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Copies of this Document are being sent to Shareholders. If you have sold or otherwise transferred all of your ordinary shares in SalvaRx Group Plc, please forward this Document and the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or transferred part only of your holding in ordinary shares in SalvaRx Group Plc, you should retain this Document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

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The London Stock Exchange has not examined or approved the contents of this Document. The Directors, whose names are set out at page 11, and the Company accept responsibility for the information contained in this Document including individual and collective responsibility. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The whole of the text of this Document should be read.

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This Document does not constitute any offer to issue or sell or a solicitation of any offer to subscribe for or buy ordinary shares in SalvaRx Group Plc.

SALVARX GROUP PLC

(Incorporated and registered in the Isle of Man under the Companies Act 2006 registered number 000258V)

Proposed Disposal of interest in SalvaRx Limited

Demerger of Consideration Shares

and

Notice of Annual General Meeting

Notice of the Annual General Meeting to be held at 3.00 p.m. on 8 January 2019 (the "AGM") at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX is set out at the end of this Document.

A Form of Proxy is enclosed with this Document for use in connection with the AGM. To be valid, Forms of Proxy and any power of attorney or other authority under which it is signed must be lodged with Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than **3.00 p.m. on 4 January 2019** or 48 hours before any adjourned meeting.

A summary of the action to be taken by Shareholders is set out on page 29 and in the Notice of AGM set out at the end of this Document. Completion of a Form of Proxy will not prevent a Shareholder from attending and voting at the AGM in person save that in each case the Shareholder should contact Link Asset Services in advance to confirm what

identity documents they should bring with them and if necessary to complete a form of representation (available on request from Link Asset Services).

Pursuant to Regulation 22 of the Uncertificated Securities Regulations 2006 (Isle of Man), only those shareholders registered in the register of members of the Company as at 3.00 p.m. on 4 January 2019 (or in the event that the meeting is adjourned, at close of business on the date which is 48 hours before the adjourned meeting) shall be entitled to attend, speak or vote at the meeting in respect of the ordinary shares registered in their name at that time. Changes to entries on the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

OVERSEAS SHAREHOLDERS

The implications of the Demerger for, and the distribution of this Document to, Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which such Overseas Shareholders are located. Such Overseas Shareholders should inform themselves about, and observe, all applicable legal requirements.

It is the responsibility of any person into whose possession this Document comes to satisfy themselves as to their full observance of the laws of the relevant jurisdiction in connection with the Demerger and the distribution of this Document, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Demerger in their particular circumstances.

US RESTRICTIONS

For a period of six months from the date of the Demerger (the “Restricted Period”), Demerger Shares are not permitted to be held by, transferred to, or in any way benefit (whether by way of legal, beneficial or economic ownership or control), any person, company, limited partnership or other undertaking, who or which is a US national or otherwise domiciled or resident anywhere in the US or holds a US passport. Additionally, during the Restricted Period, all Demerger Shares are ineligible for trading on the OTC market or any other trading platform in the United States. Any purported transfers in breach of the above restrictions will be rejected by the Company, Portage and TSX Trust.

The Demerger Shares have not been registered with any securities regulatory authority of any state or other jurisdiction of the United States and, may not be offered for sale or subscription or placed or sold or subscribed directly or indirectly within the United States. The Demerger Shares have not been, and will not be, registered under the Securities Act. The Demerger Shares may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) except following expiry of the Restricted Period and at all times in accordance with the Securities Act or an exemption there from.

