company (the “Additional Nathanielsz RSUs”). Such options and restricted stock units were granted pursuant to the 2019 Plan approved by the Board on the Effective Date. The Nathanielsz Options have a term of 10 years from the date of grant. The Nathanielsz Options and Additional Nathanielsz RSUs are subject to vesting periods pursuant to the Employment Agreement. There are 39 vested options and 39 restricted stock units that are considered issuable as of December 31, 2022 and June 30, 2022.

On October 26, 2022, the Company entered into an Amended and Restated Employment Agreement (the “Amended Agreement”) with Mr. Nathanielsz, effective as of July 1, 2022, (the “Effective Date”). The Amended Agreement provides Mr. Nathanielsz with a base salary of \$ 600,000 AUD (\$414,900 USD) per annum. The Company has also agreed to pay Mr. Nathanielsz an annual discretionary bonus in an amount up to 100% of his annual base salary, reduced from 200%, which bonus shall be determined by the Board and based upon the performance of the Company. The Amended Agreement has a term of three (3) years from the Effective Date, with automatic one-year renewal periods unless either party elects not to renew.

Amended and Restated Services Agreement – On May 14, 2019, the Company also entered into an Amended and Restated Services Agreement (the “Services Agreement”) with Dr. Kenyon, the Company’s Chief Scientific Officer and a director, for a term of three years, subject to automatic one-year renewals, at an annual salary of \$54,000 AUD (\$41,580 USD). In connection with the execution of the Services Agreement, Dr. Kenyon was designated as an executive officer of the Company and assumed a more active executive role with the Company. Pursuant to the Services Agreement, Dr. Kenyon was granted options to purchase 20 shares of the Company’s common stock (the “Kenyon Options”), with an exercise price per share of \$4,250 (100% of the closing market price of the Company’s Common Stock on May 14, 2019, the date of approval of such grant by the Board), (ii) 20 restricted stock units of the Company (the “Initial Kenyon RSUs”), and (iii) an additional 20 restricted stock units of the Company (the “Additional Kenyon RSUs”). Such options and restricted stock units were granted pursuant to the 2019 Plan approved by the Board on the Effective Date. The Kenyon Options have a term of 10 years from the date of grant. The Kenyon Options and Additional Kenyon RSUs are subject to vesting periods pursuant to the Services Agreement. There are 20 vested options and 20 vested restricted stock unit that are considered issuable as of December 31, 2022 and June 30, 2022.

On August 12, 2021, pursuant to a Cancellation Agreement, Mr. Kenyon agreed to cancel accrued salaries of \$102,600 in exchange for 3,420,000 shares of the Company’s Common Stock of the Company. As of December 31, 2022 and June 30, 2022, total accrued salaries of \$ 69,000 AUD (\$46,265 USD) and \$54,000 AUD (\$37,341 USD), respectively, were included in accrued expenses in the accompanying condensed consolidated balance sheets.

Collaboration Agreement

On October 1, 2020, the Company entered into a two-year collaboration agreement with the University of Jaén to provide certain research services to the Company. One of the Company’s Scientific Advisory Board is the lead joint researcher of University of Jaén. Additionally, on July 27, 2022, the Company entered into a two-year research agreement with the University of Jaén to provide certain research and experiment services to the Company (see Note 8). Further, the Company agreed to pay royalties of 1% of net revenues each to two members of the Scientific Advisory Board.

Intercompany Loans

All intercompany loans were made by the parent to the subsidiary, Propanc PTY LTD, none of which has been repaid as of December 31, 2022. Effective fiscal year 2021, the parent company determined that intercompany loans will not be repaid in the foreseeable future and thus, per ASC 830-20-35-3, gains and losses from measuring the intercompany balances are recorded within cumulative translation adjustment on the consolidated balance sheet as accumulated other comprehensive income.

NOTE 10 – CONCENTRATIONS AND RISKS

Concentration of Credit Risk

The Company maintains its cash in banks and financial institutions in Australia. Bank deposits in Australian banks are uninsured. The Company has not experienced any losses in such accounts through December 31, 2022.

The Company primarily relied on funding from five convertible debt lenders and received net proceeds after deductions of \$2,500 for original issue discounts and debt issue costs during the six months ended December 31, 2022 from each of the five lenders of \$101,250, \$94,500, \$150,000, \$50,000 and \$100,000 respectively, which represents approximately 20%, 19%, 30%, 10% and 21% respectively of total proceeds received by the Company during the six months ended December 31, 2022.

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The Company primarily relied on funding from three convertible debt lenders and received proceeds after deductions of \$0,500 for original issue discounts and debt issue costs during the six months ended December 31, 2021 from the lenders of \$414,500 (from each of the three lenders of \$160,000, \$110,000 and \$144,500, respectively, which represents approximately 39%, 26% and 35%, respectively of total proceeds received by the Company during the six months ended December 31, 2021).

Receivable Concentration

As of December 31, 2022 and June 30, 2022, the Company’s receivables were 100% related to reimbursements on GST taxes paid.

Patent and Patent Concentration

The Company has filed multiple patent applications relating to its lead product, PRP. The Company’s lead patent application has been granted and remains in force in the United States, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, Liechtenstein, Turkey, United Kingdom, Australia, China, Japan, Indonesia, Israel, New Zealand, Singapore, Malaysia, South Africa, Mexico, Republic of Korea, India and Brazil. In Canada, the patent application remains under examination.

In 2016 and early 2017, the Company filed other patent applications. Three applications were filed under the Patent Cooperation Treaty (the “PCT”). The PCT assists applicants in seeking patent protection by filing one international patent application under the PCT, applicants can simultaneously seek protection for an invention in over 150 countries. Once filed, the application is placed under the control of the national or regional patent offices, as applicable, in what is called the national phase. One of the PCT applications filed in November 2016, entered national phase in July 2018 and another PCT application is currently entering national phase in August 2018. A third PCT application entered the national phase in October 2018.

In July 2020, a world-first patent was granted in Australia for the cancer treatment method patent family. Presently, there are 43 granted, allowed, or accepted patents and 22 patents filed, or under examination in key global jurisdictions relating to the use of proenzymes against solid tumors, covering the lead product candidate PRP.

Further patent applications are expected to be filed to capture and protect additional patentable subject matter based on the Company's field of technology relating to pharmaceutical compositions of proenzymes for treating cancer.

Foreign Operations

As of December 31, 2022 and June 30, 2022, the Company's operations are based in Camberwell, Australia; however, the majority of research and development is being conducted in the European Union.

On July 22, 2016, the Company formed a wholly-owned subsidiary, Propanc (UK) Limited under the laws of England and Wales, for the purpose of submitting an orphan drug application with the European Medicines Agency as a small and medium-sized enterprise. As of December 31, 2022 and June 30, 2022, there has been no activity within this entity.

NOTE 11 – DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Derivative Financial Instruments:

The Company applies the provisions of ASC 815-40, *Contracts in Entity's Own Equity*, under which convertible instruments and warrants, which contain terms that protect holders from declines in the stock price (reset provisions), may not be exempt from derivative accounting treatment. As a result, warrants and embedded conversion options in convertible debt are recorded as a liability and are revalued at fair value at each reporting date. If the fair value of the warrants exceeds the face value of the related debt, the excess is recorded as change in fair value in operations on the issuance date. The Company had \$164,500 (2 notes) and \$79,000 (1 note) of convertible debt, which were treated as derivative instruments outstanding at December 31, 2022 and June 30, 2022, respectively.

The Company calculates the estimated fair values of the liabilities for derivative instruments using the Binomial Trees Method. The closing price of the Company's common stock at December 31, 2022, the last trading day of the period ended December 31, 2022, was \$0.0006. The volatility, expected remaining term and risk-free interest rates used to estimate the fair value of derivative liabilities at December 31, 2022 are indicated in the table that follows. The expected term is equal to the remaining term of the warrants or convertible instruments and the risk-free rate is based upon rates for treasury securities with the same term.

Convertible Debt

	Initial Valuations (on new derivative instruments entered into during the six months ended December 31, 2022)	December 31, 2022
Volatility	228.29 – 256.02%	256.02%
Expected Remaining Term (in years)	0.22 – 0.28	0.22 - 0.28
Risk Free Interest Rate	3.13 – 4.42%	4.42%
Expected dividend yield	None	None

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Fair Value Measurements:

The Company measures and reports at fair value the liability for derivative instruments. The fair value liabilities for price adjustable warrants and embedded conversion options have been recorded as determined utilizing the Binomial Trees model. The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2022 and June 30, 2022:

	Balance at December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Embedded conversion option liabilities	\$ 10,623	\$ —	\$ —	\$ 10,623
Total	\$ 10,623	\$ —	\$ —	\$ 10,623

	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Embedded conversion option liabilities	\$ 151,262	\$ —	\$ —	\$ 151,262
Total	\$ 151,262	\$ —	\$ —	\$ 151,262

The following is a roll forward for the six months ended December 31, 2022 of the fair value liability of price adjustable derivative instruments:

	Fair Value of Liability for Derivative Instruments
Balance at June 30, 2022	\$ 151,262
Initial fair value of embedded conversion option derivative liability recorded as debt discount	93,668
Reduction of derivative liability upon debt conversion	(106,799)

Balance at December 31, 2022

\$ 10,623

NOTE 12 – SUBSEQUENT EVENTS***Shares issued for conversion of convertible debt***

Between January 2023 and February 2023, the Company issued an aggregate of 518,209,044 shares of its common stock at a contractual conversion price of \$0.001, as a result of the conversion of principal of \$136,000 and accrued interest of \$3,756 underlying certain outstanding convertible notes converted during such period. The Company reclassified \$73,231 from put premium liabilities to additional paid in capital following conversions.

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PART II**INFORMATION NOT REQUIRED IN PROSPECTUS****Item 13. Other Expenses of Issuance and Distribution**

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, to be paid by the Registrant in connection with the issuance and distribution of the securities being registered. All amounts other than the SEC registration fees are estimates.

SEC Registration Fee	\$	2,336.50
Accounting Fees and Expenses*	\$	10,000.00
Legal Fees and Expenses*	\$	15,000.00
Transfer Agent and Registrar Fees	\$	-
Miscellaneous Fees and Expenses*	\$	1,000.00
Total*	\$	28,336.50

* Estimated expenses.

Item 14. Indemnification of Directors and Officers

Our Certificate of Incorporation contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Our Certificate of Incorporation provides that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our Certificate of Incorporation also provides that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law.

The limitation of liability and indemnification provisions in our Certificate of Incorporation may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions.

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In addition, in the future, we intend to enter into indemnification agreements with our directors and officers and some of our executives may have certain indemnification rights arising under their employment agreements with us. These indemnification agreements may require us, among other things, to indemnify our directors and officers for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of his or her service as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request.

The above discussion of our Certificate of Incorporation and Delaware law is not intended to be exhaustive and is respectively qualified in its entirety by such bylaws and applicable Delaware law.

These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of our officers and directors for liabilities, including reimbursement of expenses incurred, arising under the Securities Act. We have been advised that, in the opinion of the SEC, indemnification of directors or officers for liabilities arising under the Securities Act is against public policy and, therefore, such indemnification provisions may be unenforceable.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

Item 15. Recent Sales of Unregistered Securities

During the last three completed fiscal years and to date in the current fiscal year, we sold the following unregistered securities:

Issuance of Shares of Common Stock for Services and Accrued Expenses

On July 19, 2019, the Company entered into an agreement with a certain consultant to provide services over a two-month period beginning July 1, 2019 and ending September 1, 2019 in exchange for 20,000 shares of the Company's Common Stock. On July 19, 2019, the Company issued the 20,000 shares of the Company's Common Stock valued at \$1.99 per share; being the closing price of the stock on the date of the agreement, to such consultant, or \$39,800, which will be amortized over the term of the agreement. The

Company recorded \$39,800 of consulting expense with respect to such shares of its Common Stock during the three months ended September 30, 2019.

Between February 3, 2020 and June 26, 2020, the Company issued an aggregate of 8,708,574 shares of the Company's Common Stock to a consultant for services rendered pursuant to an engagement agreement dated on September 10, 2019 which agreement was later amended in February 2020. Between February 3, 2020 and June 26, 2020, the Company issued an aggregate of 8,708,574 shares of the Company's Common Stock valued at an average price of \$0.008 per share; being the closing price of the stock on the date of the agreement, to such consultant, or \$73,842. The Company recorded \$73,842 of consulting expense with respect to such shares of its Common Stock during the year ended June 30, 2020.

On November 17, 2020, the Company effected a one-for-1,000 reverse stock split of the Company's issued and outstanding shares of Common Stock (the "Reverse Stock Split"). Proportional adjustments for the Reverse Stock Split were made to the Company's outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

On March 22, 2021, the Company issued an aggregate of 225,037 shares of the Company's Common Stock to a consultant for services rendered from January 1, 2021 to March 22, 2021. The Company issued 225,037 shares of the Company's Common Stock valued at \$0.30 per share, being the closing price of the stock on the date of grant to such consultant, or \$67,511. The Company recorded \$67,511 of consulting expense with respect to such shares of its Common Stock during the year ended June 30, 2021.

Between March 2021 and June 2021, the Company issued an aggregate of 580,609 shares of the Company's Common Stock to a consultant for services rendered from April 1, 2021 to June 30, 2021. The Company issued 580,609 shares of the Company's Common Stock valued at \$0.10 per share, being the closing price of the stock on the date of grant to such consultant, or \$58,061.

On August 12, 2021, the Board approved the issuance of 2,800,000 shares of the Company's Common Stock for bonus payable of \$84,000 as of June 30, 2021 to an employee who is the wife of the CEO of the Company. The 2,800,000 shares of Common Stock were valued at approximately \$0.03 per share or \$87,920, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021.

On August 12, 2021, the Board approved the issuance of 166,667 shares of the Company's Common Stock for legal services rendered for the month of August 2021. The 166,667 shares of Common Stock were valued at approximately \$0.05 per share or \$7,883, being the closing price of the stock on August 31, 2021, the date of grant. The shares were issued on September 3, 2021.

In September 2021, the Company issued 2,819,712 shares of the Company's Common Stock to a consultant for services rendered from July 2021 to September 2021. The Company issued 2,819,712 shares of the Company's Common Stock valued at approximately \$0.04 per share or \$104,611, being the closing price of the stock on the date of grant to such consultant.

On December 10, 2021, the Company issued 1,000,000 shares of the Company's Common Stock to a purchaser as consideration for entering into a Common Stock purchase agreement in November 2021. The shares were valued at approximately \$0.018 per share or \$18,000, being the closing price of the stock on December 10, 2021.

On January 20, 2022, the Board approved the issuance of 666,667 shares of the Company's Common Stock for legal services rendered in January 2022. The 666,667 shares of Common Stock were valued at approximately \$0.03 per share or \$20,000, being the average closing prices of the stock for the month of January 2022, the date of grant. The Company recorded stock-based compensation of \$20,000 during the year ended June 30, 2022.

On January 24, 2022, the Company issued 2,274,224 shares of the Company's Common Stock to a consultant for services rendered from October 2021 to December 2021. The Company issued 2,274,224 shares of the Company's Common Stock valued at approximately \$0.02 per share or \$45,030, being the closing price of the stock on the date of grant to such consultant. The Company recorded stock-based compensation of \$45,030 during the year ended June 30, 2022.

On February 17, 2022, the Board approved the issuance of 1,148,326 shares of the Company's Common Stock to a consultant for services rendered upon the termination of the consulting agreement (see Note 9). The Company valued the shares at approximately \$0.02 per share or \$24,000 being the closing price of the stock on the date of grant to such consultant. The shares were issued on April 7, 2022. The Company recorded stock-based compensation of \$24,000 during the year ended June 30, 2022.

On April 13, 2022, the Company issued 3,833,683 shares of the Company's Common Stock to a consultant for services rendered from January 2022 to March 2022. The Company issued 3,833,683 shares of the Company's Common Stock valued at approximately \$0.01 per share or \$46,771, being the closing price of the stock on the date of grant to such consultant. The Company recorded stock-based compensation of \$46,771 during the year ended June 30, 2022.

On June 30, 2022, the Board approved the issuance of 12,270,958 shares of the Company's Common Stock to a consultant for services rendered from April 2022 to June 2022. The 12,270,958 shares was reflected as Common Stock issuable and was valued at approximately \$0.01 per share or \$45,403, being the closing price of the stock on the date of grant to such consultant. The Company recorded stock-based compensation of \$45,403 during the year ended June 30, 2022. The Common Stock issuable of 12,270,958 shares were issued on July 1, 2022.

On October 25, 2022, the Company issued 6,111,112 shares of the Company's Common Stock to a consultant for services rendered in October 2022. The Company valued these shares based on quoted trading prices on the date of grant at \$0.0009 per share or \$5,500, which was recorded as stock-based consulting expense.

On November 16, 2022, the Company issued 73,301,020 shares of the Company's Common Stock to a consultant for services rendered from July 2022 to November 2022. The Company valued these shares based on quoted trading prices on the date of grant at approximately \$0.00007 per share or \$51,311, which was recorded as stock-based compensation expense.

Issuance of Shares of Common Stock upon Conversion of Convertible Debt

During our third quarter ended March 31, 2020, the Company issued 16,096,509 shares of the Company's Common Stock at an average conversion price of \$0.053, as a result of the conversion of principal and interest in the aggregate amount of \$856,338 underlying certain outstanding convertible notes converted during such period.

During our fourth quarter ended June 30, 2020, the Company issued 230,275,879 shares of the Company's Common Stock at an average conversion price of \$0.004, as a result of the conversion of principal and interest in the aggregate amount of \$925,658 underlying certain outstanding convertible notes converted during such period. From July 1, 2020 through September 28, 2020, the Company issued an aggregate of 442,031,352 shares of its Common Stock at an average contractual conversion price of \$0.00096, ranging from \$0.00056 to \$0.0020, as a result of the conversion of principal of \$391,935, interest of \$25,735 and conversion fees \$6,750 underlying certain outstanding convertible notes converted during such period. On September 18, 2020, the Company prepaid an outstanding convertible note in the amount of \$57,671 comprising the note principal of \$43,000 plus \$1,705 of accrued interest and a prepayment penalty of \$12,966.

On November 17, 2020, the Company effected a one-for-1,000 reverse stock split of the Company's issued and outstanding shares of Common Stock (the "Reverse Stock Split"). Proportional adjustments for the Reverse Stock Split were made to the Company's outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

During the year ended June 30, 2021, the Company issued an aggregate of 8,786,113 shares of the Company's Common Stock at an average contractual conversion price of \$0.13, ranging from \$0.03 to \$2.00, as a result of the conversion of principal of \$1,018,867, interest of \$103,321 and conversion fees \$16,500 underlying certain outstanding

convertible notes converted during such period. The total recorded to equity was \$1,239,075 prior to the reversal of unissued shares.

From July 1, 2021 through September 30, 2021, the Company issued an aggregate of 9,445,009 shares of the Company's Common Stock at an average contractual conversion price of \$0.02, ranging from \$0.02 to \$0.04, as a result of the conversion of principal of \$189,849, interest of \$8,087 and conversion fees \$2,250 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$200,186.

In October 2021, the Company issued an aggregate of 1,818,097 shares of the Company's Common Stock at an average contractual conversion price of \$0.01 as a result of the conversion of principal of \$25,000 and interest of \$1,726 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$26,726.

In January 2022, the Company issued an aggregate of 2,613,191 shares of the Company's Common Stock at an average contractual conversion price of \$0.01 as a result of the conversion of principal of \$26,000 and interest of \$2,222 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$28,222.

On July 13, 2022, the Company issued an aggregate of 14,336,712 shares of the Company's Common Stock at an average price per share of approximately \$0.002, as a result of delivering one draw-down notice to the investor. Consequently, the Company received gross aggregate proceeds of \$24,711 from such draw-down notice.

As of June 30, 2022, there was Common Stock issuable of 7,326,007 from the conversion of debt during fiscal 2022. The Common Stock issuable of 7,326,007 were issued on July 12, 2022.

From July 1, 2022 through September 14, 2022, the Company issued an aggregate of 264,492,661 shares of the Company's Common Stock at an average contractual conversion price of \$0.001 as a result of the conversion of principal of \$327,200, and accrued interest of \$22,330 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$456,939.

From October 17, 2022 through December 27, 2022, the Company issued an aggregate of 380,506,070 shares of the Company's Common Stock at an average contractual conversion price of \$0.001 as a result of the conversion of principal of \$158,500, and accrued interest of \$7,191 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$165,691.

Between January 2023 and February 2023, the Company issued an aggregate of 518,209,044 shares of the Company's Common Stock at a contractual conversion price of \$0.001, as a result of the conversion of principal of \$136,000 and accrued interest of \$3,756 underlying certain outstanding convertible notes converted during such period. The Company reclassified \$73,231 from put premium liabilities to additional paid in capital following conversions.

Issuance of Shares of Common Stock in Connection with a Note Payable

On November 3, 2022, the Company entered into a securities purchase agreement with Coventry, pursuant to which Coventry purchased a promissory note from the Company in the aggregate principal amount of \$125,000. As an additional inducement to Coventry purchasing the note, the Company, as of the original issue date and for no additional consideration, issued to Coventry an aggregate of 75,000,000 shares of the Company's Common Stock, which were valued using the relative fair value method at \$37,500 and recognized as debt discount to be amortized over the term of the note.

Issuance of Options

As of June 30, 2020, the Company had entered into agreements to grant options to purchase 59,644 shares of its Common Stock, with a weighted average exercise price per share of \$76.37.

No stock options were issued during the fiscal years ended June 30, 2020, 2021, and 2022.

Issuance of Warrants

On March 30, 2020, the Company entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") whereby an investor (the "Investor") purchased from the Company, 7,500,000 units (the "Units"), each consisting of (i) 1.5 shares of the Company's Common Stock (the "Common Stock"), or pre-funded warrants (the "Prefunded Warrants") and (ii) 1.5 warrants to purchase one share of Common Stock ("Series A Warrants", and collectively with the Common Stock the "Units"). In addition to the Units, the Investor was issued 63,750,000 warrants to purchase one share of Common Stock (the "Series B Warrants") and an additional 63,750,000 warrants to purchase one share of Common Stock, subject to a vesting schedule (the "Series C Warrants" and, together with the Prefunded Warrants, the Series A Warrants, and the Series B Warrants, the "Warrants"). The aggregate purchase price for the Units, the Series A Warrants, the Series B Warrants and the Series C Warrants of \$450,000 was paid at closing (the "Purchase Price"). The 11,250,000 shares of Common Stock underlying the Units issuable at closing of the Securities Purchase Agreement are comprised of 804,518 shares of restricted Common Stock and 10,445,482 Prefunded Warrants.

As of June 30, 2021, there were 121,329 warrants outstanding and exercisable with expiration dates commencing September 2022 and continuing through August 2024, with a weighted average exercise price per share of \$0.15.

On November 17, 2020, the Company effected a one-for-1,000 reverse stock split of the Company's issued and outstanding shares of Common Stock (the "Reverse Stock Split"). Proportional adjustments for the Reverse Stock Split were made to the Company's outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

During the year ended June 30, 2021, the Company received aggregate gross proceeds of \$776,044 from the exercise of 10,445 prefunded warrants and 19,375 Series B Warrants resulting in the issuance of 29,820 shares of Common Stock. Additionally, the Company issued 4,199,979 shares of Common Stock from the alternate cashless exercise of 20 Series A Warrant and one Series C Warrant.

From July 9, 2021 through September 27, 2021, the Company received aggregate gross proceeds of \$275,000 and subscription receivable of \$100,000 from the exercise of 9,375 Series B Warrants and issued 6,875 shares of Common Stock and 2,500 shares of Common Stock issuable as of September 30, 2021. During the three months ended September 30, 2021, additionally, the Company issued 2,399,988 shares of Common Stock and 1,999,990 shares of Common Stock issuable from the alternate cashless exercise of 22 Series A Warrants. A total of 2,002,490 Common Stock issuable were issued in October 2021. The Company collected the \$100,000 subscription receivable in October 2021.

On October 1, 2021, the Company received aggregate gross proceeds of \$100,000 from the exercise of 2,500 Series B Warrants and issued 2,500 shares of Common Stock. Additionally, from October 5, 2021 through December 16, 2021, the Company issued 6,399,968 shares of Common Stock from the alternate cashless exercise of 32 Series A Warrants.

In January 2022, the Company issued 2,799,986 shares of Common Stock from alternative cashless exercise of Series A Warrants.

Between July 29, 2022 and December 6, 2022, the Company received gross proceeds of \$200,000 from the exercise of 5,000 Series B Warrants and issued 5,000 shares of its Common Stock.

During the six months ended December 31, 2022, the Company issued 191,999,040 shares of its Common Stock from the alternate cashless exercise of 960 Series A Warrants with an original exercise price of \$200 and alternate cashless exercise price of \$0.001. The Alternate Cashless Exercise provision, for a cashless conversion at the holder's option, is available should the trading price of the Company's Common Stock fall below \$200 per share calculated based on the difference between the exercise price of the Series A Warrant and 70% of the market price. The Company recognized the value of the effect of a down-round feature in such Warrants, when triggered. Upon the occurrence of the triggering event that resulted in a reduction of the exercise price, the Company measured the value of the effect of the feature as the difference between the fair value of the Warrants without the down-round feature or before the exercise price reduction and the fair value of the Warrants with an exercise price corresponding to the reduced exercise price upon the down-round feature being triggered. Accordingly, the Company recognized a deemed dividend of \$19,322 and \$408,557 during the three and six months ended December 31, 2022, respectively, and a corresponding increase in loss available to common stockholders upon the alternate cashless exercise of these warrants.

Except as otherwise noted, the securities in the transactions describe above were sold in reliance on the exemption from registration provided in Section 4(a)(2) of the Securities Act for transactions not involving any public offering. Each of the persons acquiring the foregoing securities was an accredited investor (as defined in Rule 501(a) of Regulation D) and confirmed the foregoing and acknowledged, in writing, that the securities must be acquired and held for investment. All certificates evidencing the shares sold bore a restrictive legend. No underwriter participated in the offer and sale of these securities, and no commission or other remuneration was paid or given directly or indirectly in connection therewith. The proceeds from these sales were used for general corporate purposes.

Item 15. Exhibits, Financial Statement Schedules

(5) Exhibits

Exhibit Number	Description
3.1	<u>Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, as amended, filed with the SEC on June 23, 2011).</u>
3.2	<u>Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1, as amended, filed with the SEC on June 23, 2011).</u>
3.3	<u>Certificate of Amendment to the Certificate of Incorporation of the Company, dated November 11, 2014 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on December 16, 2014).</u>
3.4	<u>Certificate of Amendment to the Certificate of Incorporation of the Company, dated July 9, 2015 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on July 15, 2015).</u>
3.5	<u>Certificate of Amendment to the Certificate of Incorporation of the Company, dated April 20, 2017 (incorporated by reference to Exhibit 3.1.1 to the Company's Current Report on Form 8-K filed on April 26, 2017).</u>
3.6	<u>Certificate of Amendment to the Certificate of Incorporation of the Company, dated April 20, 2017 (incorporated by reference to Exhibit 3.1.2 to the Company's Current Report on Form 8-K filed on April 26, 2017).</u>
3.7	<u>Certificate of Amendment to the Certificate of Incorporation of the Company, dated as of January 23, 2018 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on January 26, 2018).</u>
3.8	<u>Certificate of Amendment, dated as of June 7, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 21, 2019).</u>
3.9	<u>Certificate of Correction, dated as of June 10, 2019 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on June 21, 2019).</u>
3.10	<u>Certificate of Amendment, dated as of March 13, 2019 (incorporated by reference to Exhibit 3.10 to the Company's Form S-1/A filed on August 13, 2020).</u>
3.11	<u>Certificate of Amendment to the Certificate of Incorporation of the Company, dated as of November 17, 2020 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 19, 2020).</u>
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3.12	<u>Certificate of Amendment to the Certificate of Incorporation of the Company, dated July 6, 2022 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on July 11, 2022).</u>
3.13	<u>Certificate of Designation of Series A Preferred Stock of the Company, dated December 2, 2014 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 16, 2014).</u>
3.13a*	<u>Certificate of Retirement of Series A Preferred Stock, dated March 15, 2023 (incorporated by reference to Exhibit 3.15 to the Company's Current Report on Form 8-K filed on March 17, 2023).</u>
3.14	<u>Certificate of Designation of Series B Preferred Stock of the Company, dated June 16, 2015 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 15, 2015).</u>
4.1	<u>Common Stock Purchase Warrant for the purchase of up to 450,000 shares of the Company's Common Stock (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on September 9, 2019).</u>
4.2	<u>Common Stock Purchase Warrant for the purchase of up to 300,000 shares of the Company's Common Stock (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on September 9, 2019).</u>
4.3	<u>Common Stock Purchase Warrant for the purchase of up to 225,000 shares of the Company's Common Stock (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on September 9, 2019).</u>
4.4	<u>Form of Convertible Promissory Note (incorporated by reference to Exhibit 4.55 to the Company's Annual Report on Form 10-K filed on October 15, 2019)</u>

- 4.5 [Form of Prefunded Warrant \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 3, 2020\)](#)
- 4.6 [Form of Series A Warrant \(incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on April 3, 2020\)](#)
- 4.7 [Form of Series B Warrant \(incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on April 3, 2020\)](#)
- 4.8 [Form of Series C Warrant \(incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on April 3, 2020\)](#)
- 4.9 [Form of Convertible Redeemable Promissory Note, dated October 1, 2019 \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated October 8, 2019\)](#)
- 4.10 [10% Convertible Promissory Note, dated December 7, 2021, issued by the Company to One44 Capital LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 13, 2021\)](#)
- 4.11 [8% Convertible Promissory Note, dated March 7, 2022, issued by the Company to Sixth Street Lending LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated March 10, 2022\)](#)
- 4.12 [10% Convertible Promissory Note, dated March 29, 2022, issued by the Company to One44 Capital LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K April 1, 2022\)](#)
- 4.13 [8% Convertible Promissory Note, dated April 12, 2022, issued by the Company to Sixth Street Lending LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated April 18, 2022\)](#)

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- 4.14 [8% Convertible Promissory Note, dated May 12, 2022, issued by the Company to 1800 Diagonal Lending LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 18, 2022\)](#)
- 4.15 [8% Convertible Promissory Note, dated June 30, 2022, issued by the Company to 1800 Diagonal Lending LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 7, 2022\)](#)
- 4.16 [8% Convertible Redeemable Promissory Note, dated August 12, 2022, issued by the Company to GS Capital Partners LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 18, 2022\)](#)
- 4.17 [10% Convertible Note, dated August 15, 2022, issued by the Company to One44 Capital LLC \(incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated August 18, 2022\)](#)
- 4.18 [8% Convertible Redeemable Note, dated September 21, 2022, issued by the Company to GS Capital Partners, LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 26, 2022\)](#)
- 4.19 [8% Convertible Promissory Note, dated October 6, 2022, issued by the Company to Red Road Holdings Corporation \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated October 12, 2022\)](#)
- 4.20 [10% Convertible Redeemable Note, dated February 14, 2023, issued by the Company to ONE44 Capital LLC \(incorporated by reference to Exhibit 4.20 to the Company's Current Report on Form 8-K dated February 14, 2023\)](#)
- 4.21* [10% Promissory Note, dated November 3, 2022, issued by the Company to Coventry Enterprises, LLC](#)
- 5.1* [Opinion of Clark Hill PLC](#)

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- 10.1 [Debt Settlement Agreement between the Company and James Nathanielsz, dated February 4, 2015 \(incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on February 17, 2015\).](#)
- 10.2 [Debt Settlement Agreement between the Company and Julian Kenyon, dated February 4, 2015 \(incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on February 17, 2015\).](#)
- 10.3 † [Amended and Restated Employment Agreement, by and between the Company and James Nathanielsz, dated October 26, 2022 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 1, 2022\).](#)
- 10.4 † [Director Agreement entered into as of February 25, 2015 by and between Julian Kenyon and the Company \(incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-1 filed on March 25, 2016\).](#)
- 10.5 † [Form of Scientific Advisory Board Member Agreement, incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-1 filed on March 25, 2016.](#)
- 10.6 † [Amendment No. 1 to Employment Agreement entered into as of April 14, 2016 by and between James Nathanielsz and the Company \(incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q filed on May 16, 2016\).](#)
- 10.7 † [Amendment No. 2 to Employment Agreement entered into as of September 25, 2017 by and between James Nathanielsz and the Company \(incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K filed on September 28, 2017\).](#)
- 10.8 † [Amended and Restated Employment Agreement, dated as of May 14, 2019, by and between the James Nathanielsz and the Company \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 15, 2019\).](#)
- 10.9 † [Amended and Restated Services Agreement, by and between Julian Kenyon and the Company, dated as of May 19, 2019 \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 15, 2019\).](#)
- 10.10 † [Form of Indemnification Agreement \(incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on May 15, 2019\).](#)

- 10.11 † [Director Agreement by and between Josef Zelinger and the Company \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 30, 2020\).](#)
- 10.12 † [Amended and Restated Director Agreement by and between Josef Zelinger and the Company, dated August 12, 2021 \(incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on August 18, 2021\).](#)
- 10.13 [Cancellation Agreement by and between James Nathanielsz and the Company, dated August 12, 2021 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 18, 2021\).](#)
- 10.14 [Cancellation Agreement by and between Julian Kenyon and the Company, dated August 12, 2021 \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on August 18, 2021\).](#)

- 10.15 [Manufacturing Services Agreement by and between Q-Biologicals NV \(now Amatsigroup NV\) and the Company, dated August 12, 2016 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 23, 2016\).](#)
- 10.16 [Quality Assurance Agreement by and between Q-Biologicals NV \(now Amatsigroup NV\) and the Company dated August 12, 2016 \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 23, 2016\).](#)
- 10.17 [Consulting Agreement between the Company and Regal Consulting, LLC, dated November 18, 2016 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 23, 2016\).](#)
- 10.18 [Securities Purchase Agreement by and between the Company and Eagle Equities, LLC, dated August 29, 2018 \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on September 4, 2018\).](#)
- 10.19 [Employment Agreement by and between the Company and Carlo Campiciano dated June 24, 2019 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 1, 2019\).](#)
- 10.20 [Securities Purchase Agreement, dated October 2, 2018, between the Company and GS Capital Partners, LLC \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on October 10, 2018\).](#)
- 10.21 [Securities Purchase Agreement, dated November 30, 2018, between the Company and Eagle Equities, LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 6, 2018\).](#)
- 10.22 [Securities Purchase Agreement, dated as of December 24, 2018, between the Company and Eagle Equities, LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 28, 2018\).](#)
- 10.23 [Securities Purchase Agreement, dated December 2, 2020, by and between the Company and Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 7, 2020\).](#)
- 10.24 [Securities Purchase Agreement, dated December 10, 2020, by and between the Company and GW Holdings Group, LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 16, 2020\).](#)
- 10.25 [Securities Purchase Agreement, dated January 5, 2021, by and between the Company and Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 11, 2021\).](#)
- 10.26 [Securities Purchase Agreement, dated March 16, 2021, by and between the Company and Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 19, 2021\).](#)
- 10.27 [Propanc Biopharma, Inc.'s 2019 Equity Incentive Plan \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on May 15, 2019\).](#)
- 10.28 [Securities Purchase Agreement dated May 23, 2019, by and between the Company and Redstart Holdings Corp \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 30, 2019\).](#)

- 10.29 [Securities Purchase Agreement, dated July 3, 2019, by and between the Company and Power Up Lending Group Ltd. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 10, 2019\).](#)
- 10.30 [Securities Purchase Agreement dated July 30, 2019, by and between the Company and Odyssey Capital Funding LLC. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 6, 2019\).](#)
- 10.31 [Securities Purchase Agreement dated August 30, 2019, by and between the Company and Auctus Fund LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 9, 2019\).](#)
- 10.32 [Registration Rights Agreement dated August 30, 2019, by and between the Company and Auctus Fund LLC \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 9, 2019\).](#)
- 10.33 [Form of Securities Purchase Agreement \(incorporated by reference to Exhibit 10.56 to the Company's Annual Report on Form 10-K filed on October 15, 2019\).](#)
- 10.34 [Form of First Securities Purchase Agreement \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 17, 2020\).](#)
- 10.35 [Form of Second Convertible Redeemable Promissory Note \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 17, 2020\).](#)
- 10.36 [Form of Securities Purchase Agreement \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 3, 2020\).](#)
- 10.37 [Form of Prefunded Warrant \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 3, 2020\).](#)

- 10.38 [Securities Purchase Agreement, dated August 19, 2021, by and between the Company and Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 25, 2021\)](#)
- 10.39 [Securities Purchase Agreement, dated September 22, 2021, by and between the Company and Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 28, 2021\)](#)
- 10.40 [Securities Purchase Agreement, dated October 21, 2021, by and between the Company and Sixth Street Lending LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 27, 2021\)](#)
- 10.41 [Securities Purchase Agreement, dated November 26, 2021, by and between the Company and Sixth Street Lending LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 1, 2021\)](#)
- 10.42 [Common Stock Purchase Agreement, dated November 30, 2021, by and between the Company and Dutchess Capital Growth Fund LP \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 7, 2021\)](#)

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- 10.43 [Registration Rights Agreement, dated November 30, 2021, by and between the Company and Dutchess Capital Growth Fund LP \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 7, 2021\)](#)
- 10.44 [Securities Purchase Agreement, dated December 7, 2021, by and between the Company and ONE44, Lending LLC \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 13, 2021\)](#)
- 10.45 [Securities Purchase Agreement, dated March 7, 2022, by and between the Company and Sixth Street Lending LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 10, 2022\)](#)
- 10.46 [Securities Purchase Agreement, dated March 29, 2022, by and between the Company and One44 Capital LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 1, 2022\)](#)
- 10.47 [Securities Purchase Agreement, dated April 12, 2022, by and between the Company and Sixth Street Lending LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 18, 2022\)](#)
- 10.48 [Securities Purchase Agreement, dated May 12, 2022, by and between the Company and 1800 Diagonal Lending LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 18, 2022\)](#)
- 10.49 [Securities Purchase Agreement, dated June 30, 2022, by and between the Company and 1800 Diagonal Lending LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 7, 2022\)](#)
- 10.50 [Securities Purchase Agreement, dated August 12, 2022, by and between the Company and GS Capital Partners LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 18, 2022\)](#)
- 10.51 [Securities Purchase Agreement, dated August 15, 2022, by and between the Company and ONE44 Capital LLC \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated August 18, 2022\)](#)
- 10.52 [Securities Purchase Agreement, dated September 21, 2022, by and between the Company and GS Capital Partners, LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated September 26, 2022\)](#)
- 10.53 [Securities Purchase Agreement, dated October 6, 2022, by and between the Company and Red Road Holdings Corporation \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 12, 2022\)](#)
- 10.54 [Securities Purchase Agreement, dated February 14, 2023, by and between the Company and ONE44 Capital LLC \(incorporated by reference to Exhibit 10.41 to the Company's Current Report on Form 8-K dated 14, 2023\)](#)
- 10.55* [Securities Purchase Agreement, dated November 3, 2022, by and between the Company and Coventry Enterprises, LLC](#)
- 10.56* [Common Stock Purchase Agreement, dated November 3, 2022, by and between the Company and Coventry Enterprises, LLC](#)
- 21.1 [List of subsidiaries of the Company \(incorporated by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K filed on September 28, 2022\)](#)
- 23.1* [Consent of Salberg & Company, P.A., independent registered public accounting firm](#)
- 23.2 [Consent of Clark Hill PLC \(included in Exhibit 5.1\)](#)

* Filed herewith.

† Management contract or compensatory plan or arrangement

(b) Financial Statement Schedules.

All schedules have been omitted because either they are not required, are not applicable or the information is otherwise set forth in the financial statements and related notes thereto.

Item 16. Undertakings

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

- (2) That for the purpose of determining any liability under the Securities Act of 1933 each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.
- (5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (6) The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.
- (7) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 14 above, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.
- (8) The undersigned Registrant hereby undertakes:
 - (1) That for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4), or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
 - (2) That for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and this offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Melbourne, in the State of Victoria, Australia, on March 24, 2023.

PROPANC BIOPHARMA, INC.

By: /s/ James Nathanielsz
 Name: James Nathanielsz
 Title: Chief Executive Officer and Chief Financial Officer (Principal Executive Officer and Principal Accounting Officer)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
<u>/s/ James Nathanielsz</u> James Nathanielsz	Chief Executive Officer, Chief Financial Officer (Principal Executive Officer, Principal Accounting Officer), Director	March 24, 2023

/s/ Dr. Julian Kenyon
Dr. Julian Kenyon

Chief Technology Officer, Director

March 24, 2023

/s/ Josef Zelinger
Josef Zelinger

Director

March 24, 2023

NEITHER THIS SECURITY NOR THE SECURITIES THAT MAY BE CONVERTED (SOLELY UPON AN EVENT OF DEFAULT IN THE ISSUER'S REPAYMENT OBLIGATIONS HEREUNDER) HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANIES. THIS SECURITY AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Original Issue Date: November 3, 2022

Principal Amount: \$125,000

10% PROMISSORY NOTE

THIS IS A 10% PROMISSORY NOTE of Propanc Biopharma, Inc. (the "Company"), a Delaware Corporation, having its principal place of business at 302. 6 Butler Street, Camberwell, VIC 3124, Australia (this "Note"), which represents a duly authorized and validly issued debt of the Company.

FOR VALUE RECEIVED, the Company hereby promises to pay to the order of Coventry Enterprises LLC, a Delaware Corporation (the "Holder"), or its registered assigns, the principal sum of one hundred twenty five thousand (\$125,000.00) (the "Principal Amount") and "Guaranteed Interest" thereon at the rate of ten percent (10.00%) per annum for the 12 months from and after the Original Issue Date (notwithstanding the twelve-month term of this Note for an aggregate Guaranteed Interest of twelve thousand five hundred dollars (\$12,500), all of which Guaranteed Interest shall be deemed earned as of the date hereof. The Principal Amount and the Guaranteed Interest shall be due and payable in seven equal monthly payments (each, a "Monthly Payment") of nineteen thousand, six hundred forty two dollars and eighty five cents (\$19,642.85), commencing on March 24, 2023 and continuing on the 24th day of each month thereafter (each, a "Monthly Payment Date") until paid in full not later than October 24, 2023 (the "Maturity Date"), or such earlier date as this Note is required or permitted to be repaid as provided hereunder, and to pay such other interest to the Holder on the aggregate unconverted and then outstanding Principal Amount of this Note in accordance with the provisions hereof.

Notwithstanding anything contained herein, this Note shall bear interest on the aggregate unpaid Principal Amount and Guaranteed Interest from and after the occurrence and during the continuance of an Event of Default pursuant to Section 7(a) at the rate (the "Default Rate"), which shall be equal to (i) the lesser of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law. Unless otherwise agreed or required by applicable law, payments will be applied first to any unpaid collection costs; then to any unpaid fees; then to any unpaid "Default Rate" interest; and any remaining amount shall be applied first to any unpaid Guaranteed Interest and then to any unpaid Principal Amount. Notwithstanding the Monthly Payment Dates, payment of "Default Rate" interest shall be due and payable by the Company to the Holder on the last day of each calendar month during which Default Rate interest accrued.

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This Note is subject to the following additional provisions:

Upon the execution and delivery of this Note, the sum of one hundred thousand Dollars (\$100,000.00) shall be remitted and delivered to, or on behalf of, the Company. Twenty Five Thousand Dollars. (\$25,000.00) shall be retained by the Holder through an Original Issue Discount for due diligence, administration, origination, legal fees and for documentation preparation fees.

Additionally, In the event that while this note has been outstanding for four months, there is a REG A effective, then the Investor may choose to convert any amount up to the entire balance of the note including guaranteed interest into shares at the REG A offering price.

Section 1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

"Alternate Consideration" shall have the meaning set forth in Section 6(f).

"Alternative Conversion Price" shall have the meaning set forth in Section 6(b).

"Base Conversion Price" shall have the meaning set forth in Section 6(c).