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DEFINITIONS

The following definitions apply throughout this Document unless the context requires otherwise:

““A” Independent Director”	Colin Weinberg and Richard Armstrong, being the independent directors of the Company for the purpose of the Disposal, being a related party transaction pursuant to Rule 13 of the AIM Rules
“Acquisition”	the proposed acquisition from the Company of a 94.2 per cent. interest in Target by Portage in accordance with the terms of the Sale Agreement
“AGM”	the annual general meeting of Shareholders to be held at 3.00 p.m. on 8 January 2019, notice of which is set out at Part III of this Document, or any adjournment of that meeting
“AIM”	the AIM Market operated by the London Stock Exchange
“AIM Rules”	together the AIM Rules for Companies, the AIM Rules for Nominated Advisers and the AIM Disciplinary Procedures and Appeals Handbook as published from time to time
“Applicable Restrictions”	any restrictions on Shareholders under the Securities Act (as more particularly set out at paragraph 8 of Part I of this Document)
“Articles Resolution”	the resolution numbered 5 set out in the Notice in relation to the approval and adoption of the New Articles
“B” Independent Director”	James Mellon and Dr Greg Bailey, being independent directors of the Company for the purpose of the Option Redemption, a related party transaction pursuant to Rule 13 of the AIM Rules
“BVI”	the British Virgin Islands
“Company”	SalvaRx Group Plc, a company incorporated and domiciled in the Isle of Man with Company Number 000258V
“Conditions Precedent”	the conditions precedent to the Disposal by the Company, and the Acquisition by Portage, set out in the Sale Agreement and as more particularly set out at paragraph 6 of Part I of this Document
“Consideration”	US\$67.5 million to be satisfied by the issue of the Consideration Shares
“Consideration Shares”	757,943,784 Portage Shares, issued as fully paid shares at an implied price per share equal to the Portage Share Price
“CREST”	the computerised settlement system used to facilitate the transfer of title to shares in uncertificated form
“CSE”	the Canadian Securities Exchange
“CREST Regulations”	the Uncertificated Securities Regulations 2006 (SD No. 743/06) of the Isle of Man
“Current Articles”	the current Articles of Association of the Company as at the date of this Document

“Custodian”	Hill Dickinson LLP, the Company’s UK legal counsel
“Date of Grant”	8 January 2019, subject to the approval of the Resolutions
“Demerger”	together the proposed Share Split and Redemption in accordance with the Demerger Resolution to be considered and, if thought fit, approved by Shareholders at the AGM
“Demerger Record Date”	5.00 p.m. on 8 January 2019
“Demerger Resolution”	the resolution numbered 6 set out in the Notice
“Demerger Shares”	not less than 660,593,556 Portage Shares, to be distributed to Shareholders, as part of the Demerger (such figure increasing by 18 Portage Shares for each new Ordinary Share issued by the Company on exercise of any Northland Warrants prior to the Demerger Record Date)
“Diluted Basis”	39,234,089 Ordinary Shares, representing the total number of Ordinary Shares in issue as at 14 August 2018 (being 36,466,619 Ordinary Shares) plus 2,767,470 Ordinary Shares in respect of the notional exercise of the Redemption Options
“Directors” or the “Board”	the directors of the Company whose names are set out on page 11 of Part I of this Document
“Disposal”	the proposed sale by the Company of its 94.2 per cent. interest in Target to Portage in accordance with the terms of the Sale Agreement
“Document”	this document
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated in England and Wales and the operator of CREST
“Exchange Rate”	£1: US\$1.294, being the Sterling / US Dollar exchange rate as published by <i>The Financial Times, London</i> , on 7 August 2018 as at 3.00 p.m.
“Existing Ordinary Shares”	the 36,699,642 Ordinary Shares of the Company in issue at the date of this Document
“EyGen”	EyGen Limited, a company incorporated and registered in the BVI
“Form of Proxy”	the form of proxy for use by the Shareholders in connection with the AGM
“Group”	the Company and its subsidiary undertaking at the date of this Document
“Intensity”	Intensity Therapeutics Inc., a company incorporated and domiciled in Delaware, USA
“Immunova”	Immunova LLC, a company incorporated and domiciled in Delaware, USA
“IOM”	the Isle of Man
“iOx”	IOX Therapeutics Ltd, a company incorporated and registered in England and Wales with company number

09430782

“IIROC”	Investment Industry Regulatory Organization of Canada
“LOI”	the non-binding letter of intent dated 19 March 2018 between the Company and Portage in relation to the Disposal
“Nekonal”	Nekonal SARL, a company incorporated in Luxembourg, focused on developing antibodies for autoimmune diseases
“Nekonal Oncology”	Nekonal Oncology Ltd, a company incorporated and registered in the BVI
“New Articles”	subject to approval of the Resolutions, the new memorandum and articles of association to be adopted by the Company at the AGM
“New Option Holders”	means the holders of New Options as set out at paragraph 11 of Part I of this Document
“New Options”	the new options over 40,692,697 Consideration Shares granted by the Company to the New Option Holders, as set out at paragraph 11 of Part I of this Document
“New Option Shares”	means up to 40,692,697 Portage Shares capable of being transferred by the Company to the New Option Holders, pursuant to the exercise of the New Options
“Northland”	Northland Capital Partners Limited, the Company’s Nominated Adviser as at the date of this Document
“Northland Warrants”	outstanding warrants held by Northland over 182,333 Ordinary Shares as at the date of this Document (more particularly set out at paragraph 11 of this Document)
“Notice”	the notice of the AGM set out at the end of this Document
“NYSE”	the New York Stock Exchange
“Option Holders”	the holders of Redemption Options as set out at paragraph 11 of Part I of this Document
“Option Purchase Agreements”	the agreements between the New Option Holders and the Company in connection with the Option Redemption
“Option Redemption”	the purchase of the Redemption Options from the New Option Holders in consideration of the grant of the New Options as set out at paragraph 11 of Part I of this Document
“Options”	all options and warrants over Ordinary Shares outstanding as at the date of this Document and more particularly as set out at paragraph 11 of Part I of this Document
“Ordinary Shares”	the ordinary shares of the Company of 2.5 pence each
“OTC”	the stock market operated in the USA by the OTC Markets Group
“Overseas Shareholders”	Shareholders with registered addresses outside the UK or who are incorporated in, registered in or otherwise resident or located in, countries outside the UK

“Per Share Consideration Value”	US\$1.75 per Ordinary Share, being the value of the Consideration divided by the number of Ordinary Shares in issue at 13 August 2018 (after allowing for the notional exercise of the Redemption Options)
“PGL”	Portage Glasgow Limited, a company incorporated in Scotland with company number SC583928
“PharmaVentures”	PharmaVentures Limited, a company incorporated and registered in England and Wales with registered number 03419584 and having its registered office at Triumph House, Parkway Court, Oxford Business Park, Oxford OX4 2JY
“Portage”	Portage Biotech Inc., a company incorporated and domiciled in the BVI with company registration no. 1784969
“Portage Approval”	approval of the Acquisition by a majority of the disinterested Portage shareholders at the Portage Meeting of Shareholders
“Portage Independent Director”	Steven Mintz (for the purpose of the Acquisition)
“Portage Meeting of Shareholders”	the Annual and Special Meeting of Portage for the purpose of, <i>inter alia</i> , considering and if thought fit approving the Acquisition
“Portage Portfolio”	the portfolio of investments, subsidiaries and interests of Portage as summarised in paragraph 4 of Part I of this Document
“Portage Shareholder Circular”	the circular to Portage shareholders dated 26 November 2018 setting out the reasons for, and terms of, the Acquisition, and including notice of the Portage Meeting of Shareholders
“Portage Share Price”	US\$0.089, being the implied valuation of each Portage share agreed between the parties on 19 March 2018, being the date of the LOI (giving an aggregate value for Portage of approximately US\$25 million)
“Portage Shares”	the common shares in the issued share capital of Portage of no par value, which shares are traded on the CSE and the OTC
“PPL”	Portage Pharmaceuticals Limited, a company incorporated in the BVI
“Prohibited Territories”	Australia, Canada, Japan, the Republic of South Africa and the US
“Qualifying Shareholders”	Shareholders of the Company recorded on the Shareholder Register on the Demerger Record Date
“Redeemable Shares”	subject to approval of the Share Split Resolution at the AGM, the redeemable shares of no par value each in the Company, with the rights set out in the New Articles
“Redemption”	subject to approval of the Resolutions, the redemption of all Redeemable Shares by the Company on the date of the Demerger in consideration of the transfer to shareholders of not less than 660,593,556 Demerger Shares in aggregate (such figure increasing by 18 Portage Shares for each new Ordinary Share issued by the Company on exercise of the Northland