"Bankruptcy Event" means any of the following events: (a) the Company (as such term is defined in Rule 1-02(w) of Regulation S-X thereof) commences a case or other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to the Company, (b) there is commenced against the Company any such case or proceeding that is not dismissed within 60 days after commencement, (c) the Company is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered, (d) the Company suffers any appointment of any custodian or the like for it or any substantial part of its property that is not discharged or stayed within 60 calendar days after such appointment, (e) the Company makes a general assignment for the benefit of creditors, (f) the Company calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts or (g) the Company, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action for the purpose of effecting any of the foregoing.

"Beneficial Ownership Limitation" shall have the meaning set forth in Section 5(d).

"Buy-In" shall have the meaning set forth in Section 5(c)(v).

"Calculated Conversion Price" shall have the meaning set forth in Section 5(b).

"Change of Control Transaction" means the occurrence after the date hereof of any of (a) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of fifty percent (50%) of the voting securities of the Company (other than in connection with any conversion of this Note); (b) the Company merges into or consolidates with any other Person, or any Person merges into or consolidates with the Company and, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than fifty percent (50%) of the aggregate voting power of the Company or the successor entity of such transaction; (c) the Company sells or transfers all or substantially all of its assets to another Person and the stockholders of the Company immediately prior to such transaction own less than fifty percent (50%) of the aggregate voting power of the acquiring entity immediately after the transaction; (d) a replacement at one time or within a three year period of more than one-half of the members of the Board of Directors which is not approved by a majority of those individuals who are members of the Board of Directors on the Original Issue Date (or by those individuals who are serving as members of the Board of Directors on any date whose nomination to the Board of Directors was approved by a majority of the members of the Board of Directors who are members on the date hereof); or (e) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (d) above.

“Common Stock” means the common stock of the Company, par value \$0.001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Common Stock Equivalents” means any securities of the Company that would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant, or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“Conversion” shall have the meaning ascribed to such term in Section 5.

“Conversion Date” shall have the meaning set forth in Section 5(a).

“Conversion Schedule” means the Conversion Schedule in the form of Schedule 1 attached hereto.

“Conversion Shares” means, collectively, the shares of Common Stock issuable upon conversion of this Note in accordance with the terms hereof.

“Default Rate” shall have the meaning ascribed thereto in the preamble of this Note.

“Dilutive Issuance” shall have the meaning set forth in Section 6(c).

“Dilutive Issuance Notice” shall have the meaning set forth in Section 6(c).

“DTC” means the Depository Trust Company.

“DTC/FAST Program” means the DTC’s Fast Automated Securities Transfer Program.

“DWAC Eligible” means that (a) the Common Stock is eligible at DTC for full services pursuant to DTC’s Operational Arrangements, including, without limitation, transfer through DTC’s Deposit and Withdrawal at Custodian (“DWAC”) service, (b) the Company has been approved (without revocation) by the DTC’s underwriting department, (c) the Transfer Agent is approved as an agent in the DTC/FAST Program, (d) the Conversion Shares are otherwise eligible for delivery via DWAC, and (e) the Transfer Agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC.

“Event of Default” shall have the meaning set forth in Section 7(a).

“Exchange Act” means, the Securities Exchange Act of 1934, as amended.

“Exempt Issuance” shall have the meaning set forth in Section 6(c).

“Delaware Courts” shall have the meaning set forth in Section 8(f).

“Fundamental Transaction” shall have the meaning set forth in Section 6(f).

“Guaranteed Interest” shall have the meaning ascribed thereto in the preamble of this Note.

“Late Fees” shall have the meaning set forth in Section 2(b).

“Mandatory Default Amount” means the payment of 120% of the outstanding Principal Amount of this Note and accrued and unpaid interest hereon, in addition to the payment of all other amounts, costs, expenses, and liquidated damages due in respect of this Note.

“Maturity Date” shall have the meaning ascribed thereto in the preamble of this Note. “Monthly Payment” shall have the meaning ascribed thereto in the preamble of this Note.

“Monthly Payment Date” shall have the meaning ascribed thereto in the preamble of this Note.

“New Issuance Price” shall have the meaning set forth in Section 6(c).

“Note Register” shall have the meaning set forth in Section 2(a).

“Notice of Conversion” shall have the meaning set forth in Section 5(a).

“Original Issue Date” means the date of the first issuance of this Note, regardless of any transfers of this Note and regardless of the number of instruments that may be issued to evidence this Note.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Principal Amount” shall have the meaning ascribed thereto in the preamble of this Note.

“Required Minimum” means, as of any date, the maximum aggregate number of shares of Common Stock then issued or potentially issuable in the future pursuant to this Note, including any Conversion Shares issuable upon conversion in full of this Note (including Conversion Shares issuable as payment of Guaranteed Interest or other interest payable on this Note), ignoring any conversion limits set forth therein, and assuming that the Calculated Conversion Price is at all times on and after the date of determination 100% of the Calculated Conversion Price calculated utilizing the Trading Day immediately prior to the date of determination.

“ROFR Acceptance Notice” shall have the meaning set forth in Section 3(c).

“SEC” shall have the meaning set forth in Section 3(c).

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Share Delivery Date” shall have the meaning set forth in Section 5(c)(ii).

“Successor Entity” shall have the meaning set forth in Section 6(f).

“Trading Market” shall mean any of the following: New York Stock Exchange, NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market, the OTCQX® Best Market, the OTCQB® Venture Market, or the OTC Pink® Open Market.

“Trading Price” shall mean the lowest daily VWAP for the twenty (20) Trading Days preceding a Conversion Date.

“Variable Rate Transaction” means, either or both of (a) an “Equity Line of Credit” or similar agreement or (b) a Variable Priced Equity Linked Instrument. For purposes hereof, (i) “Equity Line of Credit” means any transaction involving a written agreement between the Company and an investor or underwriter, whereby the Company has the right to “put” its securities to the investor or underwriter over an agreed period of time and at future determined price or price formula (other than customary “preemptive” or “participation” rights or “weighted average” or “full-ratchet” anti-dilution provisions or in connection with fixed-price rights offerings and similar transactions that are not Variable Priced Equity Linked Instruments) and (ii) “Variable Priced Equity Linked Instruments” means: (A) any debt or equity securities which are convertible into, exercisable or exchangeable for, or carry the right to receive additional shares of Common Stock either (1) at any conversion, exercise, or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for Common Stock at any time after the initial issuance of such debt or equity security or (2) with a conversion, exercise, or exchange price that is subject to being reset on more than one occasion at some future date at any time after the initial issuance of such debt or equity security due to a change in the market price of the Company’s Common Stock since date of initial issuance (other than customary “preemptive” or “participation” rights or “weighted average” or “full-ratchet” anti-dilution provisions or in connection with fixed-price rights offerings and similar transactions) and (B) any amortizing convertible security that amortizes prior to its maturity date, in which the Company is required or has the option to (or any investor in such transaction has the option to require the Company to) make such amortization payments in shares of Common Stock that are valued at a price that is based upon and/or varies with the trading prices of or quotations for Common Stock at any time after the initial issuance of such debt or equity security (whether or not such payments in shares of Common Stock are subject to certain equity conditions).

“VWAP” means, for or as of any date, the dollar volume-weighted average price for such security on the Trading Market (or, if the Trading Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded) during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its “HP” function (set to weighted average) or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the OTC Markets Group Inc. marketplace for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported by OTC Markets Group Inc. If the VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization, or other similar transaction during such period.

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Section 2. Interest.

a) Default Rate Interest Calculations. Default Rate interest shall be calculated on the basis of a 360-day year, consisting of twelve (12) thirty (30)-calendar day periods, and shall accrue daily commencing on the Original Issue Date (without any offset for any pro rata amount of Guaranteed Interest for the relevant period) until payment in full of the outstanding Principal Amount, together with all accrued and unpaid Guaranteed Interest, Default Rate interest, liquidated damages and other amounts that may become due hereunder, has been made. Default Rate interest hereunder will be paid to the Person in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note (the “Note Register”).

b) Late Fees. Any Monthly Payment not made on or before its respective Monthly Payment Date shall entail a late fee at the Default Rate (the “Late Fee”), which shall accrue daily from the date such interest is due hereunder through and including the date of actual payment in full.

c) Prepayment. Any or all of the Principal Amount and Guaranteed Interest may be pre-paid at any time and from time to time, in each case without penalty or premium, Notwithstanding the above, in any such prepayment, payments will be applied first to any unpaid collection costs; then to any unpaid fees; then to any unpaid Default Rate interest; and any remaining amount shall be applied first to any unpaid Guaranteed Interest and then to any unpaid Principal Amount.

Section 3. Note Transfers. This Note may be transferred or exchanged only in compliance with applicable federal and state securities laws and regulations.

a) Reliance on Note Register. Prior to due presentment for transfer to the Company of this Note, the Company and any agent of the Company may treat the Person in whose name this Note is duly registered on this Note Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note is overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

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Section 5. Conversion Solely Following an Event of Default AS PROVIDED IN THIS NOTE, THE PRINCIPAL AMOUNT AND THE GUARANTEED INTEREST UNDER THIS NOTE ARE ONLY CONVERTIBLE FOLLOWING AN EVENT OF DEFAULT, ALL AS SET FORTH IN MORE DETAIL HEREINBELOW.

a) Event of Default Conversion. At any time following an Event of Default under 7(a)(i), this Note shall become convertible, in whole or in part, into shares of Common Stock at the option of the Holder, at any time and from time to time thereafter (subject to the conversion limitations set forth in Section 5(d) hereof). The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Annex A (each, a “Notice of Conversion”), specifying therein the Principal Amount and/or the Guaranteed Interest amount of this Note to be converted and the date on which such conversion shall be effected (such date, the “Conversion Date”). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required. To effect conversions hereunder, the Holder shall not be required to physically surrender this Note to the Company unless the entire Principal Amount and Guaranteed Interest amount of this Note, plus all accrued and unpaid Default Rate interest thereon, has been so converted. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note in an amount equal to the applicable conversion. The Holder and the Company shall maintain a Conversion Schedule showing the Principal Amount(s) converted and the date of such conversion(s). The Company may deliver an objection to any Notice of Conversion within one (1) Business Day of delivery of such Notice of Conversion. In the event of any dispute or discrepancy, the records of the Holder shall be controlling and determinative in the absence of manifest error. **The Holder, and any assignee by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted Principal Amount of this Note may be less than the amount stated on the face hereof.**

b) Calculated Conversion Price; Alternative Conversion Price. The conversion price of this Note is ninety percent (90%) per share of the lowest per-share VWAP during the twenty (20)-Trading Day period before the conversion (each, a “Calculated Conversion Price”). In the event that, within 30 calendar days either before or after any conversion, the conversion price of which is based upon a Calculated Conversion Price, the Company consummates (in whole or in part) any financing (whether such financing is equity, equity- equivalent, or debt or any combination thereof and whether any portion of such financing is a derivative security) or for any other reason issues any shares of its Common Stock or any Common Stock Equivalents at a price less than the such most recent Calculated Conversion Price (the “Alternative Conversion Price”), regardless of when that note or instrument was originated, then, in respect of such conversion and at the option of the Holder, (i) if the conversion shall not then have yet occurred, then the Alternative Conversion Price shall be substituted for the Calculated Conversion Price and (ii) if the conversion shall already have occurred, then, within two Trading Days following the written request from the Holder thereof, the Company shall issue to the Holder that number of shares of Common Stock equivalent to the difference between the number of shares of Common Stock that had been issued using the Calculated Conversion Price and the number of shares of Common Stock that would have been issued using the Alternative Conversion Price.

c) Mechanics of Conversion.

i. Conversion Shares Issuable Upon Conversion of Principal Amount. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the sum of the Principal Amount of this Note and all then unpaid interest of any nature to be concurrently converted by (y) the Calculated Conversion Price or the Alternative Conversion Price, as relevant.

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ii. Delivery of Certificate Upon Conversion. Not later than two (2) Trading Days after each Conversion Date (the “Share Delivery Date”), the Company shall deliver, or cause to be delivered, to the Holder (A) a certificate or certificates representing the Conversion Shares which, on or after the date on which such Conversion Shares are eligible to be sold under Rule 144 without the need for current public information and the Company has received an opinion of counsel to such effect reasonably acceptable to the Company (which opinion the Company will be responsible for obtaining at the cost of the Holder) shall be free of restrictive legends and trading restrictions, representing the number of Conversion Shares being acquired upon the conversion of this Note. All certificate or certificates required to be delivered by the Company under this Section 5(c) shall be delivered electronically through the DTC or another established clearing corporation performing similar functions. If the Conversion Date is prior to the date on which such Conversion Shares are eligible to be sold under Rule 144 without the need for current public information the Conversion Shares shall bear a restrictive legend in the following form, as appropriate:

“NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT.”

Notwithstanding the foregoing, commencing on such date that the Conversion Shares are eligible for sale under Rule 144 subject to current public information requirements, the Company, upon request and at the expense of the Company, shall obtain a legal opinion to allow for such sales under Rule 144.

iii. Failure to Deliver Certificates. If, in the case of any Notice of Conversion, such certificate or certificates are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to the Company at any time on or before its receipt of such certificate or certificates, to rescind such Conversion, in which event the Company shall promptly return to the Holder any original Note delivered to the Company and the Holder shall promptly return to the Company the Common Stock certificates issued to such Holder pursuant to the rescinded Conversion Notice.

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iv. Obligation Absolute; Partial Liquidated Damages. The Company’s obligations to issue and deliver the Conversion Shares upon conversion of this Note in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of such Conversion Shares; provided, however, that such delivery shall not operate as a waiver by the Company of any such action the Company may have against the Holder. In the event the Holder of this Note shall elect to convert any or all of the outstanding principal or interest amount hereof, the Company may not refuse conversion based on any claim that the Holder or anyone associated or affiliated with the Holder has been engaged in any violation of law, agreement or for any other reason, unless an injunction from a court, on notice to Holder, restraining and or enjoining conversion of all or part of this Note shall have been sought. If the injunction is not granted, the Company shall promptly comply with all conversion obligations herein. If the injunction is obtained, the Company must post a surety bond for the benefit of the Holder in the amount of 150% of the outstanding Principal Amount of this Note, which is subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the underlying dispute and the proceeds of which shall be payable to the Holder to the extent it obtains judgment. In the absence of seeking such injunction, the Company shall issue Conversion Shares or, if applicable, cash, upon a properly noticed conversion. If the Company fails for any reason to deliver to the Holder such certificate or certificates pursuant to Section 5(c)(ii) by the Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, \$1,000 per Trading Day for each Trading Day after such Share Delivery Date until such certificates are delivered or Holder rescinds such conversion. Nothing herein shall limit a Holder’s right to pursue actual damages or declare an Event of Default pursuant to Section 7 hereof for the Company’s failure to deliver Conversion Shares within the period specified herein and the Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

v. Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Conversion. In addition to any other rights available to the Holder, if the Company fails for any reason to deliver to the Holder such certificate or certificates by the Share Delivery Date pursuant to Section 5(c)(ii), and if after such Share Delivery Date the Holder is required by its brokerage firm to purchase (in an open market transaction or otherwise), or the Holder’s brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Conversion Shares which the Holder was entitled to receive upon the conversion relating to such Share Delivery Date (a “Buy-In”), then the Company shall (A) pay in cash to the Holder (in addition to any other remedies available to or elected by the Holder) the amount, if any, by which (x) the Holder’s total purchase price (including any brokerage commissions) for the Common Stock so purchased exceeds (y) the product of (1) the aggregate number of shares of Common Stock that the Holder was entitled to receive from the conversion at issue multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions) and (B) at the option of the Holder, either reissue (if surrendered) this Note in a principal amount equal to the principal amount of the attempted conversion (in which case such conversion shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued if the Company had timely complied with its delivery requirements under Section 5(c)(ii). For example, if the Holder purchases Common Stock having a

total purchase price of \$11,000 to cover a Buy-In with respect to an attempted conversion of this Note with respect to which the actual sale price of the Conversion Shares (including any brokerage commissions) giving rise to such purchase obligation was a total of \$10,000 under clause (A) of the immediately preceding sentence, the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon conversion of this Note as required pursuant to the terms hereof.

vi. Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock a number of shares of Common Stock at least equal to 400% of the Required Minimum (the "Reserve Amount") for the sole purpose of issuance upon conversion of this Note and payment of interest on this Note, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of this Note). The Company covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable. The Investor may request to increase the reserve shares without any further instruction from the Company, and the Transfer Agent will be obligated to increase the reserve shares without any further instruction from the Company. Additionally the Company will authorize and instruct the Transfer Agent to comply with any requests for information by the Noteholder. This will include but is not limited to the number of shares outstanding, and any conversions or share issuances done in the thirty day window both before and after any conversion by the note holder.

vii. Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of this Note. As to any fraction of a share of Common Stock that the Holder would otherwise be entitled to purchase upon such conversion, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Calculated Conversion Price or the Alternative Conversion Price, as relevant, or round up to the next whole share.

viii. Transfer Taxes and Expenses. The issuance of certificates for shares of the Common Stock on conversion of this Note shall be made without charge to the Holder hereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificates, provided that, the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder of this Note so converted and the Company shall not be required to issue or deliver such certificates unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Conversion.

d) Holder's Conversion Limitations. The Company shall not effect any conversion of principal and/or interest of this Note, and a Holder shall not have the right to convert any principal and/or interest of this Note, to the extent that after giving effect to the conversion set forth on the applicable Notice of Conversion, the Holder (together with the Holder's Affiliates, and any Persons acting as a group together with the Holder or any of the Holder's Affiliates) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon conversion of this Note with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted Principal Amount of this Note beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein (including, without limitation, any other notes) beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 5(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 5(d) applies, the determination of whether this Note is convertible (in relation to other securities owned by the Holder together with any Affiliates) and of which Principal Amount of this Note is convertible shall be in the sole discretion of the Holder, and the submission of a Notice of Conversion shall be deemed to be the Holder's determination of whether this Note may be converted (in relation to other securities owned by the Holder together with any Affiliates) and which Principal Amount of this Note is convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, the Holder will be deemed to represent to the Company each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 5(d), in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Company, or (iii) a more recent written notice by the Company or the Company's transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Note, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of this Note held by the Holder. The Holder, upon not less than sixty-one (61) days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 5(d), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon conversion of this Note held by the Holder and the Beneficial Ownership Limitation provisions of this Section 5(d) shall continue to apply. Any such increase or decrease will not be effective until the sixty-first (61st) calendar day after such notice is delivered to the Company. The Beneficial Ownership Limitation provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 5(d) to correct this paragraph (or any portion hereof) that may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Note.

Section 6. Certain Adjustments.

a) Stock Dividends and Stock Splits. If the Company, at any time while this Note is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any Common Stock Equivalents (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon conversion of, or payment of interest on, this Note), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Calculated Conversion Price or the Alternative Conversion Price, as relevant, shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Company) outstanding immediately before such event, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of stockholders entitled to

receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination, or re-classification.

b) Dilution. The Company specifically acknowledges that its obligation to issue shares of Common Stock is binding upon the Company and enforceable regardless of the dilution such issuance may have on the ownership interests of other shareholders of the Company.

c) Subsequent Rights Offerings. omitted

d) Pro Rata Distributions. During such time as this Note is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “Distribution”), at any time after the issuance of this Note, then, in each such case and following an Event of Default, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Note (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder’s right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

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e) Fundamental Transaction. If, at any time while this Note is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance, or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender, or exchange their shares for other securities, cash or property and has been accepted by the holders of fifty percent (50%) or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than fifty percent (50%) of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each, a “Fundamental Transaction”), then, upon any subsequent conversion of this Note, the Holder shall have the right to receive following an Event of Default, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation in Section 5(d) on the conversion of this Note), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the “Alternate Consideration”) receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Note is convertible immediately prior to such Fundamental Transaction (without regard to any limitation in Section 5(d) on the conversion of this Note). For purposes of any such conversion, the determination of the Calculated Conversion Price or the Alternative Conversion Price, as relevant, shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one (1) share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Calculated Conversion Price or the Alternative Conversion Price, as relevant, among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash, or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the “Successor Entity”) to assume in writing all of the obligations of the Company under this Note and any document ancillary hereto, in accordance with the provisions of this Section 6(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the holder of this Note, deliver to the Holder in exchange for this Note a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Note that is convertible for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon conversion of this Note (without regard to any limitations on the conversion of this Note) prior to such Fundamental Transaction, and with a conversion price that applies the conversion price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such conversion price being for the purpose of protecting the economic value of this Note immediately prior to the consummation of such Fundamental Transaction), and that is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that, from and after the date of such Fundamental Transaction, the provisions of this Note referring to the “Company” shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Note with the same effect as if such Successor Entity had been named as the Company herein.

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f) Calculations. All calculations under this Section 6 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 6, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Company) issued and outstanding.

g) Notice to the Holder.

i. Adjustment to Calculated Conversion Price. Whenever the Calculated Conversion Price is adjusted pursuant to any provision of this Section 6, the Company shall promptly deliver to the Holder a notice setting forth the Calculated Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Conversion by the Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of this Note, and shall cause to be delivered to the Holder at its last address as it shall appear upon this Note Register, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights, or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification,

consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to convert this Note during the 20-day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 7. Events of Default.

a) “**Event of Default**” means, wherever used herein, any of the following events (whatever the reason for such event and whether such event shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule, or regulation of any administrative or governmental body):

i. any default in the payment of any Principal Amount, Guaranteed Interest, or any other interest due hereunder, when due, which failure is not cured within five (5) calendar days after such failure;

ii. the Company shall fail to observe or perform any other covenant, provision, or agreement contained in this Note (and other than a breach by the Company of its obligations to deliver shares of Common Stock to the Holder upon conversion, which breach is addressed in clause (x) below) and is not cured, if possible to cure, within the earlier to occur of (A) three (3) Trading Days after notice of such failure sent by the Holder or by any other Holder to the Company and (B) three (3) Trading Days after the Company has become or should have become aware of such failure;

iii. Except as to any condition present as of the Original Issue Date, a default or event of default of any other material agreement, lease, document, or instrument to which the Company is obligated (and not covered by clause (vi) below);

iv. any representation or warranty made in this Note, any written statement pursuant hereto or any other report or financial statement or certificate made or delivered to the Holder or any other Holder shall be untrue or incorrect in any material respect as of the date when made or deemed made;

v. the Company (as such term is defined in Rule 1-02(w) of Regulation S-X) shall be subject to a Bankruptcy Event;

vi. the Company shall default on any of its obligations under any mortgage, credit agreement or other facility, indenture agreement, factoring agreement, or other instrument under which there may be issued, or by which there may be secured or evidenced, any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement that (a) involves an obligation greater than \$100,000 whether such indebtedness now exists or shall hereafter be created, and (b) results in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable;

vii. the Common Stock shall no longer be eligible for listing or quotation for trading on a Trading Market and shall not be eligible to resume listing or quotation for trading thereon within three (3) Trading Days of the transfer of shares of Common Stock through the DWAC System is no longer available or “chilled”;

viii. the Company shall be a party to any Change of Control Transaction or Fundamental Transaction (A) without first giving the Holder ten (10) days’ prior written notice of the closing of such Change of Control Transaction or Fundamental Transaction and (B) prior to or simultaneous with the closing of such Change of Control Transaction or Fundamental Transaction, the Holder is not repaid in accordance with Section 2(d) herein;

ix. From and after the six-month anniversary of the Original Issuance Date, the Company does not meet the current public information requirements under Rule 144;

x. the Company shall fail for any reason to deliver certificates to a Holder prior to the third (3rd) Trading Day after a Conversion Date pursuant to Section 5(c) or the Company shall provide at any time notice to the Holder, including by way of public announcement, of the Company’s intention to not honor requests for conversions of this Note in accordance with the terms hereof;

xi. From and after the six-month anniversary of the Original Issuance Date, the Company fails to file with the Commission any required reports under Section 13 or 15(d) of the Exchange Act such that it is not in compliance with Rule 144(c)(1) (or Rule 144(i)(2), if applicable);

xii. the Company shall: (i) apply for or consent to the appointment of a receiver, trustee, custodian, or liquidator of it or any of its properties; (ii) admit in writing its inability to pay its debts as they mature; (iii) make a general assignment for the benefit of creditors; (iv) be adjudicated a bankrupt or insolvent or be the subject of an order for relief under Title 11 of the United States Code or any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute of any other jurisdiction or foreign country; or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or (vi) take or permit to be taken any action in furtherance of or for the purpose of effecting any of the foregoing;

xiii. if any order, judgment, or decree shall be entered, without the application, approval, or consent of the Company, by any court of competent jurisdiction, approving a petition seeking liquidation or reorganization of the Company, or appointing a receiver, trustee, custodian, or liquidator of the Company, or of all or any substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) calendar days;

xiv. the occurrence of any levy upon or seizure or attachment of, or any uninsured loss of or damage to, any property of the Company having an aggregate fair value or repair cost (as the case may be) in excess of \$100,000 individually or in the aggregate, and any such levy, seizure or attachment shall not be set aside, bonded, or discharged within thirty (30) days after the date thereof;

xv. the Company shall fail to maintain the Reserve Amount;

xvi. any monetary judgment, writ or similar final process shall be entered or filed against the Company, or any of their respective property or other assets for more than \$100,000, and such judgment, writ or similar final process shall remain unvacated, unbonded, or unstayed for a period of forty-five (45)

calendar days.

b) Remedies upon Event of Default. Subject to the Beneficial Ownership Limitation as set forth in Section 5(d), if any Event of Default occurs, then the outstanding Principal Amount of this Note, the outstanding Guaranteed Interest amount of this Note, plus accrued but unpaid Default Rate interest, liquidated damages and other amounts owing in respect thereof through the date of acceleration, shall become, at the Holder's election, immediately due and payable at the Holder's option, in cash or in shares of Common Stock, at the Mandatory Default Amount. After the occurrence of any Event of Default that results in the eventual acceleration of this Note, in addition to the Guaranteed Interest rate on this Note, shall accrue at the lesser of the Default Rate or the maximum rate permitted under applicable law. Upon the payment in full of the Mandatory Default Amount in cash or in shares of Common Stock, the Holder shall promptly surrender this Note to or as directed by the Company. In connection with such acceleration described herein, the Holder need not provide, and the Company hereby waives, any presentment, demand, protest, or other notice of any kind (other than the Holder's election to declare such acceleration), and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of this Note until such time, if any, as the Holder receives full payment pursuant to this Section 7(b). No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

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Section 8. Miscellaneous.

a) Issuance of Shares of Common Stock. As an additional inducement to the Holder purchasing this Note, and in connection with the Company selling and issuing this Note, the Company shall, as of the Original Issue Date and for no additional consideration, issue to the Holder an aggregate of seventy five million (75,000,000) shares of Common Stock, which shares, upon their issuance shall be duly authorized, fully paid, and non-assessable. Instead of a delivery of the certificate required to be delivered under this Section 8(a), the Company shall cause its transfer agent to record such shares in electronic book entry format on its books and records and provide a statement to the Holder documenting such notation. Notwithstanding the above, if a certificate is delivered in respect thereof, until the shares of Common Stock represented thereby are eligible to be sold under Rule 144 without the need for current public information such certificate shall bear a restrictive legend in the following form:

“THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. .”

Notwithstanding the foregoing, commencing on such date that the Conversion Shares are eligible for sale under Rule 144 subject to current public information requirements, the Company, upon request and at the expense of the Company, shall obtain a legal opinion to allow for such sales under Rule 144.

b) Irrevocable Transfer Agent Letter. On or before the Original Issue Date, the Company shall execute and deliver to the Company's transfer agent and shall have the Company's transfer agent counter-execute and deliver a standard transfer agent letter, reserving an amount of shares of Common Stock not less than four (4) times the number of Conversion Shares required for full conversion hereunder (which number shall be calculated as if there were a default by the Company hereunder), which letter shall also provide that the Holder may, from time to time, without any further instruction from the Company, cause such number to be increased, as calculated and, therefore, required. Further, the Company shall instruct its transfer agent to advise the Holder of any and all conversions or exercises of debt or equity securities within thirty (30) Trading Days of any "default conversion" by the Holder, and to advise the Holder of any information that he feels relevant to this transaction such as the current issued and outstanding number of shares etc.

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c) Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by e-mail or facsimile, or sent by a nationally recognized overnight courier service, addressed to the Company at 302. 6 Butler Street, Camberwell, VIC 3124, Australia or such other e-mail address, facsimile number, or address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 8(c). Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail or facsimile, or sent by a nationally recognized overnight courier service addressed to each Holder at the e-mail address, facsimile number, or address of the Holder appearing on the books of the Company, or if no such e-mail address, facsimile number, or address appears on the books of the Company, at the principal place of business of such Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature page attached hereto prior to 12:00 noon (New York City time) on any date or is delivered by e-mail to the Holder's e-mail address, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 12:00 noon (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

d) Absolute Obligation. Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, liquidated damages and accrued interest, as applicable, on this Note at the time, place, and rate, and in the coin or currency, herein prescribed. This Note is a direct debt obligation of the Company.

e) Lost or Mutilated Note. If this Note shall be mutilated, lost, stolen, or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Note, or in lieu of or in substitution for a lost, stolen or destroyed Note, a new Note for the Principal Amount of this Note so mutilated, lost, stolen, or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such Note, and of the ownership hereof, reasonably satisfactory to the Company.

f) No Registration. Neither this Note nor the Conversion Shares shall be registered pursuant to the Securities Act or the securities laws of any state and thus shall constitute "restricted securities" as that term is defined in Rule 144 promulgated under the Securities Act. Neither this Note nor the Conversion Shares may be offered, sold, assigned, pledged, transferred, or otherwise disposed of in the absence of an effective registration statement under the Securities Act and applicable state securities laws or pursuant to an available exemption from registration under the Securities Act or such laws.

g) Governing Law. All questions concerning the construction, validity, enforcement, and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement, and defense of the transactions contemplated by this Note (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees, or agents) shall be commenced in the state and federal courts sitting in the City of Wilmington"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Delaware Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of this Note), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such Delaware Courts, or such Delaware Courts are improper or

inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby. If any party shall commence an action or proceeding to enforce any provisions of this Note, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred in the investigation, preparation, and prosecution of such action or proceeding.

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h) Waiver. Any waiver by the Company or the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Company or the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note on any other occasion. Any waiver by the Company or the Holder must be in writing.

i) Severability. If any provision of this Note is invalid, illegal, or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension, or usury law or other law that would prohibit or forgive the Company from paying all or any portion of the principal of or interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of this Note, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

j) Remedies, Characterizations, Other Obligations, Breaches, and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Note. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion, and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Holder shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note.

k) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

l) Headings. The headings contained herein are for convenience only, do not constitute a part of this Note and shall not be deemed to limit or affect any of the provisions hereof.

m) Use of Proceeds. The principal amount of this Note shall be used by the Company only for capital expenditures, professional and administrative fees and expenses, and general corporate purposes. Notwithstanding and in furtherance of the above, none of the principal amount of this Note shall be used for any financing or related activities.

(Signature Page follows)

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IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by a duly authorized officer as of the date first above indicated.

Propanc Biopharma, Inc.

By: 

Facsimile No. and email address for delivery of Notices:
j.nathanielsz@propanc.com, s.nathanielsz@propanc.com

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ANNEX A

NOTICE OF CONVERSION

The undersigned hereby elects to convert principal under the 10% Promissory Note, with an issue date of October 24, 2022, of Propanc Biopharma, Inc. (the "Company") into shares of common stock, par value \$0.001 per share (the "Common Stock"), of the Company according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Companies in accordance therewith. No fee will be charged to the holder for any conversion, except for such transfer taxes, if any.

By the delivery of this Notice of Conversion the undersigned represents and warrants to the Companies that its ownership of the Common Stock does not exceed the amounts specified under Section 5 of this Note, as determined in accordance with Section 13(d) of the Exchange Act.

The undersigned agrees to comply with the prospectus delivery requirements under the applicable securities laws in connection with any transfer of the aforesaid shares of Common Stock.

Conversion calculations:

Date to Effect Conversion:

Principal Amount of Note to be Converted: Payment of Interest in Common Stock yes no

If yes, \$_____of Interest Accrued on Account of Conversion at Issue.

Number of shares of Common Stock to be issued:

Signature: _____
Name: _____
Delivery Instructions: _____

ANNEX A

Schedule 1
CONVERSION SCHEDULE

This 10% Promissory Note, with an issue date of October 24, 2022, in the original principal amount of \$125,000 is issued by Propanc Biopharma, Inc. (the "Company"). This Conversion Schedule with respect to the Common Stock of the Company reflects conversions made under Section 5 of the above-referenced Note.

Dated: _____

<u>Date of Conversion (or for first entry, Original Issue Date)</u>	<u>Amount of Conversion</u>	<u>Aggregate Principal Amount and Guaranteed Interest Remaining Subsequent to Conversion (or original Principal Amount)</u>	<u>Company's Attest</u>
---------------------------------------------------------------------	-----------------------------	-----------------------------------------------------------------------------------------------------------------------------	-------------------------

SCHEDULE 1



Randy Katz
 T (213) 417-5310
 F (213) 488-1178
 Email: rkatz@clarkhill.com

Clark Hill LLP
 555 Flower Street, 24th Floor Los Angeles, CA 90071
 T (213) 891-9100
 F (213) 488-1178

March 24, 2023

Via e-mail: j.nathanielsz@propanc.com

Propanc Biopharma, Inc.
 302, 6 Butler Street
 Camberwell, VIC, 3124 Australia

Attn: James Nathanielsz, Chief Executive Officer

Re: Propanc Biopharma, Inc.

Dear Mr. Nathanielsz:

We have acted as securities counsel to Propanc Biopharma, Inc., a Delaware corporation (the "Company"), in connection with the filing of a Post-Effective Registration Statement on Form S-1 (the "Registration Statement") filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement relates to the registration by the Company for resale by the selling stockholder listed in the prospectus included as part of the Registration Statement (the "Selling Stockholder") of up to 23,750 shares of Common Stock underlying Series B Warrants to purchase shares (the "Underlying Shares") of common stock, \$0.001 par value per share (the "Common Stock"), that may be issued to the Selling Stockholder upon exercise of Series B Warrants (the "Warrants") that were granted in connection with that certain Securities Purchase Agreement dated March 30, 2020, by and between the Company and the Selling Stockholder (the "Securities Purchase Agreement"). This opinion letter is furnished to you at your request to enable you to fulfill the requirements, in connection with the Registration Statement, of Item 601(b)(5) of Regulation S-K promulgated by the Commission.

In connection with the opinions expressed herein, we have examined such documents and records and considered such legal matters as we have deemed relevant or necessary for the purposes of this letter, including, without limitation, (i) the Registration Statement; (ii) the Certificate of Incorporation, as amended from time to time, and the Bylaws of the Company; (iii) the Securities Purchase Agreement, (iv) the Registration Rights Agreement dated as of March 20, 2020, by and between the Company and Selling Stockholder (the "Registration Rights Agreement"); (v) the form of Series A Warrant; and (vi) records of meetings and consents of the Board of Directors of the Company provided to us by the Company. With respect to such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as reproduced or certified copies, and the authenticity of the originals of those latter documents. As to questions of fact material to these opinions, we have, to the extent deemed appropriate, relied upon certain representations of certain officers of the Company.

Propanc posteffective S-1 exhibit 5.1 march 2023.1

clarkhill.com

Propanc Biopharma, Inc.
 Attn: James Nathanielsz, Chief Executive Officer
 March 24, 2023
 Page 2

We express no opinion as to whether the laws of any jurisdiction are applicable to the subject matter hereof. We are not rendering any opinion as to compliance with any federal or state law, rule, or regulation relating to securities, or to the sale or issuance thereof.

On the basis of the foregoing and in reliance thereon, and subject to the qualifications herein stated, we are of the opinion that the Warrant Shares have been duly authorized for issuance and, when issued and delivered by the Company against payment therefor, upon exercise of the Warrants in accordance with the terms of the Warrants, the Warrant Shares will be duly and validly issued, fully paid, and non-assessable.

We are opining solely on all applicable statutory provisions of the Delaware General Corporation Law, including the rules and regulations underlying those provisions.

In addition, the foregoing opinions are qualified to the extent that (i) enforceability may be limited by and be subject to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law (including, without limitation, concepts of notice and materiality), and by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' and debtors' rights generally (including, without limitation, any state or federal law in respect of fraudulent transfers) and (ii) no opinions are expressed herein as to compliance with or the effect of federal or state securities or blue sky laws.

This opinion letter and the opinions expressed herein are for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Securities Act. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the caption "Legal Matters" in the Prospectus, which constitutes a part of the Registration Statement. In giving this consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act, or the rules and regulations promulgated thereunder. Our opinions are expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Company, the Underlying Shares, the Warrant Shares, or the Registration Statement. These opinions are given as of the date hereof, and we disclaim any undertaking to advise you of subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable law. We bring to your attention that our legal opinions are an expression of professional judgment and are not a guarantee of result.

Very truly yours,

/s/ Clark Hill LLP

Propanc posteffective S-1 exhibit 5.1 march 2023.1

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Consent of Independent Registered Public Accounting Firm

We hereby consent to the use of our report dated September 28, 2022, on the consolidated financial statements of Propanc Biopharma, Inc. and Subsidiary for the years ended June 30, 2022 and 2021, included herein on the registration statement of Propanc Biopharma, Inc. Post-Effective Amendment No. 2 to Form S-1, and to the reference to our firm under the heading “Experts” in the prospectus.

/s/ Salberg & Company, P.A.

SALBERG & COMPANY, P.A.
Boca Raton, Florida
March 24, 2023

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this “Agreement”), dated as of November 3, 2022 between Propanc Biopharma, Inc. a Delaware corporation (the “Company”), and Coventry Enterprises, LLC, a Delaware limited liability company (“Investor”).

WITNESSETH

WHEREAS, the Company and the Investor are executing and delivering this Agreement in reliance upon an exemption from securities registration pursuant to Section 4(a)(2) and/or Rule 506 of Regulation D (“Regulation D”) as promulgated by the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended (the “Securities Act”);

WHEREAS, the parties desire that, upon the terms and subject to the conditions contained herein, the Company shall issue and sell to the Investor, as provided herein, and the Investor shall purchase a \$125,000 (the “Promissory Note Purchase Price”) Promissory Note substantially in the form attached hereto as “Exhibit A” (referred to as the “Promissory Note”), which shall be convertible into shares of the Company’s common stock in the event of a default, par value of

\$0.01 per share (the “Common Stock”) (the “Conversion Shares”) of which a Promissory Note (the “Promissory Note”) in the face amount of \$125,000 for a purchase price of \$100,000 (the “Purchase Price”) shall be issued within 1 business day following the date hereof, subject to notification of satisfaction of the conditions to the Closing set forth herein and in Sections 7(a) and 8(a) herein (the “Closing” or “Closing Date”);

WHEREAS, contemporaneously with the execution and delivery of this Agreement, the parties hereto are executing and delivering Irrevocable Transfer Agent Instructions (the “Irrevocable Transfer Agent Instructions”); and

WHEREAS, the Promissory Note, the Conversion Shares and the 75,000,000 shares of restricted common stock to be issued to the Investor in accordance with the Promissory Note are collectively referred to herein as the “Securities”).

NOW, THEREFORE, in consideration of the mutual covenants and other agreements contained in this Agreement the Company and the Investor hereby agree as follows:

1. CERTAIN DEFINITIONS.

(a) “Anti-Bribery Laws” shall mean of any provision of any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or any applicable provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), the U.K. Bribery Act 2010, or any other similar law of any other jurisdiction in which the Company operates its business, including, in each case, the rules and regulations thereunder.

(b) “Anti-Money Laundering Laws” shall mean applicable financial recordkeeping and reporting requirements and all other applicable U.S. and non-U.S. anti-money laundering laws, rules and regulations, including, but not limited to, those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the United States Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, and the United States Money Laundering Control Act of 1986 (18 U.S.C. §§1956 and 1957), as amended, as well as the implementing rules and regulations promulgated thereunder, and the applicable money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency or self-regulatory.

(c) “Applicable Laws” shall mean applicable laws, statutes, rules, regulations, orders, executive orders, directives, policies, guidelines, ordinance or regulation of any governmental entity and codes having the force of law, whether local, national, or international, as amended from time to time, including without limitation (i) all applicable laws that relate to Anti-Money Laundering Laws and all applicable laws that relate to money laundering, terrorist financing, financial record keeping and reporting, (ii) Anti-Bribery Laws and applicable laws that relate to anti-bribery, anti-corruption, books and records and internal controls, (iii) OFAC and any Sanctions Laws or Sanctions Programs, and (iv) CAATSA and any CAATSA Sanctions Programs, Anti-Money Laundering Laws.

(d) “BHCA” shall mean the Bank Holding Company Act of 1956, as amended.

(e) “CAATSA” shall mean Public Law No. 115-44 The Countering America’s Adversaries Through Sanctions Act.

(f) “CAATSA Sanctions Programs” shall mean a country or territory that is, or whose government is, the subject of sanctions imposed by CAATSA.

(g) “Dollar Value Traded” means, for any security as of any date, the daily dollar traded value for such security as reported by Bloomberg, LP through its “Historical Price Table Screen (HP)” with Market: Dollar Value Traded function selected, or, if no dollar value traded is reported for such security by Bloomberg, the dollar traded value of any of the market makers for such security as reported in the OTC Markets Group Inc. (the “OTC Markets”).

(h) “Reserved”.

(i) “OFAC” shall mean the U.S. Department of Treasury’s Office of Foreign Asset Control.

(j) “Sanctioned Country” shall mean a country or territory that is the subject or target of a comprehensive embargo or Sanctions Laws prohibiting trade with the country or territory, including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan, and Syria.

(k) “Sanctions Laws” shall mean any sanctions administered or enforced by OFAC or the U.S. Departments of State or Commerce and including, without limitation, the designation as a “Specially Designated National” or on the “Sectoral Sanctions Identifications List”, collectively “Blocked Persons”), the United Nations Security Council (“UNSC”), the European Union, Her Majesty’s Treasury (“HMT”) or any other relevant sanctions authority.

(l) “Sanctions Programs” shall mean any OFAC, HMT or UNSC economic sanction program including, without limitation, programs related to a Sanctioned Country.

(m) "Sarbanes-Oxley Act" means the Sarbanes-Oxley Act of 2002, as amended.

2. PURCHASE AND SALE OF THE PROMISSORY NOTE

(a) Purchase of the Promissory Note. Subject to the satisfaction (or waiver) of the terms and conditions of this Agreement, the Investor agrees to purchase at the Closing and the Company agrees to sell and issue to Investor at the Closing the Promissory Note.

(b) Closing Date. The Closing of the purchase and sale of the Promissory Note shall take place at 10:00 a.m. Eastern Standard Time on the 1st business day following the date hereof, subject to notification of satisfaction of the conditions to the Closing set forth herein and in Sections 7 and 8 below (or such later date as is mutually agreed to by the Company and the Investor (the "Closing Date")).

(c) Form of Payment. Subject to the satisfaction of the terms and conditions of this Agreement, on the Closing Date, (i) the Investor shall deliver to the Company such aggregate proceeds for the Promissory Note to be issued and sold to the Investor at the Closing, minus the original issue discount applicable to such Closing as set forth in the Promissory Note, and (ii) the Company shall deliver to the Investor a Promissory Note which the Investor is purchasing at the Closing duly executed on behalf of the Company.

3. INVESTOR'S REPRESENTATIONS AND WARRANTIES

The Investor represents and warrants, that:

(a) Investment Purpose. The Investor is acquiring the Securities for its own account for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the Securities Act; provided, however, that, by making the representations herein, the Investor reserves the right to dispose of the Securities at any time in accordance with or pursuant to an effective registration statement covering such Securities or an available exemption under the Securities Act. The Investor does not presently have any agreement or understanding, directly or indirectly, with any corporation, association, partnership, organization, business, individual, government or political subdivision thereof or governmental agency ("Person") to distribute any of the Securities.

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(b) Accredited Investor Status. The Investor is an "Accredited Investor" as that term is defined in Rule 501(a)(3) of Regulation D.