	Warrants prior to the Demerger Record Date)
“Redemption Options”	Options over a total of 2,767,470 new Ordinary Shares outstanding as at the date of this Document (being all of the outstanding Options other than Northland Warrants), as more particularly set out at paragraph 11 of Part I of this Document
“Resolutions”	the resolutions set out in the Notice to be proposed at the AGM
“Restricted Period”	the period of six months from the date of completion of the Demerger
“Retained Shares”	up to 56,657,531 Portage Shares not subject to New Options to be retained by the Company following completion of the Demerger and Option Redemption, such figure decreasing by 18 Portage Shares for each new Ordinary Share issued by the Company on exercise of a Northland Warrant prior to the Demerger Record Date)
“Rift”	Rift Biotherapeutics Inc., a company incorporated and registered in Delaware, USA
“RTO Admission”	the re-admission of the Ordinary Shares of the Company to trading on AIM on 22 March 2016
“Rule 15 Approval”	approval by Shareholders of the disposal by the Company of its interest in Target (pursuant to Rule 15 of the AIM Rules)
“Sale Agreement”	the conditional sale agreement between the Company, James Mellon, Dr Greg Bailey and Portage dated 13 August 2018 setting out the terms of the Disposal and Acquisition, and the Conditions Precedent to the transaction
“Saugatuck”	Saugatuck Therapeutics Ltd, a company incorporated and registered in the BVI
“Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“Sentien”	Sentien Biotechnologies Inc., a company incorporated and registered in Delaware, USA
“Shareholder Loans”	the aggregate loan of US\$1m from James Mellon (via Galloway Limited) and Dr Greg Bailey to the Company
“Shareholder Register”	the register of members of the Company
“Shareholders”	holders of Ordinary Shares in the Company
“Share Split”	the allotment of one Redeemable Share for each Ordinary Share in issue as at the Demerger Record Date
“Share Split Resolution”	the resolution numbered 6 set out in the Notice
“Stimunity”	Stimunity S.A.S. a company incorporated and registered in France
“Target”	SalvaRx Limited, a company incorporated and registered in the BVI with Company Registration Number 1873006

“Target Portfolio”	the portfolio of investments and interests held by Target as at the date of this Document, as described in paragraph 3 of Part I of this Document
“TSX Trust”	TSX Trust Company, being the registrar and transfer agent of Portage
“uncertificated” or “in uncertificated form”	recorded on the Shareholder Register as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US Person”	a US Person under the definition set out in Regulation S of the Securities Act, including <i>inter alia</i> any person, company, limited partnership or other undertaking, who or which is a US national or otherwise domiciled or resident anywhere in the US or holds a US passport
“Valuation Report”	the independent valuation report prepared by PharmaVentures in relation to the Target Portfolio dated 23 July 2018, jointly commissioned by the Company and Portage in accordance with the terms of the LOI