(c) Reliance on Exemptions. The Investor understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and the Investor's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Investor set forth herein in order to determine the availability of such exemptions and the eligibility of the Investor to acquire the Securities.

(d) Information. The Investor and its advisors (and his or, its counsel), if any, have been furnished with all materials relating to the business, finances and operations of the Company and information he deemed material to making an informed investment decision regarding his purchase of the Securities, which have been requested by the Investor. The Investor and its advisors, if any, have been afforded the opportunity to ask questions of the Company and its management. Neither such inquiries nor any other due diligence investigations conducted by the Investor or its advisors, if any, or its representatives shall modify, amend, or affect the Investor's right to rely on the Company's representations and warranties contained in Section 4 below. The Investor understands that its investment in the Securities involves a high degree of risk. The Investor is in a position regarding the Company, which, based upon employment, family relationship or economic bargaining power, enabled and enables the Investor to obtain information from the Company in order to evaluate the merits and risks of this investment. The Investor has sought such accounting, legal and tax advice, as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(e) No Governmental Review. The Investor understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities, or the fairness or suitability of the investment in the Securities, nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

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(f) Transfer or Resale. The Investor understands that: (i) the Securities have not been and are not being registered under the Securities Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) the Investor shall have delivered to the Company an opinion of counsel, in a generally acceptable form, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration requirements, or (C) the Investor provides the Company with reasonable assurances (in the form of seller and broker representation letters) that such Securities can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A promulgated under the Securities Act, as amended (or a successor rule thereto) (collectively, "Rule 144"), in each case following the applicable holding period set forth therein; (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144 and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation to register the Securities under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(g) Legends. The Investor agrees to the imprinting, so long as is required by this Section 3(g), of a restrictive legend on any certificate, document or instrument representing the Securities in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES HAVE BEEN ACQUIRED SOLELY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARD RESALE AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS.

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Certificates evidencing the Conversion Shares, shall not contain any legend (including the legend set forth above), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Conversion Shares pursuant to Rule 144, (iii) if such Conversion Shares are eligible for sale under Rule 144, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of

the SEC). The Company shall cause its counsel to issue a legal opinion to the Company's transfer agent promptly after the effective date (the "Effective Date") of a registration statement if required by the Company's transfer agent to effect the removal of the legend hereunder. If all or any portion of a Promissory Note is converted is exercised by the Investor who is then not an Affiliate of the Company (a "Non-Affiliated Investor") at a time when there is an effective registration statement to cover the resale of the Conversion Shares, such Conversion Shares shall be issued free of all legends. The Company agrees that, following the Effective Date or at such time as such legend is no longer required under this Section 3(g), it will, no later than 3 Trading Days following the delivery by a Non-Affiliated Investor to the Company or the Company's transfer agent of a certificate representing Conversion Shares, issued with a restrictive legend (such 3rd Trading Day, the "Legend Removal Date"), deliver or cause to be delivered to such Non-Affiliated Investor a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to any transfer agent of the Company that enlarge the restrictions on transfer set forth in this Section. The Investor acknowledges that the Company's agreement hereunder to remove all legends from Conversion Shares is not an affirmative statement or representation that such Conversion Shares are freely tradable. The Investor, agrees that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 3(g) is predicated upon the Company's reliance that the Investor will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a registration statement, they will be sold in compliance with the plan of distribution set forth therein.

(h) Authorization, Enforcement. This Agreement has been duly and validly authorized, executed and delivered on behalf of the Investor and is a valid and binding agreement of the Investor enforceable in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(i) Receipt of Documents. The Investor and its counsel has received and read in their entirety: (i) this Agreement and each representation, warranty and covenant set forth herein and the Transaction Documents (as defined herein); (ii) all due diligence and other information necessary to verify the accuracy and completeness of such representations, warranties and covenants; (iii) the Company's annual report for the period ending December 2021 filed with the SEC, and (v) answers to all questions the Investor submitted to the Company regarding an investment in the Company; and the Investor has relied on the information contained therein and has not been furnished any other documents, literature, memorandum or prospectus.

(j) Due Formation of Corporate and Other Investors. If the Investor is a corporation, trust, partnership, or other entity that is not an individual person, it has been formed and validly exists and has not been organized for the specific purpose of purchasing the Securities and is not prohibited from doing so.

(k) No Legal Advice From the Company. The Investor acknowledges, that it had the opportunity to review this Agreement and the transactions contemplated by this Agreement with his or its own legal counsel and investment and tax advisors. The Investor is relying solely on such counsel and advisors and not on any statements or representations of the Company or any of its representatives or agents for legal, tax or investment advice with respect to this investment, the transactions contemplated by this Agreement or the securities laws of any jurisdiction.

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4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Except as set forth under the corresponding section of the Disclosure Schedules which Disclosure Schedules shall be deemed a part hereof and to qualify any representation or warranty otherwise made herein to the extent of such disclosure, the Company hereby makes the representations and warranties set forth below to the Investor:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are identified in the OTC Markets/SEC Documents (as defined below). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each subsidiary free and clear of any liens (except as may be identified on Schedule 4 (b)), and all the issued and outstanding shares of capital stock of each subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(b) Security Interests Granted. Except as set forth on Disclosure Schedule 4(b), there are no security interests granted, issued, or allowed to exist in any assets of the Company or subsidiary.

(c) Organization and Qualification. The Company and its subsidiaries are corporations or limited liability companies duly organized and validly existing in good standing under the laws of the jurisdiction in which they are incorporated / organized, and have the requisite power to own their properties and to carry on their business as now being conducted. Each of the Company and its subsidiaries is duly qualified as a foreign corporation / entity to do business and is in good standing in every jurisdiction in which the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have or reasonably be expected to result in (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business or condition (financial or otherwise) of the Company and the subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

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(d) Authorization, Enforcement, Compliance with Other Instruments (i) The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement, the Promissory Note, and the Irrevocable Transfer Agent Instructions, and each of the other agreements entered into by the parties hereto in connection with the transactions contemplated by this Agreement (collectively, the "Transaction Documents") and to issue the Securities in accordance with the terms hereof and thereof, (ii) the execution and delivery of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby, including, without limitation, the issuance of the Securities, the reservation for issuance and the issuance of the Conversion Shares, have been duly authorized by the Company's Board of Directors and no further consent or authorization is required by the Company, its Board of Directors or its stockholders, (iii) the Transaction Documents have been duly executed and delivered by the Company, (iv) the Transaction Documents constitute the valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies. The authorized officer of the Company executing the Transaction Documents knows of no reason why the Company cannot perform any of the Company's obligations under the Transaction Documents.

(e) Capitalization. The authorized capital stock of the Company consists of 1,000,000,000 shares of Common Stock and 1,500,005 shares of Preferred Stock, par value \$0.001 and \$0.01 respectively, allocated into two different series: 500,000 shares of Series A Preferred Stock (par value \$0.01) and 5 shares of Series B Preferred Stock (par value \$0.01) (collectively, the "Preferred Stock") of which 677,177,717 shares of Common Stock, 500,000 shares of Series A Preferred Stock, and 1 share of Series B Preferred Stock are issued and outstanding. All of the outstanding shares of capital stock of the Company are validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Except as disclosed in Schedule 4(e) and as set forth in the OTC Markets/SEC Documents (i) none of the Company's capital stock is subject to preemptive rights or any

other similar rights or any liens or encumbrances suffered or permitted by the Company; (ii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to issue additional capital stock of the Company or any of its subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its subsidiaries; (iii) there are no outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing indebtedness of the Company or any of its subsidiaries or by which the Company or any of its subsidiaries is or may become bound; (iv) there are no financing statements securing obligations in any material amounts, either singly or in the aggregate, filed in connection with the Company or any of its subsidiaries; (v) there are no outstanding securities or instruments of the Company or any of its subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to redeem a security of the Company or any of its subsidiaries; (vi) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities; (vii) the Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement; and (viii) the Company and its subsidiaries have no liabilities or obligations required to be disclosed in the OTC Markets/SEC Documents but not so disclosed in the OTC Markets Documents, other than those incurred in the ordinary course of the Company's or its subsidiaries' respective businesses and which, individually or in the aggregate, do not or would not have a Material Adverse Effect. The Company has furnished to the Investor true, correct, and complete copies of the Company's Certificate of Incorporation, as amended and as in effect on the date hereof (the "Certificate of Incorporation"), and the Company's Bylaws, as amended and as in effect on the date hereof (the "Bylaws"), and the terms of all securities convertible into, or exercisable or exchangeable for, shares of Common Stock and the material rights of the holders thereof in respect thereto. No further approval or authorization of any stockholder, the Board of Directors of the Company or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

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(f) Issuance of Securities. The issuance of the Promissory Note was duly authorized and free from all taxes, liens, and charges with respect to the issue thereof. Upon conversion in accordance with the terms of the Promissory Note and the Conversion Shares, when issued in accordance with its terms will be validly issued, fully paid and nonassessable, free from all taxes, liens, and charges with respect to the issue thereof. The Company has reserved from its duly authorized capital stock the appropriate number of shares of Common Stock as set forth in this Agreement.

(g) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Promissory Note, and reservation for issuance and issuance of the Conversion Shares) will not (i) result in a violation of any certificate of incorporation, certificate of formation, any certificate of designations or other constituent documents of the Company or any of its subsidiaries, any capital stock of the Company or any of its subsidiaries or bylaws of the Company or any of its subsidiaries or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) in any respect under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including foreign, federal and state securities laws and regulations and the rules and regulations of the OTC Markets' OTC Pink® Venture Market (the "Primary Market") applicable to the Company or any of its subsidiaries or by which any property or asset of the Company or any of its subsidiaries is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect. The business of the Company and its subsidiaries is not being conducted, and shall not be conducted in violation of any material law, ordinance, or regulation of any governmental entity. Except as specifically contemplated by this Agreement and as required under the Securities Act and any applicable state securities laws, the Company is not required to obtain any consent, authorization, or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under or contemplated by this Agreement of the Transaction Documents in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings, and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof. The Company and its subsidiaries are unaware of any facts or circumstance, which might give rise to any of the foregoing.

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(h) OTC Markets Documents; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC and / or the OTC Markets (from and after January 1, 2020) and the SEC (from and after June 29, 2020) and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein, being hereinafter referred to as the "OTC Markets/SEC Documents") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Document prior to the expiration of any such extension (including pursuant to SEC from 12b-25). The Company has delivered to the Investor or its representatives, or made available through the SEC's website at <http://www.sec.gov>, true and complete copies of the OTC Markets Documents. As of their respective dates, the OTC Markets/SEC Documents complied in all material respects with the requirements of the OTC Markets Alternative Reporting Standards and the rules and regulations of the OTC Markets promulgated thereunder applicable to the OTC Markets Documents, and none of the OTC Markets Documents, at the time they were filed with the OTC Markets or the SEC, as applicable, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company and its subsidiaries included in the OTC Markets/SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the OTC Markets and the SEC with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). No other information provided by or on behalf of the Company to the Investor which is not included in the OTC Markets/SEC Documents contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstance under which they are or were made, not misleading.

(i) 10(b)-5. The OTC Markets/SEC Documents do not include any untrue statements of material fact, nor do they omit to state any material fact required to be stated therein necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

(j) Absence of Litigation. There is no action, suit, proceeding, inquiry, or investigation before or by any court, public board, government agency, self-regulatory organization or body pending against or affecting the Company, the Common Stock or any of the Company's subsidiaries, wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect.

(k) CAATSA. Neither the Company or its subsidiaries, nor, to Company's knowledge, any director, officer, agent, employee or affiliate of the Company or subsidiaries, is a Person that is, or is owned or controlled by a Person that has a place of business in, or is operating, organized, resident or doing business in a country or territory that is, or whose government is, the subject of the CAATSA Sanctions Programs.

(l) Reserved.

(m) Sarbanes-Oxley Act. The Company and its subsidiaries are in compliance with any and all applicable requirements of the Sarbanes-Oxley Act, that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the SEC thereunder that are applicable to the Company and its subsidiaries and effective as of the date hereof.

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(n) BHCA. Neither the Company nor any of its subsidiaries or affiliates is subject to BHCA and to regulation by the Board of Governors of the Federal Reserve System (the “Federal Reserve”). Neither the Company nor any of its Subsidiaries or affiliates owns or controls, directly or indirectly, 5% or more of the outstanding shares of any class of voting securities or 25% or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its subsidiaries or affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(o) No Disagreements with Accountants and Lawyers. There are no material disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company’s ability to perform any of its obligations under any of the Transaction Documents.

(p) Compliance with Applicable Laws. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with Applicable Laws and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its Subsidiaries with respect to Applicable Laws is pending or, to the knowledge of the Company, threatened.

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(q) No Conflicts with Sanctions Laws. Neither the Company nor any of its subsidiaries, nor any director, officer, employee, agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries or affiliates is, or is directly or indirectly owned or controlled by, a Person that is currently the subject or the target of any Sanctions Laws or is a Blocked Person; neither the Company, any of its subsidiaries, nor any director, officer, employee, agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries or affiliates, is located, organized or resident in a country or territory that is the subject or target of a comprehensive embargo, Sanctions Laws or Sanctions Programs prohibiting trade with a Sanctioned Country; the Company maintains in effect and enforces policies and procedures designed to ensure compliance by the Company and its Subsidiaries with applicable Sanctions Laws and Sanctions Programs; neither the Company, any of its subsidiaries, nor any director, officer, employee, agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries or affiliates, acting in any capacity in connection with the operations of the Company, conducts any business with or for the benefit of any Blocked Person or engages in making or receiving any contribution of funds, goods or services to, from or for the benefit of any Blocked Person, or deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked or subject to blocking pursuant to any applicable Sanctions Laws or Sanctions Programs; no action of the Company or any of its subsidiaries in connection with (i) the execution, delivery and performance of this Agreement and the other Transaction Documents, (ii) the issuance and sale of the Securities, or (iii) the direct or indirect use of proceeds from the Securities or the consummation of any other transaction contemplated hereby or by the other Transaction Documents or the fulfillment of the terms hereof or thereof, will result in the proceeds of the transactions contemplated hereby and by the other Transaction Documents being used, or loaned, contributed or otherwise made available, directly or indirectly, to any subsidiary, joint venture partner or other person or entity, for the purpose of (i) unlawfully funding or facilitating any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions Laws or Sanctions Programs, (ii) unlawfully funding or facilitating any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions Laws or Sanctions Programs. For the past 5 years, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions Laws, Sanctions Programs or with any Sanctioned Country.

(r) No Conflicts with Anti-Bribery Laws. Neither the Company nor any of the subsidiaries has made any contribution or other payment to any official of, or candidate for, any federal, state, or foreign office in violation of any law. Neither the Company, nor any of its subsidiaries or affiliates, nor any director, officer, agent, employee or other person associated with or acting on behalf of the Company, or any of its subsidiaries or affiliates, has (i) used any funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee, to any employee or agent of a private entity with which the Company does or seeks to do business (a “Private Sector Counterparty”) or to foreign or domestic political parties or campaigns, (iii) violated or is in violation of any provision of any Anti-Bribery Laws, (iv) taken, is currently taking or will take any action in furtherance of an offer, payment, gift or anything else of value, directly or indirectly, to any person while knowing that all or some portion of the money or value will be offered, given or promised to anyone to improperly influence official action, to obtain or retain business or otherwise to secure any improper advantage or (v) otherwise made any offer, bribe, rebate, payoff, influence payment, unlawful kickback or other unlawful payment; the Company and each of its respective subsidiaries has instituted and has maintained, and will continue to maintain, policies and procedures reasonably designed to promote and achieve compliance with the laws referred to in (iii) above and with this representation and warranty; none of the Company, nor any of its subsidiaries or affiliates will directly or indirectly use the proceeds of the Securities or lend, contribute or otherwise make available such proceeds to any subsidiary, affiliate, joint venture partner or other person or entity for the purpose of financing or facilitating any activity that would violate the laws and regulations referred to in (iii) above; to the knowledge of the Company, there are, and have been, no allegations, investigations or inquiries with regard to a potential violation of any Anti-Bribery Laws by the Company, its subsidiaries or affiliates, or any of their respective current or former directors, officers, employees, stockholders, representatives or agents, or other persons acting or purporting to act on their behalf.

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(s) No Disqualification Events. With respect to Securities to be offered and sold hereunder in reliance on Rule 506(b) under the 1933 Act (“Regulation D Securities”), none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering hereunder, any beneficial owner of 20% or more of the Company’s outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the 1933 Act) connected with the Company in any capacity at the time of sale (each, an “Issuer Covered Person” and, together, “Issuer Covered Persons”) is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) under the 1933 Act (a “Disqualification Event”), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Investor a copy of any disclosures provided thereunder.

(t) Acknowledgment Regarding Investor’s Purchase of the Promissory Note. The Company acknowledges and agrees that the Investor is acting solely

in the capacity of an arm's length purchaser with respect to this Agreement and the transactions contemplated hereby. The Company further acknowledges that the Investor is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement and the transactions contemplated hereby and any advice given by the Investor or any of their respective representatives or agents in connection with this Agreement and the transactions contemplated hereby is merely incidental to the Investor's purchase of the Securities. The Company further represents to the Investor that the Company's decision to enter into this Agreement has been based solely on the independent evaluation by the Company and its representatives.

(u) No General Solicitation. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of the Securities.

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(v) No Integrated Offering. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the Securities under the Securities Act or cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of the Securities Act.

(w) Employee Relations. Neither the Company nor any of its subsidiaries is involved in any labor dispute or, to the knowledge of the Company or any of its subsidiaries, is any such dispute threatened. None of the Company's or its subsidiaries' employees is a member of a union and the Company and its subsidiaries believe that their relations with their employees are good.

(x) Intellectual Property Rights. The Company and its subsidiaries own or possess adequate rights or licenses to use all trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and rights necessary to conduct their respective businesses as now conducted. The Company and its subsidiaries do not have any knowledge of any infringement by the Company or its subsidiaries of trademark, trade name rights, patents, patent rights, copyrights, inventions, licenses, service names, service marks, service mark registrations, trade secret or other similar rights of others, and, to the knowledge of the Company there is no claim, action or proceeding being made or brought against, or to the Company's knowledge, being threatened against, the Company or its subsidiaries regarding trademark, trade name, patents, patent rights, invention, copyright, license, service names, service marks, service mark registrations, trade secret or other infringement; and the Company and its subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing.

(y) Environmental Laws. The Company and its subsidiaries are (i) in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval.

(z) Title. All real property and facilities held under lease by the Company and its subsidiaries are held by them under valid, subsisting, and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries.

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(aa) Insurance. The Company and each of its subsidiaries is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its subsidiaries are engaged. Neither the Company nor any such subsidiary has been refused any insurance coverage sought or applied for and neither the Company nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not materially and adversely affect the condition, financial or otherwise, or the earnings, business or operations of the Company and its subsidiaries, taken as a whole.

(bb) Regulatory Permits. The Company and its subsidiaries possess all material certificates, authorizations and permits issued by the appropriate federal, state, or foreign regulatory authorities necessary to conduct their respective businesses, and neither the Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization, or permit.

(cc) Internal Accounting Controls. The Company and each of its subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, and (iii) the recorded amounts for assets are compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(dd) No Material Adverse Breaches, etc. Neither the Company nor any of its subsidiaries is subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule, or regulation which in the judgment of the Company's officers has or is expected in the future to have a Material Adverse Effect on the business, properties, operations, financial condition, results of operations or prospects of the Company or its subsidiaries. Neither the Company nor any of its subsidiaries is in breach of any contract or agreement which breach, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect on the business, properties, operations, financial condition, results of operations or prospects of the Company or its subsidiaries.

(ee) Tax Status. The Company and each of its subsidiaries has made and filed all federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject and (unless and only to the extent that the Company and each of its subsidiaries has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim, apart from Disclosure 1.

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(ff) Certain Transactions. Except for arm's length transactions pursuant to which the Company makes payments in the ordinary course of business upon terms no less favorable than the Company could obtain from third parties, none of the officers, directors, or employees of the Company is presently a party to any transaction with the Company (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise

requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

Except with respect to the material terms and conditions of the transactions contemplated by this Agreement, all of which shall be publicly disclosed by the Company as soon as possible after the date hereof, the Company covenants and agrees that neither the Company, nor any other person acting on its behalf, will provide the Investor or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto the Investor shall have entered into a written agreement with the Company regarding the confidentiality and use of such information. The Company understands and confirms that the Investor shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

(gg) Fees and Rights of First Refusal. The Company is not obligated to offer the securities offered hereunder on a right of first refusal basis or otherwise to any third parties including, but not limited to, current or former stockholders of the Company, underwriters, brokers, agents or other third parties, except for any persons who have who have validly waived their right of first refusal.

(hh) Investment Company. The Company is not, and is not an affiliate of, and immediately after receipt of payment for the Securities, will not be or be an affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become subject to the Investment Company Act.

(ii) Registration Rights. No Person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company except parties in Schedule 4E and as set forth in any OTC Markets/SEC Documents, including the exhibits thereto. There are no outstanding registration statements not yet declared effective and there are no outstanding comment letters from the SEC or any other regulatory agency.

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(jj) Private Placement. Assuming the accuracy of the Investor's representations and warranties set forth in Section 3, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Investor as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Primary Market.

(kk) Listing and Maintenance Requirements. The Company has not, in the 12 months preceding the date hereof, received notice from the Primary Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Primary Market. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

(ll) Reporting Status. With a view to making available to the Investor the benefits of Rule 144 or any similar rule or regulation of the SEC that may at any time permit the Investor to sell securities of the Company to the public without registration, and as a material inducement to the Investor's purchase of the Securities, the Company represents and warrants to the following: (i) the Company is, and has been for a period of at least 24 months immediately preceding the date hereof, subject to the reporting requirements of the OTC Markets (ii) the Company has filed all required reports of the OTC Markets, as applicable, during the 24 months preceding the date hereof (or for such shorter period that the Company was required to file such reports), and (iii) the Company is not an issuer defined as a "Shell Company."

(mm) Disclosure. The Company has made available to the Investor and its counsel all the information reasonably available to the Company that the Investor or its counsel have requested for deciding whether to acquire the Securities. No representation or warranty of the Company contained in this Agreement (as qualified by the Disclosure Schedule) or any of the other Transaction Documents, and no certificate furnished or to be furnished to the Investor at the Closing, or any due diligence evaluation materials furnished by the Company or on behalf of the Company, including without limitation, due diligence questionnaires, or any other documents, presentations, correspondence, or information contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

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(nn) Manipulation of Price. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or, paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Company's placement agent in connection with the placement of the Securities.

(oo) [reserved]

(pp) Subsidiary Security Interest and Global Guaranty. Each of the Company's subsidiaries acknowledges and consents to securing the Company's obligations pursuant to the Transaction Documents as provided for in the Security Agreement and Global Guaranty.

(qq) Relationship of the Parties. Neither the Company, nor any of its subsidiaries, affiliates, nor any person acting on its or their behalf is a client or customer of the Investor or any of its affiliates and neither the Investor nor any of its affiliates has provided, or will provide, any services to the Company or any of its affiliates, its subsidiaries, or any person acting on its or their behalf. The Investor's relationship to Company is solely as an investor as provided for in the Transaction Documents.

5. COVENANTS.

(a) Best Efforts. Each party shall use its best efforts to timely satisfy each of the conditions to be satisfied by it as provided in Sections 7 and 8 of this Agreement.

(b) Compliance with Applicable Laws. While the Investor owns any Securities the Company shall comply with all Applicable Laws and will not take any action which will cause the Investor to be in violation of any such Applicable Laws.

(c) Conduct of Business. While the Investor owns any Securities, the business of the Company shall not be conducted in violation of Applicable Laws and will not take any action which will cause the Investor to be in violation of any such Applicable Laws.

(d) While the Investor owns any Securities, neither the Company, nor any of its Subsidiaries or affiliates, directors, officers, employees, representatives, or agents shall:

(1) conduct any business or engage in any transaction or dealing with or for the benefit of any Blocked Person, including the making or receiving of any contribution of funds, goods, or services to, from or for the benefit of any Blocked Person;

(2) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked or subject to blocking pursuant to the applicable Sanctions Laws, Sanctions Programs, located in a Sanctioned Country, or CAATSA or CAATSA Sanctions Programs;

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(3) use any of the proceeds of the transactions contemplated by this Agreement to finance, promote or otherwise support in any manner any illegal activity, including, without limitation, in contravention of any Anti-Money Laundering Laws, Sanctions Laws, Sanctioned Program, Anti-Bribery Laws or in any Sanctioned Country.

(4) violate, attempt to violate, or engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, any of the Anti-Money Laundering Laws, Sanctions Laws, Sanctions Program, Anti-Bribery Laws, CAATSA or CAATSA Sanctions Programs;

(e) While the Investor owns any Securities, the Company shall maintain in effect and enforce policies and procedures designed to ensure compliance by the Company and its Subsidiaries and their directors, officers, employees, agents representatives and affiliates with Applicable Laws;

(f) While any Investor owns any Securities, the Company will promptly notify the Investor in writing if any of the Company, or any of its Subsidiaries or affiliates, directors, officers, employees, representatives, or agents, shall become a Blocked Person, or become directly or indirectly owned or controlled by a Blocked Person;

(g) The Company shall provide such information and documentation it may have as the Investor or any of their affiliates may reasonably request to satisfy compliance with Applicable Laws;

(h) The covenants set forth above shall be ongoing while the Investor owns any Securities. The Company shall promptly notify the Investor in writing should it become aware during such period (a) of any changes to these covenants, or (b) if it cannot comply with the covenants set forth herein. The Company shall also promptly notify the Investor in writing during such period should it become aware of an investigation, litigation or regulatory action relating to an alleged or potential violation of Applicable Laws.

(i) Form D. The Company agrees to file a Form D with respect to the Securities as (and if deemed) required under Regulation D and to provide a copy thereof to the Investor promptly after such filing. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary to qualify the Securities, or obtain an exemption for the Securities for sale to the Investor at the Closing pursuant to this Agreement under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of any such action so taken to the Investor on or prior to the Closing Date.

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(j) Reporting Status. With a view to making available to the Investor the benefits of Rule 144 or any similar rule or regulation of the SEC that may at any time permit the Investor to sell securities of the Company to the public without registration, and as a material inducement to the Investor's purchase of the Securities, the Company represents, warrants, and covenants to the following:

(i) From the date hereof until all the Securities either have been sold by the Investor, or may permanently be sold by the Investor without any restrictions pursuant to Rule 144 (the "Registration Period"), the Company shall file with the SEC in a timely manner all required reports under section 13 or 15(d) of the Exchange Act (the "SEC Documents") and such reports shall conform to the requirement of the Exchange Act and the SEC for filing thereunder;

(k) The Company shall furnish to the Investor so long as the Investor owns Securities, promptly upon request, (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144, (ii) a copy of the most recent OTC Markets/SEC Documents or SEC Documents, as applicable, of the Company and such other reports and documents so filed by the Company with the OTC Markets or the SEC, and (iii) such other information as may be reasonably requested to permit the Investor to sell such securities pursuant to Rule 144 without registration; and

(l) During the Registration Period the Company shall not terminate its status as an issuer required to file reports under the Exchange Act even if the Exchange Act or the rules and regulations thereunder would otherwise permit such termination.

Use of Proceeds. The Company shall use the proceeds from the issuance of the Promissory Note hereunder for the use of proceeds disclosed on Schedule 4(g) and the Company shall not pay any related party obligations from such proceeds of the Promissory Note, all of which related party obligations shall be subordinated to the obligations owed to the Investor. Neither the Company nor any subsidiary shall, directly or indirectly, use any portion of the proceeds of the transactions contemplated herein, or lend, contribute, facilitate or otherwise make available such proceeds to any Person (i) to make any payment towards any indebtedness or other obligations of the Company or subsidiary; (ii) to pay any obligations of any nature or kind due or owing to any officers, directors, employees, or stockholders of the Company or subsidiary, other than salaries payable in the ordinary course of business of the Company; (iii) to fund, either directly or indirectly, any activities or business of or with any Blocked Person, in any Sanctioned Country, (iv) or in any manner or in a country or territory, that, at the time of such funding, is, or whose government is, the subject of CAATSA Sanctions Programs or (v) in any other manner that will result in a violation of Anti-Money Laundering Laws, Sanctions Laws, Sanctioned Program, Anti-Bribery Laws or CAATSA Sanctions Programs.

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(m) Reservation of Shares. On the date hereof, the Company shall reserve for issuance to the Investor 679,012,344 shares for issuance upon conversions of the Promissory Note (the "Share Reserve"). The Company represents that it has sufficient authorized and unissued shares of Common Stock available to create the Share Reserve after considering all other commitments that may require the issuance of Common Stock. The Company shall take all action reasonably necessary to at all times have authorized, and reserved for the purpose of issuance, such number of shares of Common Stock as shall be necessary to effect the full conversion of the Promissory Note. If at any time the Share Reserve is insufficient to effect the full conversion of the Promissory Note, the Company shall increase the Share Reserve accordingly. If the Company does not have sufficient authorized and unissued shares of Common Stock available to increase the Share Reserve, the Company shall call within 15 calendar days and hold a special meeting of the stockholders within 45 calendar days of such occurrence, for the sole purpose of increasing the number of shares authorized. The Company's management shall recommend to the stockholders to vote in favor of increasing the number of shares of Common Stock authorized. Management shall also vote all of its shares in favor of increasing the number of authorized shares of Common Stock.

(n) Listings or Quotation. The Company's Common Stock shall be listed or quoted for trading on the Primary Market.

(o) Issuance of commitment shares. The Company shall issue seventy five million shares of common stock (in book form) to the Investor.

(p) Corporate Existence. So long as any of the Promissory Note remains outstanding, the Company shall not directly or indirectly consummate any merger, reorganization, restructuring, reverse stock split consolidation, sale of all or substantially all of the Company's assets or any similar

transaction or related transactions (each such transaction, an “Organizational Change”) unless, prior to the consummation of an Organizational Change, the Company obtains the written consent of the Investor, which shall not be unreasonably withheld, delayed, denied or conditioned. In any such case, the Company will make appropriate provision with respect to such holders’ rights and interests to insure that the provisions of this Section 5(l) will thereafter be applicable to the Promissory Note.

(q) Transactions With Affiliates. Except as may be provided in Section 4(h) above, so long as the Promissory Note is outstanding, the Company shall not, and shall cause each of its subsidiaries not to, enter into, amend, modify or supplement, or permit any subsidiary to enter into, amend, modify or supplement any agreement, transaction, commitment, or arrangement with any of its or any subsidiary’s officers, directors, person who were officers or directors at any time during the previous 2 years, stockholders who beneficially own 5% or more of the Common Stock, or Affiliates (as defined below) or with any individual related by blood, marriage, or adoption to any such individual or with any entity in which any such entity or individual owns a 5% or more beneficial interest (each a “Related Party”), except for (a) customary employment arrangements and benefit programs on reasonable terms, (b) any investment in an Affiliate of the Company, (c) any agreement, transaction, commitment, or arrangement on an arms-length basis on terms no less favorable than terms which would have been obtainable from a person other than such Related Party, (d) any agreement, transaction, commitment, or arrangement which is approved by a majority of the disinterested directors of the Company. “Affiliate” for purposes hereof means, with respect to any person or entity, another person or entity that, directly or indirectly, (i) has a 10% or more equity interest in that person or entity, (ii) has 10% or more common ownership with that person or entity, (iii) controls that person or entity, or (iv) shares common control with that person or entity. “Control” or “controls” for purposes hereof means that a person or entity has the power, direct or indirect, to conduct or govern the policies of another person or entity.

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(r) Transfer Agent. The Company covenants and agrees that, in the event that the Company’s agency relationship with the transfer agent should be terminated for any reason prior to a date which is 2 years after the Closing Date, the Company shall immediately appoint a new transfer agent and shall require that the new transfer agent execute and agree to be bound by the terms of the Irrevocable Transfer Agent Instructions (as defined herein).

(s) Restriction on Issuance of the Capital Stock. So long as the Promissory Note are outstanding, the Company shall not, without the prior written consent of the Investor, which shall not be unreasonably withheld, delayed, denied or conditioned, (i) issue or sell shares of Common Stock or Preferred Stock without consideration or for a consideration per share less than the bid price of the Common Stock determined immediately prior to its issuance, (ii) issue any preferred stock, warrant, option, right, contract, call, or other security or instrument granting the holder thereof the right to acquire Common Stock without consideration or for a consideration less than such Common Stock’s Bid Price, as quoted by Bloomberg, LP (through its “Volume at Price” function) and determined immediately prior to its issuance, (iii) enter into any security instrument granting the holder a security interest in any and all assets of the Company, or (iv) file any registration statement on Form S-8.

(t) No Short Positions. Neither the Investor nor any of its affiliates has an open short position in the Common Stock of the Company, and the Investor agrees that it shall not, and that it will cause its affiliates not to, engage in any short sales of or hedging transactions with respect to the Common Stock as long as the Promissory Note remains outstanding.

(u) Reserved.

(v) Reserved.

(w) Review of Public Disclosures. All SEC filings (including, without limitation, all filings required under the Exchange Act, which include Forms 10-Q, 10-K, 8-K, etc.) and other public disclosures made by the Company, including, without limitation, all press releases, investor relations materials, and scripts of analysts meetings and calls, shall be reviewed and approved for release by the Company’s attorneys and, if containing financial information, the Company’s independent certified public accountants.

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6. TRANSFER AGENT INSTRUCTIONS

The Company shall issue the Irrevocable Transfer Agent Instructions to its transfer agent in a form acceptable to the Investor.

7. CONDITIONS TO THE COMPANY’S OBLIGATION TO SELL

The obligation of the Company hereunder to issue and sell the Promissory Note to the Investor at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company’s sole benefit and may be waived by the Company at any time in its sole discretion:

(a) The Investor shall have executed the Transaction Documents and delivered them to the Company.

(b) The Investor shall have delivered to the Company the Promissory Note Purchase Price, minus any fees to be paid directly from the proceeds of the Closing as set forth herein, by wire transfer of immediately available U.S. funds pursuant to the wire instructions provided by the Company.

(c) The representations and warranties of the Investor shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date), and the Investor shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Investor at or prior to the Closing Date.

8. CONDITIONS TO THE INVESTOR’S OBLIGATION TO PURCHASE

The obligation of the Investor hereunder to purchase the Promissory Note at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Investor’s sole benefit and may be waived by the Investor at any time in its sole discretion:

(a) The Company, and the Company’s Transfer Agent as applicable, shall have executed the Transaction Documents and delivered the same to the Investor.

(b) The Common Stock shall be authorized for quotation or trading on the Primary Market, and trading in the Common Stock shall not have been suspended for any reason.

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(c) The representations and warranties of the Company shall be true and correct in all material respects (except to the extent that any of such representations and warranties is already qualified as to materiality in Section 5 above, in which case, such representations and warranties shall be true and correct without further qualification) as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the Closing Date.

(d) The Company shall have executed and delivered to the Investor the Promissory Note.

(e) The Company shall have created the Share Reserve and issued the seventy-five million commitment shares.

(f) The Common Stock shall be authorized for quotation or trading on the Primary Market and trading in the Common Stock shall not have been suspended for any reason.

(g) The representations and warranties of the Company shall be true and correct in all material respects (except to the extent that any of such representations and warranties is already qualified as to materiality in Section 5 above, in which case, such representations and warranties shall be true and correct without further qualification) as of the date when made as though made at that time (except for representations and warranties that speak as of a specific date).

9. INDEMNIFICATION.

(a) In consideration of the Investor's execution and delivery of this Agreement and acquiring the Promissory Note and the Conversion Shares upon conversion of the Promissory Note and in addition to all of the Company's other obligations under this Agreement, the Company shall defend, protect, indemnify and hold harmless the Investor, and all of their officers, directors, employees and agents (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "Investor Indemnitees") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Investor Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "Indemnified Liabilities"), incurred by the Investor Indemnitees or any of them as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in this Agreement, the Promissory Note or the other Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, (b) any breach of any covenant, agreement or obligation of the Company contained in this Agreement, or the other Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, or (c) any cause of action, suit or claim brought or made against such Investor Indemnitee and arising out of or resulting from the execution, delivery, performance or enforcement of this Agreement or any other instrument, document or agreement executed pursuant hereto by any of the parties hereto, any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Promissory Note or the status of the Investor or holder of the Promissory Note or the Conversion Shares, as an Investor of Promissory Note in the Company. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities, which is permissible under applicable law.

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(b) In consideration of the Company's execution and delivery of this Agreement, and in addition to all of the Investor's other obligations under this Agreement, the Investor shall defend, protect, indemnify and hold harmless the Company and all of its officers, directors, employees and agents (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "Company Indemnitees") from and against any and all Indemnified Liabilities incurred by the Indemnitees or any of them as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Investor(s) in this Agreement, instrument or document contemplated hereby or thereby executed by the Investor, (b) any breach of any covenant, agreement or obligation of the Investor(s) contained in this Agreement, the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby executed by the Investor, or (c) any cause of action, suit or claim brought or made against such Company Indemnitee based on material misrepresentations or due to a material breach and arising out of or resulting from the execution, delivery, performance or enforcement of this Agreement, the Transaction Documents or any other instrument, document or agreement executed pursuant hereto by any of the parties hereto. To the extent that the foregoing undertaking by the Investor may be unenforceable for any reason, the Investor shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities, which is permissible under applicable law.

10. COMPANY LIABILITY.

(a) The Company shall be liable for all debt, principal, interest, and other amounts owed to the Investor by Company pursuant to this Agreement, the Transaction Documents, or any other agreement, whether absolute or contingent, due or to become due, now existing or hereafter arising (the "Obligations") and the Investor may proceed against the Company to enforce the Obligations without waiving its right to proceed against any other party. This Agreement and the Promissory Note are a primary and original obligation of the Company and shall remain in effect notwithstanding future changes in conditions, including any change of law or any invalidity or irregularity in the creation or acquisition of any Obligations or in the execution or delivery of any agreement between the Investor and the Company. The Company shall be liable for existing and future Obligations as fully as if all of the funds advanced by the Investor hereunder were advanced to the Company.

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(b) Notwithstanding any other provision of this Agreement or any other Transaction Documents the Company irrevocably waives, until all obligations are paid in full, all rights that it may have at law or in equity (including, without limitation, any law subrogating the Company to the rights of Investor under the Transaction Documents) to seek contribution, indemnification, or any other form of reimbursement from the Company, or any other person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by the Company with respect to the Obligations in connection with the Transaction Documents or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by the Company with respect to the Obligations in connection with the Transaction Documents or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section shall be null and void. If any payment is made to the Company in contravention of this Section, the Company shall hold such payment in trust for the Investor and such payment shall be promptly delivered to the Investor for application to the Obligations, whether matured or unmatured.

11. GOVERNING LAW: MISCELLANEOUS.

(a) Governing Law; Mandatory Jurisdiction. All questions concerning the construction, validity, enforcement, and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement, and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective Affiliates, directors, officers, stockholders, employees, or

agents) shall be commenced in the state and federal courts sitting in the City of Wilmington (the “Delaware Courts”). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Delaware Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of this Agreement), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such Delaware Courts, or such Delaware Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it hereunder and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. If any party shall commence an action or proceeding to enforce any provisions of this Agreement, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys’ fees and other costs and expenses incurred in the investigation, preparation, and prosecution of such action or proceeding.

(b) Counterparts. This Agreement may be executed in 2 or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and physically or electronically delivered to the other party.

(c) Usury. To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any claim, action or proceeding that may be brought by the Investor in order to enforce any right or remedy under any Transaction Document. Notwithstanding any provision to the contrary contained in any Transaction Document, it is expressly agreed and provided that the total liability of the Company under the Transaction Documents for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the “Maximum Rate”), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that the Company may be obligated to pay under the Transaction Documents exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to the Transaction Documents is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Transaction Documents from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to the Investor with respect to indebtedness evidenced by the Transaction Documents, such excess shall be applied by the Investor to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at the Investor’s election.

(d) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(e) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(f) Entire Agreement, Amendments. This Agreement supersedes all other prior oral or written agreements between the Investor, the Company, their affiliates and persons acting on their behalf with respect to the matters discussed herein, and this Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor any Investor makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the party to be charged with enforcement.

12. NOTICES. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered upon: (i) receipt, when delivered personally, (ii) 1 Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same, or (iii) receipt, when sent by electronic mail (provided that the electronic mail transmission is not returned in error or the sender is not otherwise notified of any error in transmission). The addresses and e-mail addresses for such communications shall be:

If to the Company: Propanc Biopharma, Inc.
302. 6 Butler Street
Camberwell, VIC 3124
Australia
Attention: James Nathanielsz
Email: j.nathanielsz@propanc.com

If to the Investor: Coventry Enterprises, LLC.
80 Southwest 8th Street
Suite 2000
Miami, FL 33130
Attention: Jack Bodenstein
Telephone: 248-569-9174
Email: JackBodenstein@gmail.com

or at such other address and/or electronic email address and/or to the attention of such other person as the recipient party has specified by written notice given to each other party 3 Business Days prior to the effectiveness of such change. Written confirmation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) mechanically or electronically generated by the sender’s computer containing the time, date, recipient’s electronic mail address and the text of such electronic mail or (iii) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by electronic mail or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(a) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Neither the Company nor any Investor shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party hereto.

(b) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

(c) Survival. Unless this Agreement is terminated under Section 11(f), all agreements, representations, and warranties contained in this Agreement or made in writing by or on behalf of any party in connection with the transactions contemplated by this Agreement shall survive the execution and delivery of this Agreement and the Closing.

(d) Publicity. The Company and the Investor shall have the right to approve, before issuance any press release or any other public statement with respect to the transactions contemplated hereby made by any party; provided, however, that the Company shall be entitled, without the prior approval of the Investor, to issue any press release or other public disclosure with respect to such transactions required under applicable securities or other laws or regulations (the Company shall use its best efforts to consult the Investor in connection with any such press release or other public disclosure prior to its release and Investor shall be provided with a copy thereof upon release thereof).

(e) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments, and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(f) Termination. In the event that the Closing shall not have occurred on or before 5th business days from the date hereof due to the Company's or the Investor's failure to satisfy the conditions set forth in Sections 7 and 8 above (and the non-breaching party's failure to waive such unsatisfied condition(s)), the non-breaching party shall have the option to terminate this Agreement with respect to such breaching party at the close of business on such date without liability of any party to any other party.

(g) Brokerage. The Company represents that no broker, agent, finder, or other party has been retained by it in connection with the transactions contemplated hereby and that no other fee or commission has been agreed by the Company to be paid for or on account of the transactions contemplated hereby.

(h) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

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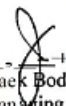
IN WITNESS WHEREOF, each of the Investor and the Company has affixed their respective signatures to this Securities Purchase Agreement as of the date first written above.

COMPANY:



INVESTOR:

COVENTRY ENTERPRISES, LLC

By:  -----
Name: Jack Bodenstein
Title: Managing Member

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LIST OF EXHIBITS:

Disclosure Schedule

From 2012 through the 2014, the Company did not file this form in a timely manner. As a result of the non-timely filings, the Company incurred a penalty from the IRS in the amount of \$10,000 per year, or \$30,000 in total plus accrued interest, such penalty and interest having been accrued and is included in the accrued expenses and other payable figure in the June 30, 2022 and 2021 consolidated balance sheets. The Company recorded the penalties for all three years during the year ended June 30, 2018. The Company is current on all subsequent filings.

DISCLOSURE SCHEDULE

Schedule 4(b) – Security Interests Granted – None

Schedule 4(e) – Capitalization – See Section 4(e)

Schedule 4(g) – Use of Proceeds – For legal, accounting, auditing, IP, admin & operating expenses

EXHIBIT A
Form of Promissory Note

COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement (the “Agreement”) is entered into as of November 3, 2022, by and between **PROPANC BIOPHARMA INC.**, a Delaware corporation (the “Company”), and **COVENTRY ENTERPRISES, LLC**, a Delaware limited liability company (the “Investor”). The Company and Investor may be referred to herein as each a “Party” and collectively, the “Parties”.