GLOSSARY OF TECHNICAL TERMS

“anti-PD-1 antibody”	anti-programmed death receptor 1.
“cell agonists”	a substance that can bind to a receptor and activate a physiological response
“CPP”	cell permeable peptide
“IMM47”	an invariant Natural Killer T-cell agonist with a 4 member carbon head structure
“IMM60”	an invariant Natural Killer T-cell agonist with a 6 member carbon head structure
“iNKT”	invariant Natural Killer T-cell
“IND”	investigational new drug
“Intratumoral”	within a tumour
“INT230-6”	a drug candidate comprising anti-cancer agents and a penetration enhancer molecule that helps disperse the drugs throughout tumours and diffuse into cancer cells, being delivered by direct intratumoral injection
“Nanolipogel” or “NLG”	Proprietary formulation from Yale that utilizes lipids and nanoparticles to encapsulate drugs with different properties and release them slowly in the body
“Phase I study”	first stage of testing in healthy volunteers
“Phase II study”	clinical trials in a small number of patients (usually 20-30) to determine safety and efficacy of a new medicine
“Phase III study”	the final stage of clinical trials prior to seeking regulatory approval, to determine efficacy and safety in a large number of patients (usually several hundred)
“T-cell”	Type of immune cell that can attack pathogen or cancer cell

DIRECTORS AND ADVISERS

Directors	James Mellon (<i>Non-Executive Chairman and a “B” Independent Director</i>) Dr Ian B Walters (<i>Chief Executive Officer</i>) Kamlesh Shah (<i>Chief Financial Officer</i>) Richard Armstrong (<i>Non-Executive Director and an “A” Independent Director</i>) Dr Greg Bailey (<i>Non-Executive Director and a “B” Independent Director</i>) Colin Weinberg (<i>Non-Executive Director and an “A” Independent Director</i>)
Company Secretary	Stone Limited Commerce House Bowring Road Ramsey Isle of Man IM8 2LQ
Registered Office	Commerce House 1 Bowring Road Ramsey Isle of Man IM8 2LQ
Nominated Adviser and Broker	Northland Capital Partners Limited 40 Gracechurch Street London EC3V 0BT
Technical Expert	PharmaVentures Limited Triumph House Parkway Court Oxford Business Park Oxford OX4 2JY
Solicitors to the Company (as to English law)	Hill Dickinson LLP The Broadgate Tower 20 Primrose St London EC2A 2EW
Legal Advisers to the Company (as to Isle of Man law)	Long & Humphrey The Old Courthouse Athol Street Douglas Isle of Man IM1 1LD
Registrar	Link Asset Services Clinch’s House Lord Street Douglas Isle of Man IM99 1RZ

STATISTICS

SALVARX GROUP PLC	
Number of Ordinary Shares in issue at the date of this Document	36,699,642 Ordinary Shares
Number of Redeemable Shares received by Qualifying Shareholders for each Ordinary Share held by them on the Demerger Record Date	1 Redeemable Share
Number of Portage Shares received by Qualifying Shareholders for each Redeemable Share	18 Portage Shares
Number of Consideration Shares	757,943,784 Portage Shares
Number of Demerger Shares	not less than 660,593,556 Portage Shares
Number of Options in issue as at the date of this Document	2,949,803
Number of Redemption Options	2,767,470
Number of New Options	40,692,697
Number of Retained Shares not subject to New Options	up to 56,657,531 Portage Shares
PORTAGE BIOTECH INC.	
Total number of Portage Shares in issue as at the date of Document	280,719,920 Portage Shares
Enlarged share capital of Portage following allotment of the Consideration Shares and allotment of Portage Shares to Mr Mellon and Dr. Bailey in respect of the disposal of their interests in Target	1,085,789,986 Portage Shares

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

SALVARX GROUP PLC	
Date of this Document	26 November 2018
Latest time and date for receipt of Forms of Proxy	By 3.00 p.m. on 4 January 2019
Annual General Meeting	3.00 p.m. on 8 January 2019
Demerger Record Date	5.00 p.m. on 8 January 2019
Issue of Redeemable Shares	5.00 p.m. on 8 January 2019
Portage registers the allotment of the Consideration Shares to the Company	5.30 p.m. on 8 January 2019
Company registers Redemption of Redeemable Shares and Portage registers transfer of Demerger Shares by the Company to Qualifying Shareholders	5.30 p.m. on 8 January 2019
Ordinary Shares marked “ex-entitlement” by the London Stock Exchange	8.00 a.m. on 9 January 2019
Expected date for despatch of definitive shares certificates in respect of the Demerger Shares (except to US Persons subject to safe-keeping and custody arrangements)	On or around 15 January 2019
End of Restricted Period	8 July 2019
Expected date for despatch of definitive share certificates in respect of Demerger Shares no longer subject to safe-keeping and custody arrangements	On or around 8 July 2019
PORTAGE BIOTECH INC.	
Posting of Portage Shareholder Circular	within 7 to 10 days from 26 November 2018
Portage Meeting of Shareholders	3.00 p.m. on 8 January 2019
Announcement by Portage confirming the result of the Portage Meeting of Shareholders	9 January 2019
Enlarged share capital of Portage approved for trading on the CSE	On or around 8 January 2019

The times and dates set out above and mentioned throughout this Document may be adjusted by the Company and Portage in consultation with Northland, London Stock Exchange PLC, the CSE and the OTC, in which event details of the new times and dates will be notified via a Regulatory Information Service.

All references in this Document to times are to London (BST) time unless otherwise stated.

PART I - LETTER FROM THE “A” INDEPENDENT DIRECTORS

SALVARX GROUP PLC

(Incorporated and registered in the Isle of Man under the Companies Act 2006 of the Isle of Man with registered number 000258V)

Directors:

James Mellon *(Non-executive Chairman and a “B” Independent Director)*
Dr. Ian Walters *(Chief Executive Officer)*
Kamlesh Shah *(Chief Financial Officer)*
Colin Weinberg *(Non-executive Director and an “A” Independent Director)*
Richard Armstrong *(Non-executive Director and an “A” Independent Director)*
Dr. Greg Bailey *(Non-executive Director and a “B” Independent Director)*

Registered Office:

Commerce House
1 Bowring Road
Ramsey
Isle of Man
IM8 2LQ

26 November 2018

To the holders of Existing Ordinary Shares and for information purposes only, to the holders of Options to subscribe for Ordinary Shares

Proposed Disposal of interest in SalvaRx Limited

Demerger of Consideration Shares

and

Notice of Annual General Meeting

Dear Shareholder

1. Introduction

SalvaRx Group Plc is a drug development company focused on cancer immunotherapy and complementary areas of oncology. Following a group restructuring conducted in March 2017, all investments and business interests of the Company are held by SalvaRx Limited (“**Target**”), the Company’s 94.2 per cent. owned subsidiary.

On 14 August 2018, the Company announced that it had entered into a conditional Sale Agreement for the disposal of its 94.2 per cent. interest in Target to Portage Biotech Inc. (“**Portage**”), in consideration of US\$67.5 million, to be satisfied by Portage issuing and allotting 757,943,784 new Portage Shares (the “**Consideration Shares**”) to the Company. The Sale Agreement includes the following Conditions Precedent:

- (i) Portage issuing and allotting the Consideration Shares to the Company;
- (ii) receipt of the Portage Approval;
- (iii) receipt of the Rule 15 Approval;
- (iv) approval of the Demerger.

Concurrent with the Disposal (and as a condition of the Sale Agreement), the Company will complete the Demerger, whereby not less than 660,593,556 of the Consideration Shares (the “**Demerger Shares**”) will be distributed to Qualifying Shareholders on a pro-rata basis, as explained below (the number of Demerger Shares increasing by 18 Portage Shares for each new Ordinary Share issued by the Company on exercise of the Northland Warrants prior to the Demerger Record Date).

The Demerger of the Consideration Shares is a condition of the Sale Agreement. Accordingly Shareholders are required to approve the Demerger as a condition of approving the Disposal (should they wish to do so). In particular, in relation to the Demerger, Shareholders are required to approve:

- a) the Company undertaking the Share Split, pursuant to which (i) Qualifying Shareholders will receive one Redeemable Share for each Ordinary Share recorded against their name in the Shareholder Register on the Demerger Record Date and (ii) each Qualifying Shareholder shall continue to hold the same number of Ordinary Shares of the same nominal value per share; and

- b) immediately following the Share Split, the Company redeeming all Redeemable Shares and, in consideration for the Redemption, the Company shall transfer the Demerger Shares to Qualifying Shareholders on the basis of eighteen (18) Demerger Shares for each Redeemable Share held.