WHEREAS, the Parties desire that, upon the terms and subject to the conditions contained herein, the Investor shall purchase, from time to time, as provided herein, and the Company shall issue and sell Five Million Dollars (\$5,000,000) of the Company’s Common Stock (as defined below);

NOW, THEREFORE, the Parties hereto agree as follows:

**ARTICLE I
CERTAIN DEFINITIONS**

Section 1.1 **DEFINED TERMS**. As used in this Agreement, the following terms shall have the following meanings specified or indicated (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Agreement” shall have the meaning specified in the preamble hereof.

“Average Daily Trading Value” shall mean a per share price that shall be equal to the lowest trading price of the Company’s Common Stock on the Principal Exchange during the during the ten (10) Business Days immediately preceding the respective Drawdown Notice Delivery Date multiplied by the Average Daily Trading Volume (as defined herein).

“Average Daily Trading Volume” shall mean the average trading volume of the Company’s Common Stock for the ten (10) Business Days immediately preceding the respective Drawdown Notice Date.

“Bankruptcy Law” means Title 11, U.S. Code, or any similar federal or state law for the relief of debtors.

“Business Day” shall mean a day on which the Principal Market shall be open for business. “Claim Notice” shall have the meaning specified in Section 9.3(a).

“Closing” shall mean one of the closings of a purchase and sale of shares of Common Stock pursuant to Section 2.2.

“Closing Date” shall mean the date on which the Drawdown Notice Shares are delivered. “Commitment Amount” shall mean Five Million Dollars (\$5,000,000).

“Commitment Period” shall mean the thirty-six (36) months immediately following the initial date of effectiveness of the S-1 Registration Statement.

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“Common Stock” shall mean the Company’s common stock, \$0.0001 value per share, and any shares of any other class of common stock whether now or hereafter authorized, having the right to participate in the distribution of dividends (as and when declared) and assets (upon liquidation of the Company).

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“Company” shall have the meaning specified in the preamble to this Agreement. “Custodian” means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

“Damages” shall mean any loss, claim, damage, liability, cost and expense (including, without limitation, reasonable attorneys’ fees and disbursements and costs and expenses of expert witnesses and investigation).

“Dispute Period” shall have the meaning specified in Section 9.3(a).

“Drawdown Notice” shall mean a written notice from Company, substantially in the form of Exhibit A hereto, to Investor setting forth the Drawdown Notice Shares which the Company intends to require Investor to purchase pursuant to the terms of this Agreement.

“Drawdown Notice Date” shall have the meaning specified in Section 2.2.

“Drawdown Notice Shares” shall mean all shares of Common Stock issued, or that the Company shall be entitled to issue, per applicable Drawdown Notice in accordance with the terms and conditions of this Agreement.

“Drawdown Notice Dilution Shares” shall mean that number of additional shares to be delivered to the Investor as a result of a Dilutive Issuance as more fully set forth in Section 2.3.

“DTC” shall mean The Depository Trust Company, or any successor performing substantially the same function for the Company.

“DTC Chill” shall mean a limitation of certain services available for a security on deposit at the DTC, such as the ability to make a deposit of withdrawal of a security at DTC.

“DTC/FAST Program” shall mean the DTC’s Fast Automated Securities Transfer Program.

“DWAC” shall mean Deposit and Withdrawal at Custodian, as defined by the DTC. “DWAC Eligible” shall mean that (a) the Common Stock is eligible at DTC for full services pursuant to DTC’s Operational Arrangements, including, without limitation, transfer through DTC’s DWAC system, (b) the Company has been approved (without revocation) by the DTC’s underwriting department, (c) the Transfer Agent is approved as an agent in the DTC/FAST Program, (d) the Drawdown Notice Shares are otherwise eligible for delivery via DWAC, and (e) the Transfer Agent does not have a policy prohibiting or limiting delivery of the Drawdown Notice Shares, as applicable, via DWAC.

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“DWAC Shares” means shares of Common Stock that are (i) issued in electronic form,(ii) freely tradable and transferable and without restriction on resale and (iii) timely credited by the Company to the Investor’s or its designee’s specified DWAC account with DTC under the DTC/FAST Program, or any similar program hereafter adopted by DTC performing substantially the same function.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Exchange Cap” shall have the meaning set forth in Section 7.1(e).

“Execution Date” shall mean the date of this Agreement.

“FINRA” shall mean the Financial Industry Regulatory Authority, Inc.

“Indemnified Party” shall have the meaning specified in Section 9.2.

“Indemnifying Party” shall have the meaning specified in Section 9.2.

“Indemnity Notice” shall have the meaning specified in Section 9.3(e).

“Investment Amount” shall mean the Drawdown Notice Shares referenced in the Drawdown Notice multiplied by the Purchase Price (as defined herein).

“Investor” shall have the meaning specified in the preamble to this Agreement.

“Lien” means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Material Adverse Effect” shall mean any effect on the business, operations, properties, or financial condition of the Company and the Subsidiaries that is material and adverse to the Company and the Subsidiaries and/or any condition, circumstance, or situation that would prohibit or otherwise materially interfere with the ability of the Company to enter into and perform its obligations under any Transaction Document.

“Person” shall mean an individual, a corporation, a partnership, an association, a trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Pricing Period” shall mean the period of ten (10) Business Days immediately preceding the Drawdown Notice Date.

“Principal Market” shall mean any of the national exchanges (i.e., New York Stock Exchange, NYSE American, Nasdaq), or principal quotation systems (i.e., OTCQX, OTCQB, OTC Pink), or other principal exchange or recognized quotation system which is at the time the principal trading platform or market for the Common Stock.

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“Purchase Price” shall mean eighty percent (80%) of the lowest VWAP of the Common Stock during the Pricing Period.

“Registration Statement” shall have the meaning specified in Section 6.2. “Regulation D” shall mean Regulation D promulgated under the Securities Act.

“Rule 144” shall mean Rule 144 under the Securities Act or any similar provision then in force under the Securities Act.

“SEC” shall mean the United States Securities and Exchange Commission.

“SEC Documents” shall have the meaning specified in Section 4.4.

“Securities” means, collectively, the Drawdown Notice Shares.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Subsidiary” means any Person the Company wholly-owns or controls, or in which the Company, directly or indirectly, owns a majority of the voting stock or similar voting interest, in each case that would be disclosable pursuant to Item 601(b)(21) of Regulation S-K promulgated under the Securities Act.

“Third-Party Claim” shall have the meaning specified in Section 9.3(a).

“Transaction Documents” shall mean this Agreement and all schedules and exhibits hereto and thereto, including, but not limited to, the Registration Rights Agreement by and between the Parties of even date herewith, attached hereto as Exhibit B

“Transfer Agent” shall mean the current transfer agent of the Company, and any successor transfer agent of the Company.

ARTICLE II PURCHASE AND SALE OF COMMON STOCK

Section 2.1 DRAWDOWN NOTICES. Upon the terms and conditions set forth herein (including, without limitation, the provisions of Article VII), the Company shall have the right, but not the obligation, to direct the Investor, by its delivery to the Investor of a Drawdown Notice (the date thereof, the “Drawdown Notice Date”) from time to time, to purchase Drawdown Notice Shares, provided that the amount of Drawdown Notice Shares shall not exceed the lesser of; (i) \$250,000 or (ii) 200% of the Average Daily Traded Value of the Stock during the ten (10) Business Days immediately preceding the Drawdown Notice Date or (iii) the Beneficial Ownership Limitation set forth in Section 7.2(g). Notwithstanding the foregoing, the Company may not deliver a subsequent Drawdown Notice until the Closing of an active Drawdown Notice, except if waived by the Investor in writing.

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Section 2.2 MECHANICS.

- (a) DRAWDOWN NOTICE. At any time and from time to time during the Commitment Period, except as provided in this Agreement, the Company may deliver a Drawdown Notice to Investor, subject to satisfaction of the conditions set forth in Section 7.2 and otherwise provided herein. The Company shall deliver the Drawdown Notice Shares as DWAC Shares to the Investor alongside delivery of the Drawdown Notice.

(b) DATE OF DELIVERY OF DRAWDOWN NOTICE. A Drawdown Notice shall be deemed delivered on (i) the Business Day it is received by email by the Investor if such notice is received on or prior to 8:00 a.m. New York time or (ii) the immediately succeeding Business Day if it is received by email after 8:00 a.m. New York time on a Business Day or at any time on a day which is not a Business Day.

(c) CLOSING. The Closing of a Drawdown Notice shall occur upon delivery of the Drawdown Notice Shares from the Company to the Investor, whereby the Investor, shall deliver the Investment Amount by wire transfer of immediately available funds to an account designated by the Company.

Section 2.3 DILUTIVE ISSUANCE. If the Company, at any time during the Pricing Period or seven (7) Business Days following the delivery of a Drawdown Notice, issues, sells or grants any Common Stock or Common Stock Equivalents at an effective price per share that is lower than the Purchase Price (such lower price, the "Base Drawdown Price" and such issuances, collectively, a "Dilutive Issuance"), then the Purchase Price shall be reduced, at the option of the Investor, to a price equal to the Base Drawdown Price. Such adjustment to the Purchase Price shall be effected through the issuance by the Company to the Investor of that number of additional shares (the "Drawdown Notice Dilution Shares") equal to the difference between the number of Drawdown Notice Shares and what the number of Drawdown Notice Shares would have been if the Drawdown Notice had been made at the adjusted Base Drawdown Price. Such Drawdown Notice Dilution Shares shall be issued at the Investor's option either: (i) at the next subsequent Drawdown Notice Date pursuant to a Drawdown Notice delivered by the Company, or (ii) in the event that more than ten (10) Business Days have passed since the last Drawdown Notice Date or the relevant Dilutive Issuance, within three (3) Business Days following delivery to the Company by Investor of Investor's invoice requesting issuance of the relevant Drawdown Notice Dilution Shares. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2.3 shall be calculated as if all such securities were issued at the initial closing. For the avoidance of doubt, each adjustment or readjustment of the Purchase Price as a result of the events described in this Section 2.3 of this Agreement shall occur without any action by the Investor. Notwithstanding the foregoing, no adjustment will be made under this Section 2.3 in respect of an Exempt Issuance. An "Exempt Issuance" shall mean the issuance of (a) shares of Common Stock or other securities to officers or directors of the Company pursuant to any stock or option or similar equity incentive plan duly adopted for such purpose and in effect as of the date of this Agreement; (b) securities issued pursuant to a merger, consolidation, acquisition or similar business combination, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities; or (c) securities issued with respect to which the Investor waives its rights in writing under this Section 2.3.

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ARTICLE III REPRESENTATIONS AND WARRANTIES OF INVESTOR

The Investor represents and warrants to the Company that:

Section 3.1 INTENT. The Investor is entering into this Agreement for its own account and the Investor has no present arrangement (whether or not legally binding) at any time to sell the Securities to or through any Person in violation of the Securities Act or any applicable state securities laws; provided, however, that the Investor reserves the right to dispose of the Securities at any time in accordance with federal and state securities laws applicable to such disposition.

Section 3.2 NO LEGAL ADVICE FROM THE COMPANY. The Investor acknowledges that it has had the opportunity to review this Agreement and the transactions contemplated by this Agreement with its own legal counsel and investment and tax advisors. The Investor is relying solely on such counsel and advisors and not on any statements or representations of the Company or any of its representatives or agents for legal, tax or investment advice with respect to this investment, the transactions contemplated by this Agreement or the securities laws of any jurisdiction.

Section 3.3 ACCREDITED INVESTOR. The Investor is an accredited investor as defined in Rule 501(a)(3) of Regulation D, and the Investor has such experience in business and financial matters that it is capable of evaluating the merits and risks of an investment in the Securities. The Investor acknowledges that an investment in the Securities is speculative and involves a high degree of risk.

Section 3.4 AUTHORITY. The Investor has the requisite power and authority to enter into and perform its obligations under the Transaction Documents and to consummate the transactions contemplated hereby and thereby. The execution and delivery of the Transaction Documents and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action and no further consent or authorization of the Investor is required. The Transaction Documents to which it is a party has been duly executed by the Investor, and when delivered by the Investor in accordance with the terms hereof, will constitute the valid and binding obligation of the Investor enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

Section 3.5 NOT AN AFFILIATE. The Investor is not an officer, director nor "affiliate" (as that term is defined in Rule 405 of the Securities Act) of the Company.

Section 3.6 ORGANIZATION AND STANDING. The Investor is an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, power of a limited partnership, limited liability company or similar power in such jurisdiction and duly authorized to enter into and to consummate the transactions contemplated by the Transaction Documents.

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Section 3.7 ABSENCE OF CONFLICTS. The execution and delivery of the Transaction Documents, and the consummation of the transactions contemplated hereby and thereby and compliance with the requirements hereof and thereof, will not (a) violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Investor, (b) violate any provision of any indenture, instrument or agreement to which the Investor is a party or is subject, or by which the Investor or any of its assets is bound, or conflict with or constitute a material default thereunder, (c) result in the creation or imposition of any Lien pursuant to the terms of any such indenture, instrument or agreement, or constitute a breach of any fiduciary duty owed by the Investor to any third party, or (d) require the approval of any third party (that has not been obtained) pursuant to any material contract, instrument, agreement, relationship or legal obligation to which the Investor is subject or to which any of its assets, operations or management may be subject.

Section 3.8 DISCLOSURE; ACCESS TO INFORMATION. The Investor had an opportunity to review copies of the SEC Documents filed on behalf of the Company and has had access to all publicly available information with respect to the Company.

Section 3.9 MANNER OF SALE. At no time was the Investor presented with or solicited by or through any leaflet, public promotional meeting, television advertisement or any other form of general solicitation or advertising.

Section 3.10 BROKERS, FINDERS AND FINANCIAL ADVISORS. The Company has taken no action which would give rise to any claim by any person for brokerage commissions, transaction fees or similar payments relating to this Agreement or the transactions contemplated hereby.

REPRESENTATIONS AND WARRANTIES OF COMPANY

The Company represents and warrants to the Investor that, except as disclosed in the SEC Documents or except as set forth in the disclosure schedules hereto:

Section 3.11 ORGANIZATION OF THE COMPANY. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a Material Adverse Effect and no proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

Section 3.12 AUTHORITY. The Company has the requisite corporate power and authority to enter into and perform its obligations under the Transaction Documents. The execution and delivery of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action and no further consent or authorization of the Company or its Board of Directors or stockholders is required. The Transaction Documents have been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

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Section 3.13 CAPITALIZATION. As of the date hereof, the authorized capital stock of the Company consists of 1,000,000,000 shares of Common Stock, par value of \$0.001 per share, of which approximately 677,177,717 shares of Common Stock are issued and outstanding. Except as set forth on Schedule 4.3, the Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans, the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plans and pursuant to the conversion and/or exercise of Common Stock Equivalents outstanding as of the date of the most recently filed periodic report under the Exchange Act. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as set forth on Schedule 4.3 and except as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of Common Stock, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents. The issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Investor) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. Except as otherwise disclosed in its SEC filings, there are no stockholders' agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders and the Company is not obligated to register the sale of any of its or their securities under the Securities Act and there are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement providing rights to security holders) that will be triggered by the issuance of any of the Securities. The Company has furnished to the Investor true and correct copies of the Company's Certificate of Incorporation as in effect on the date hereof ("Certificate of Incorporation"), the Company's By-laws, as in effect on the date hereof ("By-laws"), and the terms of all securities convertible into or exercisable for Common Stock of the Company and the material rights of the holders thereof in respect thereto. The Common Stock is registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the SEC is contemplating terminating such registration. The Company has not, in the twelve (12) months preceding the date hereof, received notice from the Principal Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Principal Market. The Company is and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

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Section 3.14 SEC DOCUMENTS; DISCLOSURE. Except as set forth on Schedule 4.4, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the one (1) year preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Documents") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Documents prior to the expiration of any such extension. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and other federal laws, rules and regulations applicable to such SEC Documents, and none of the SEC Documents when filed contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Documents comply as to form and substance in all material respects with applicable accounting requirements and the published rules and regulations of the SEC or other applicable rules and regulations with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be otherwise indicated in such financial statements or the notes thereto or (b) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments). Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided the Investor or its agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Investor will rely on the foregoing representation in effecting transactions in securities of the Company.

Section 3.15 VALID ISSUANCES. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid, and non-assessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents.

Section 3.16 NO CONFLICTS. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby, including, without limitation, the issuance of the Drawdown Notice Shares, does not and will not: (a) result in a violation of the Company's or any Subsidiary's certificate or articles of incorporation, by-laws or other organizational or charter documents, (b) conflict with, or constitute a material default (or an event that with notice or lapse of time or both would become a material default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, instrument or any "lock-up" or similar provision of any underwriting or similar agreement to which the Company or any Subsidiary is a party, or (c) result in a violation of any federal, state or local law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations) applicable to the Company or any Subsidiary or by which any property or asset of the Company or any Subsidiary is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect) nor is the Company otherwise in violation of, conflict with or in default under any of the foregoing. The business of the Company is not being conducted in violation of any law, ordinance or regulation of any governmental entity, except for possible violations that either singly or in the aggregate do not and will not have a Material Adverse Effect. The Company is not required under federal, state or local law, rule or regulation to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under the Transaction Documents (other than any SEC, FINRA or state securities filings that may be required to be made by the Company in connection with or subsequent to any Closing or any registration statement that may be filed pursuant hereto); provided that, for purposes of the representation made in this sentence, the Company is assuming and relying upon the accuracy of the relevant representations and agreements of Investor herein.

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Section 3.17 NO MATERIAL ADVERSE CHANGE. No event has occurred that would have a Material Adverse Effect on the Company that has not been disclosed in the SEC filings.

Section 3.18 LITIGATION AND OTHER PROCEEDINGS. Except as disclosed in the SEC Documents or as set forth on Schedule 4.8, there are no actions, suits, investigations, inquiries or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties, nor has the Company received any written or oral notice of any such action, suit, proceeding, inquiry or investigation, which would have a Material Adverse Effect. No judgment, order, writ, injunction or decree or award has been issued by or, to the knowledge of the Company, requested of any court, arbitrator or governmental agency which would have a Material Adverse Effect. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company, any Subsidiary or any current or former director or officer of the Company or any Subsidiary.

Section 3.19 REGISTRATION RIGHTS. Except as set forth on Schedule 4.9, in the Registration Rights Agreement by and between the Parties of even date herewith, attached hereto as Exhibit B, no Person (other than the Investor) has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company or any Subsidiary.

ARTICLE IV COVENANTS OF INVESTOR

Section 4.1 SHORT SALES AND CONFIDENTIALITY. Neither the Investor, nor any affiliate of the Investor, trading for or on behalf of the Investor as a “related party” as defined by Item 404 of Regulation SK, will execute any Short Sales (as defined by the US Securities and Exchange Commission) during the period from the date hereof to the end of the Commitment Period. For the purposes hereof, and in accordance with Regulation SHO, the sale after delivery of the Drawdown Notice of such number of shares of Common Stock reasonably expected to be purchased under the Drawdown Notice shall not be deemed a Short Sale. The Investor shall, until such time as the transactions contemplated by the Transaction Documents are publicly disclosed by the Company in accordance with the terms of the Transaction Documents, maintain the confidentiality of the existence and terms of this transaction and the information included in the Transaction Documents.

Section 4.2 COMPLIANCE WITH LAW; TRADING IN SECURITIES. The Investor’s trading activities with respect to shares of Common Stock will be in compliance with all applicable state and federal securities laws and regulations and the rules and regulations of FINRA and the Principal Market.

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ARTICLE V COVENANTS OF THE COMPANY

Section 5.1 LISTING OF COMMON STOCK. The Company shall promptly secure the listing of all of the Drawdown Notice Shares to be issued to the Investor hereunder on the Principal Market (subject to official notice of issuance) and shall use commercially reasonable efforts to maintain, so long as any shares of Common Stock shall be so listed, the listing of all such Drawdown Notice Shares from time to time issuable hereunder. The Company shall use its commercially reasonable efforts to continue the listing and trading of the Common Stock on the Principal Market (including, without limitation, maintaining sufficient net tangible assets) and will comply in all respects with the Company’s reporting, filing and other obligations under the bylaws or rules of FINRA and the Principal Market.

Section 5.2 FILING OF CURRENT REPORT AND REGISTRATION STATEMENT. The Company agrees that it shall file a Current Report on Form 8-K, including the Transaction Documents as exhibits thereto, with the SEC within the time required by the Exchange Act, relating to the transactions contemplated by, and describing the material terms and conditions of, the Transaction Documents (the “Current Report”). The Company shall permit the Investor to review and comment upon the final pre-filing draft version of the Current Report at least two (2) Business Days prior to its filing with the SEC, and the Company shall give reasonable consideration to all such comments. The Investor shall use its commercially reasonable efforts to comment upon the final pre-filing draft version of the Current Report within one (1) Business Day from the date the Investor receives it from the Company. The Company shall also file with the SEC, within forty-five (45) Business Days from the date hereof, a new registration statement (the “Registration Statement”) covering only the resale of the Drawdown Notice Shares and any other shares as directed by Investor.

Section 5.3 USE OF PROCEEDS. Subject to the provisions of the Registration Statement, the proceeds from received by the Company from the sale and issuance to the Investor of the Drawdown Notice Shares shall be used only to finance the Company’s product prototypes, product production, working capital requirements and general corporate purposes.

ARTICLE VI CONDITIONS TO DELIVERY OF DRAWDOWN NOTICE AND CONDITIONS TO CLOSING

Section 6.1 CONDITIONS PRECEDENT TO THE RIGHT OF THE COMPANY TO ISSUE AND SELL DRAWDOWN NOTICE SHARES. The right of the Company to issue and sell the Drawdown Notice Shares to the Investor is subject to the satisfaction of each of the conditions set forth below:

- (a) ACCURACY OF COMPANY’S REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Company shall be true and correct in all material respects as of the date of this Agreement and as of the date of each Closing as though made at each such time.

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- (b) ADVERSE CHANGES. Since the date of filing of the Company’s most recent SEC Document, no event that had or is reasonably likely to have a Material Adverse Effect has occurred.
- (c) NO KNOWLEDGE. The Company shall have no knowledge of an event it reasonably deems more likely than not to have the effect of causing the Registration Statement to be suspended or otherwise ineffective (which event is more likely than not to occur within the fifteen (15) Business Days following the Business Day on which such Drawdown Notice is deemed delivered).
- (d) PERFORMANCE BY COMPANY. Company shall have performed, satisfied and complied in all respects with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to such Closing.
- (e) PRINCIPAL MARKET REGULATION. The Company shall not issue any Drawdown Notice Shares, and the Investor shall not have the right to receive any Drawdown Notice Shares, if the issuance of such Drawdown Notice Shares would exceed the aggregate number of shares of Common Stock which the Company may issue without breaching the Company’s obligations under the rules or regulations of the Principal Market (the “Exchange Cap”).
- (f) NO VIOLATION OF SHAREHOLDER APPROVAL REQUIREMENT. The issuance of the Drawdown Notice Shares shall not violate the shareholder approval requirements of the Principal Market.

Section 6.2 CONDITIONS PRECEDENT TO THE OBLIGATION OF INVESTOR TO DRAWDOWN NOTICE SHARES. The obligation of the Investor hereunder to purchase Drawdown Notice Shares is subject to the satisfaction of each of the following conditions:

- (a) EFFECTIVE REGISTRATION STATEMENT. The Registration Statement, and any amendment or supplement thereto, shall remain effective for the resale by the Investor of the Drawdown Notice Shares and (i) neither the Company nor the Investor shall have received notice that the SEC has issued or intends to issue a stop order with respect to such Registration Statement or that the SEC otherwise has suspended or withdrawn the effectiveness of such Registration Statement, either temporarily or permanently, or intends or has threatened to do so and (ii) no other suspension of the use of, or withdrawal of the effectiveness of, such Registration Statement or related prospectus shall exist.
- (b) ACCURACY OF THE COMPANY'S REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Company's shall be true and correct in all material respects as of the date of this Agreement and as of the date of each Closing (except for representations and warranties specifically made as of a particular date).
- (c) PERFORMANCE BY THE COMPANY. The Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company.

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- (d) NO INJUNCTION. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or adopted by any court or governmental authority of competent jurisdiction that prohibits or directly and materially adversely affects any of the transactions contemplated by the Transaction Documents, and no proceeding shall have been commenced that may have the effect of prohibiting or materially adversely affecting any of the transactions contemplated by the Transaction Documents.
- (e) SEC DOCUMENTS. All reports, schedules, registrations, forms, statements, information and other documents required to have been filed by the Company with the SEC pursuant to the reporting requirements of the Exchange Act shall have been filed with the SEC within the applicable time periods prescribed for such filings under the Exchange Act.
- (f) NO SUSPENSION OF TRADING IN OR DELISTING OF COMMON STOCK. The trading of the Common Stock shall not have been suspended by the SEC, the Principal Market or FINRA, or otherwise halted for any reason, and the Common Stock shall have been approved for listing or quotation on and shall not have been delisted from the Principal Market. In the event of a suspension, delisting, or halting for any reason, of the trading of the Common Stock, as contemplated by this Section 7.2(f), the Investor shall have the right to return to the Company any amount of Drawdown Notice Shares associated with such Drawdown Notice, and the Investment Amount with respect to such Drawdown Notice shall be reduced accordingly.
- (g) BENEFICIAL OWNERSHIP LIMITATION. The number of Drawdown Notice Shares then to be purchased by the Investor shall not exceed the number of such shares that, when aggregated with all other shares of Common Stock then owned by the Investor beneficially or deemed beneficially owned by the Investor, would result in the Investor owning more than the Beneficial Ownership Limitation (as defined below), as determined in accordance with Section 16 of the Exchange Act and the regulations promulgated thereunder. For purposes of this Section 7.2(g), in the event that the amount of Common Stock outstanding is greater on a Closing Date than on the date upon which the Drawdown Notice associated with such Closing Date is given, the amount of Common Stock outstanding on such issuance of a Drawdown Notice shall govern for purposes of determining whether the Investor, when aggregating all purchases of Common Stock made pursuant to this Agreement, would own more than the Beneficial Ownership Limitation following such Closing Date. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately prior to the issuance of shares of Common Stock issuable pursuant to a Drawdown Notice. The Investor, upon not less than 61 days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 7.2(g), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of the Drawdown Notice Shares. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company.

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- (h) PRINCIPAL MARKET REGULATION. The issuance of the Drawdown Notice Shares shall not exceed the Exchange Cap.
- (i) DEPOSITING SHARES. In the event that the investor cannot deposit the shares for any reason, for example the Stock is not "DWAC Eligible", the price is too low or it is subject to a "DTC chill," the Drawdown will be delayed until the shares can be deposited.

ARTICLE VII LEGENDS

Section 7.1 NO RESTRICTIVE STOCK LEGEND. No restrictive stock legend shall be placed on the share certificates representing the Drawdown Notice Shares.

Section 7.2 INVESTOR'S COMPLIANCE. Nothing in this Article VIII shall affect in any way the Investor's obligations hereunder to comply with all applicable securities laws upon the sale of the Common Stock.

ARTICLE VIII NOTICES; INDEMNIFICATION

Section 8.1 NOTICES. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (a) personally served, (b) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (c) delivered by reputable air courier service with charges prepaid, or (d) transmitted by hand delivery, telegram, or email as a PDF, addressed as set forth below or to such other address as the Party shall have specified most recently by written notice given in accordance herewith. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (i) upon hand delivery or delivery by email at the address designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (ii) on the second business day following the date of mailing by express courier service or on the fifth business day after deposited in the mail, in each case, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.

The addresses for such communications shall be:

If to the Company:

Creatd Inc.
Attn:

If to the Investor:

Coventry Enterprises, LLC Attention: Jack Bodenstein
80 Southwest 8th Street, Suite 2000
Miami, FL 33130
Email: JackBodenstein@gmail.com

With a mandatory copy (which shall not constitute notice):

Clark Hill PLC
Attention: Randolph W. Katz, Esq.
555 South Flower Street, 24 Floor
Los Angeles, California 90071
Email: Rkatz@clarkhill.com

Either party hereto may from time to time change its address or email for notices under this Section 9.1 by giving at least ten (10) calendar days' prior written notice of such changed address to the other party hereto.

Section 8.2 INDEMNIFICATION. Each Party (an "Indemnifying Party") agrees to indemnify and hold harmless the other Party along with its officers, directors, employees, and authorized agents, and each Person or entity, if any, who controls such party within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (an "Indemnified Party") from and against any Damages, joint or several, and any action in respect thereof to which the Indemnified Party becomes subject to, resulting from, arising out of or relating to (i) any misrepresentation, breach of warranty or nonfulfillment of or failure to perform any covenant or agreement on the part of the Indemnifying Party contained in this Agreement, (ii) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post-effective amendment thereof or supplement thereto, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, (iii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in the light of the circumstances under which the statements therein were made, not misleading, or (iv) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation under the Securities Act, the Exchange Act or any state securities law, as such Damages are incurred, except to the extent such Damages result primarily from the Indemnified Party's failure to perform any covenant or agreement contained in this Agreement or the Indemnified Party's negligence, recklessness or bad faith in performing its obligations under this Agreement; provided, however, that the foregoing indemnity agreement shall not apply to any Damages of an Indemnified Party to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made by an Indemnifying Party in reliance upon and in conformity with written information furnished to the Indemnifying Party by the Indemnified Party expressly for use in the Registration Statement, any post-effective amendment thereof or supplement thereto, or any preliminary prospectus or final prospectus (as amended or supplemented).

Section 8.3 METHOD OF ASSERTING INDEMNIFICATION CLAIMS. All claims for indemnification by any Indemnified Party under Section 9.2 shall be asserted and resolved as follows:

- (a) In the event any claim or demand in respect of which an Indemnified Party might seek indemnity under Section 9.2 is asserted against or sought to be collected from such Indemnified Party by a Person other than a party hereto or an affiliate thereof (a "Third-Party Claim"), the Indemnified Party shall deliver a written notification, enclosing a copy of all papers served, if any, and specifying the nature of and basis for such Third-Party Claim and for the Indemnified Party's claim for indemnification that is being asserted under any provision of Section 9.2 against an Indemnifying Party, together with the amount or, if not then reasonably ascertainable, the estimated amount, determined in good faith, of such Third-Party Claim (a "Claim Notice") with reasonable promptness to the Indemnifying Party. If the Indemnified Party fails to provide the Claim Notice with reasonable promptness after the Indemnified Party receives notice of such Third-Party Claim, the Indemnifying Party shall not be obligated to indemnify the Indemnified Party with respect to such Third-Party Claim to the extent that the Indemnifying Party's ability to defend has been prejudiced by such failure of the Indemnified Party. The Indemnifying Party shall notify the Indemnified Party as soon as practicable within the period ending thirty (30) calendar days following receipt by the Indemnifying Party of either a Claim Notice or an Indemnity Notice (as defined below) (the "Dispute Period") whether the Indemnifying Party disputes its liability or the amount of its liability to the Indemnified Party under Section 9.2 and whether the Indemnifying Party desires, at its sole cost and expense, to defend the Indemnified Party against such Third-Party Claim.
- (i) If the Indemnifying Party notifies the Indemnified Party within the Dispute Period that the Indemnifying Party desires to defend the Indemnified Party with respect to the Third-Party Claim pursuant to this Section 9.3(a), then the Indemnifying Party shall have the right to defend, with counsel reasonably satisfactory to the Indemnified Party, at the sole cost and expense of the Indemnifying Party, such Third-Party Claim by all appropriate proceedings, which proceedings shall be vigorously and diligently prosecuted by the Indemnifying Party to a final conclusion or will be settled at the discretion of the Indemnifying Party (but only with the consent of the Indemnified Party in the case of any settlement that provides for any relief other than the payment of monetary damages or that provides for the payment of monetary damages as to which the Indemnified Party shall not be indemnified in full pursuant to Section 9.2). The Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof; provided, however, that the Indemnified Party may, at the sole cost and expense of the Indemnified Party, at any time prior to the Indemnifying Party's delivery of the notice referred to in the first sentence of this clause (i), file any motion, answer or other pleadings or take any other action that the Indemnified Party reasonably believes to be necessary or appropriate to protect its interests; and provided, further, that, if requested by the Indemnifying Party, the Indemnified Party will, at the sole cost and expense of the Indemnifying Party, provide reasonable cooperation to the Indemnifying Party in contesting any Third-Party Claim that the Indemnifying Party elects to contest. The Indemnified Party may participate in, but not control, any defense or settlement of any Third-Party Claim controlled by the Indemnifying Party pursuant to this clause (i), and except as provided in the preceding sentence, the Indemnified Party shall bear its own costs and expenses with respect to such participation. Notwithstanding the foregoing, the Indemnified Party may take over the control of the defense or settlement of a Third-Party Claim at any time if it irrevocably waives its right to indemnity under Section 9.2 with respect to such Third-Party Claim.

- (ii) If the Indemnifying Party fails to notify the Indemnified Party within the Dispute Period that the Indemnifying Party desires to defend the Third-Party Claim pursuant to Section 9.3(a), or if the Indemnifying Party gives such notice but fails to prosecute vigorously and diligently or settle the Third-Party

Claim, or if the Indemnifying Party fails to give any notice whatsoever within the Dispute Period, then the Indemnified Party shall have the right to defend, at the sole cost and expense of the Indemnifying Party, the Third-Party Claim by all appropriate proceedings, which proceedings shall be prosecuted by the Indemnified Party in a reasonable manner and in good faith or will be settled at the discretion of the Indemnified Party (with the consent of the Indemnifying Party, which consent will not be unreasonably withheld). The Indemnified Party will have full control of such defense and proceedings, including any compromise or settlement thereof; provided, however, that if requested by the Indemnified Party, the Indemnifying Party will, at the sole cost and expense of the Indemnifying Party, provide reasonable cooperation to the Indemnified Party and its counsel in contesting any Third-Party Claim which the Indemnified Party is contesting. Notwithstanding the foregoing provisions of this clause (ii), if the Indemnifying Party has notified the Indemnified Party within the Dispute Period that the Indemnifying Party disputes its liability or the amount of its liability hereunder to the Indemnified Party with respect to such Third-Party Claim and if such dispute is resolved in favor of the Indemnifying Party in the manner provided in clause (iii) below, the Indemnifying Party will not be required to bear the costs and expenses of the Indemnified Party's defense pursuant to this clause (ii) or of the Indemnifying Party's participation therein at the Indemnified Party's request, and the Indemnified Party shall reimburse the Indemnifying Party in full for all reasonable costs and expenses incurred by the Indemnifying Party in connection with such litigation. The Indemnifying Party may participate in, but not control, any defense or settlement controlled by the Indemnified Party pursuant to this clause (ii), and the Indemnifying Party shall bear its own costs and expenses with respect to such participation.

(iii) If the Indemnifying Party notifies the Indemnified Party that it does not dispute its liability or the amount of its liability to the Indemnified Party with respect to the Third-Party Claim under Section 9.2 or fails to notify the Indemnified Party within the Dispute Period whether the Indemnifying Party disputes its liability or the amount of its liability to the Indemnified Party with respect to such Third-Party Claim, the amount of Damages specified in the Claim Notice shall be conclusively deemed a liability of the Indemnifying Party under Section 9.2 and the Indemnifying Party shall pay the amount of such Damages to the Indemnified Party on demand. If the Indemnifying Party has timely disputed its liability or the amount of its liability with respect to such claim, the Indemnifying Party and the Indemnified Party shall proceed in good faith to negotiate a resolution of such dispute; provided, however, that, if the dispute is not resolved within thirty (30) calendar days after the Claim Notice, the Indemnifying Party shall be entitled to institute such legal action as it deems appropriate.

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- (b) In the event any Indemnified Party should have a claim under Section 9.2 against the Indemnifying Party that does not involve a Third-Party Claim, the Indemnified Party shall deliver a written notification of a claim for indemnity under Section 9.2 specifying the nature of and basis for such claim, together with the amount or, if not then reasonably ascertainable, the estimated amount, determined in good faith, of such claim (an "Indemnity Notice") with reasonable promptness to the Indemnifying Party. The failure by any Indemnified Party to give the Indemnity Notice shall not impair such party's rights hereunder except to the extent that the Indemnifying Party demonstrates that it has been irreparably prejudiced thereby. If the Indemnifying Party notifies the Indemnified Party that it does not dispute the claim or the amount of the claim described in such Indemnity Notice or fails to notify the Indemnified Party within the Dispute Period whether the Indemnifying Party disputes the claim or the amount of the claim described in such Indemnity Notice, the amount of Damages specified in the Indemnity Notice will be conclusively deemed a liability of the Indemnifying Party under Section 9.2 and the Indemnifying Party shall pay the amount of such Damages to the Indemnified Party on demand. If the Indemnifying Party has timely disputed its liability or the amount of its liability with respect to such claim, the Indemnifying Party and the Indemnified Party shall proceed in good faith to negotiate a resolution of such dispute; provided, however, that, if the dispute is not resolved within thirty (30) calendar days after the Claim Notice, the Indemnifying Party shall be entitled to institute such legal action as it deems appropriate.
- (c) The Indemnifying Party agrees to pay the Indemnified Party, promptly as such expenses are incurred and are due and payable, for any reasonable legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim.
- (d) The indemnity provisions contained herein shall be in addition to (i) any cause of action or similar rights of the Indemnified Party against the Indemnifying Party or others, and (ii) any liabilities the Indemnifying Party may be subject to.

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ARTICLE IX MISCELLANEOUS

Section 9.1 GOVERNING LAW; JURISDICTION. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to the principles of conflicts of law. Each of the Parties irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement brought by any other party or its successors or assigns shall be brought and determined in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (unless the Delaware Court of Chancery shall decline to accept jurisdiction over a particular matter, in which case, in any federal court within the State of Delaware), and each of the Parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such action or proceeding arising out of or relating to this Agreement. Each of the Parties agrees not to commence any action, suit or proceeding relating thereto except in the courts described above in Delaware, other than actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in Delaware as described herein. Each of the parties further agrees that notice as provided herein shall constitute sufficient service of process and the parties further waive any argument that such service is insufficient. Each of the Parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, (a) any claim that it is not personally subject to the jurisdiction of the courts in Delaware as described herein for any reason, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (c) that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper, or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

Section 9.2 JURY TRIAL WAIVER. To the maximum extent permitted by law, the Company and the Investor hereby waive a trial by jury in any action, proceeding or counterclaim brought by either of the Parties hereto against the other in respect of any matter arising out of or in connection with the Transaction Documents.

Section 9.3 ASSIGNMENT. The Transaction Documents shall be binding upon and inure to the benefit of the Company and the Investor and their respective successors. Neither this Agreement nor any rights of the Investor or the Company hereunder may be assigned by either party to any other Person.

Section 9.4 NO THIRD-PARTY BENEFICIARIES. This Agreement is intended for the benefit of the Company and the Investor and their respective successors, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as set forth in Section 9.3.

Section 9.5 TERMINATION. The Company may terminate this Agreement at any time by written notice to the Investor in the event of a material breach of this Agreement by the Investor. In addition, this Agreement shall automatically terminate on the earlier of (i) the end of the Commitment Period; (ii) the date that the Company sells and the Investor purchases the Commitment Amount; (iii) the date on which the Registration Statement is no longer effective, so long as such lack of effectiveness is not caused by a breach by the Company of its obligations hereunder, or (iv) the date that, pursuant to or within the meaning of any Bankruptcy Law, the Company commences a voluntary case or any Person commences a proceeding against the Company (if such involuntary proceedings are not dismissed within sixty (60) calendar days of such filing), a Custodian is appointed for the Company or for all or substantially all of its property or the Company makes a general assignment for the benefit of its creditors; provided, however, that the provisions of Articles III, IV, V, VI, IX and the agreements and covenants of the Company and the Investor set forth in Article X shall survive the termination

Section 9.6 ENTIRE AGREEMENT. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the Company and the Investor with respect to the matters covered herein and therein and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the Parties acknowledge have been merged into such documents, exhibits and schedules.

Section 9.7 FEES AND EXPENSES. Except as expressly set forth in the Transaction Documents or any other writing to the contrary, each Party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement except that the Investor will withhold from the first closing and directly pay placement agent fees of 2% of the Investment Amount set forth in each Drawdown Notice to JH Darby & Co., Inc. The Company shall pay any Transfer Agent fees (including any fees required for same-day processing of any instruction letter delivered by the Company), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Investor.

Section 9.8 COUNTERPARTS. The Transaction Documents may be executed in multiple counterparts, each of which may be executed by less than all of the Parties and shall be deemed to be an original instrument which shall be enforceable against the Parties actually executing such counterparts and all of which together shall constitute one and the same instrument. The Transaction Documents may be delivered to the other parties hereto by email of a copy of the Transaction Documents bearing the signature of the parties so delivering this Agreement.

Section 9.9 SEVERABILITY. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided that such severability shall be ineffective if it materially changes the economic benefit of this Agreement to any Party.

Section 9.10 FURTHER ASSURANCES. Each Party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

Section 9.11 NO STRICT CONSTRUCTION. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and no rules of strict construction will be applied against any Party.

Section 9.12 EQUITABLE RELIEF. The Company recognizes that in the event that it fails to perform, observe, or discharge any or all of its obligations under this Agreement, any remedy at law may prove to be inadequate relief to the Investor. The Company therefore agrees that the Investor shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

Section 9.13 TITLE AND SUBTITLES. The titles and subtitles used in this Agreement are used for the convenience of reference and are not to be considered in construing or interpreting this Agreement.

Section 9.14 AMENDMENTS; WAIVERS. No provision of this Agreement may be amended or waived by the Parties from and after the date that is one (1) Business Day immediately preceding the initial filing of the Registration Statement with the SEC. Subject to the immediately preceding sentence, (i) no provision of this Agreement may be amended other than by a written instrument signed by both Parties hereto and (ii) no provision of this Agreement may be waived other than in a written instrument signed by the Party against whom enforcement of such waiver is sought. No failure or delay in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

Section 9.15 PUBLICITY. The Company and the Investor shall consult with each other in issuing any press releases or otherwise making public statements with respect to the transactions contemplated hereby and no Party shall issue any such press release or otherwise make any such public statement, other than as required by law, without the prior written consent of the other parties, which consent shall not be unreasonably withheld or delayed, except that no prior consent shall be required if such disclosure is required by law, in which such case the disclosing Party shall provide the other Party with prior notice of such public statement. Notwithstanding the foregoing, the Company shall not publicly disclose the name of the Investor without the prior written consent of the Investor, except to the extent required by law. The Investor acknowledges that the Transaction Documents may be deemed to be "material contracts," as that term is defined by Item 601(b)(10) of Regulation S-K, and that the Company may therefore be required to file such documents as exhibits to reports or registration statements filed under the Securities Act or the Exchange Act. The Investor further agrees that the status of such documents and materials as material contracts shall be determined solely by the Company, in consultation with its counsel.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.


PROPANC BIOPHARMA INC.

By: 

Name: James Nathanielsz
Title: CEO

COVENTRY ENTERPRISES, LLC

By:



Name: Jack Bodenstein
Title: Managing Member

[Signature Page to Common Stock Purchase Agreement]

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**DISCLOSURE SCHEDULES TO
EQUITY PURCHASE AGREEMENT**

Schedule 4.3 – Capitalization

Schedule 4.4 – SEC Documents

Schedule 4.8 – Litigation

Schedule 4.9 – Registration Rights

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EXHIBIT A

FORM OF DRAWDOWN NOTICE

TO: COVENTRY ENTERPRISES, LLC

We refer to the Common Stock Purchase Agreement, dated as of [], 2022, (the “Agreement”), entered into by and between PROPANC BIOPHARMA INC. and you. Capitalized terms defined in the Agreement shall, unless otherwise defined herein, have the same meaning when used herein.

We hereby:

- 1) Give you notice that we require you to purchase _____ Drawdown Notice Shares; and
- 2) Certify that, as of the date hereof, the conditions set forth in Section 7.2 of the Agreement are satisfied.

PROPANC BIOPHARMA INC.

By: _____

Name: _____

Title: _____

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