Portage is seeking the authority of its shareholders at the Portage Meeting of Shareholders to consolidate its issued and to be issued share capital by a ratio of up to 120:1 Portage Shares at a future date which currently remains to be determined (the “**Portage Consolidation**”). The Portage Consolidation, if approved and implemented by the Portage board, would result in an adjustment to any Demerger Shares and New Option Shares on the effective date of the Portage Consolidation. Further details in relation to the Portage Consolidation are set out in the Portage Shareholder Circular, which will be available for Shareholders to download, without charge, at the following web addresses as from 26 November 2018:

<https://www.portagebiotech.com/investors/shareholder-circular.html>

<https://thecse.com/en/listings/life-sciences/portage-biotech-inc>

At the Portage Share Price (being, US\$0.089), the Disposal valued the Company’s interest in Target at US\$67.5 million. As at the close of trading on 19 March 2018, the value of Portage Shares on the OTC was US\$0.087. The “A” Independent Directors and the Portage Independent Director agreed to use US\$0.089 as the implied value of Portage Shares for the purpose of the Disposal, reflecting share prices and volumes of trading on this date.

The closing price of Portage Shares on the OTC on 10 August 2018 (being the last practicable trading date prior to announcement of the Disposal by the Company) was US\$0.10, valuing the Consideration Shares at approximately US\$75,794,000. Trading in Portage Shares on the CSE remains subject to a temporary suspension imposed by IIROC, whereas trading on the OTC was subject to a temporary suspension during the period 10 August 2018 to 20 November 2018. Portage will release an announcement on or around the date of this Document to confirm the date of the Portage Meeting of Shareholders and a trade resumption date for the CSE. As at the close of trading on 10 August 2018, the last recorded trading price of Portage Shares on CSE was US\$0.105 and was, therefore, marginally higher than the closing price for Portage Shares on the OTC on 10 August 2018. On 10 August 2018, the market capitalisation of the Company at the Exchange Rate was approximately US\$21,046,000.

As at the date of this Document, there are 2,949,803 Options over Ordinary Shares issued and outstanding and held by directors, management, consultants, advisers and other persons who have contributed to the growth of the Company.

On 14 August 2018, the Board approved a decision allowing all Option Holders (excluding Northland) to sell back a total of 2,676,470 vested and unvested Options to the Company (the “**Redemption Options**”) in consideration for the transfer by the Company to each New Option Holder of a number Consideration Shares (each transferred at an implied price equal to the Portage Share Price) as reflected the value of the Redemption Options (over and above the respective exercise prices) based on the Per Share Consideration Value. This would have resulted in the Company transferring a total of 40,692,697 Consideration Shares, in consideration for the sale and purchase of their Redemption Options.

Following recent advice from the Company’s tax advisers, the Board has formed the view that the New Option Holders can be compensated on a more tax efficient basis by exchanging their Redemption Options for New Options, subject to certain vesting conditions. Applying the same basis of valuation of the Redemption Options (outlined in the paragraph, above), the Company shall, instead, grant options over 40,692,697 Consideration Shares held by the Company to the New Option Holders (the “**New Options**”) in consideration for the sale and purchase of their Redemption Options.

Accordingly, the Company entered into option purchase agreements with each of the New Option Holders on 26 November 2018, pursuant to which the New Option Holders have agreed to sell, and the Company has agreed to purchase their respective Redemption Options (the “**Option Purchase Agreements**”) in consideration for the grant of the New Options. Subject to completion of the purchase of the Redemption Options by the Company, the Board has resolved to cancel all Redemption Options irrevocably. The Option Purchase Agreements and the terms governing the grant of the New Options are summarised in paragraph 11 below.

Following the Disposal and the Demerger, the Company shall retain up to 56,657,531 Consideration Shares (the “**Retained Shares**”), to meet its working capital requirements, and the number of Retained Shares may increase by up to 40,692,697 Consideration Shares in the event that certain New Options remain unexercised by 5.00 p.m. on 8 January 2020. The number of Retained Shares shall decrease by 18 Portage Shares for each new Ordinary Share issued by the Company to Northland in the event of the exercise of the Northland Warrants prior to the Demerger Record Date. At the Portage Share Price, and on the basis that no further Ordinary Shares are issued, the Retained Shares are valued at approximately US\$5,043,000 (£3,897,000 at the Exchange Rate). Based on the closing price of Portage Shares of US\$0.10 on the OTC on 10 August 2018 (being the last practicable trading date prior to announcement of the Disposal

by the Company), the Retained Shares had a market value of approximately US\$5,666,000 (£4,379,000 at the Exchange Rate).

The Disposal and the Demerger are both subject to the Rule 15 Approval, and the Disposal is also subject to the Portage Approval.

Given the relatively disappointing share price of the Company's shares on AIM prior to the announcement of the Disposal on 14 August 2018, the Directors determined that the Disposal and the Demerger was the best way to unlock and maximise value for Shareholders without causing dilution through raising additional funds at a price which the Directors believed did not reflect the value of the Company's underlying assets. The Company is, therefore, seeking the approval of Shareholders to undertake the Disposal and the Demerger at the AGM.

The Disposal and the Demerger will constitute a fundamental change of business under Rule 15 of the AIM Rules. On completion of the Disposal and the Demerger, the Company would cease to own, control or conduct all, or substantially all, of its existing trading business activities or assets. It would therefore be classified as an AIM Rule 15 cash shell and as such will be required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (or seek re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal and the Demerger failing which the Company's Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

The purpose of this Document is to:

- set out the background and reasons for the Disposal and the Demerger;
- explain why the Board believes that the Disposal and the Demerger are in the best interests of Shareholders as a whole;
- explain how the Disposal and the Demerger will impact the Company;
- explain the Option Redemption by the Company and terms on which the New Options are granted;
- explain the resolutions to be put to Shareholders at the AGM of the Company to be held on 8 January 2019;
- explain how Shareholders can deal in their Demerger Shares and/or New Option Shares; and
- set out the US securities law restrictions on all Shareholders and the safe-keeping and custody arrangements approved by the Company in relation to US Persons.

2. Background and Reasons for the Disposal and the Demerger

The Directors anticipate that Target will require significant funding over the next several years to support the businesses forming part of its portfolio, to develop clinical proof of concept in cancer immunotherapies and, in addition, to undertake further investments in and/or acquisitions of businesses which are complementary to the Target Portfolio.

The value of the Company's Ordinary Shares on the AIM Market prior to the announcement of 14 August 2018 did not, in the opinion of the Directors, reflect the true value of the Target Portfolio. Despite the Company undergoing a restructuring exercise in March 2017 resulting in all investments being transferred to Target, the Company had not been able to secure additional third party funding for the Target Portfolio, or for new businesses and/or investment opportunities, at a valuation which the Directors consider acceptable for Shareholders. Any funding proposals which the Company had received were at valuations that cause significant dilution to Shareholders.

Given the difficulty in funding the Target Portfolio (and potential new acquisition or investment opportunities) the Board executed the LOI and commissioned the Valuation Report. The Valuation Report, by PharmaVentures, provided a range of valuations for the Target Portfolio of between US\$67,000,000 and US\$188,000,000 (or between approximately £51,777,000 and £145,286,000 at the Exchange Rate).

Following receipt of the Valuation Report, the "A" Independent Directors negotiated with the Portage Independent Director and agreed the terms of the Sale Agreement. This included a review by the "A" Independent Directors of the Portage Portfolio, its current and future value (further details of which are set out at paragraphs 4 and 5 below).

Portage has a history of creating value for its shareholders. One of its portfolio companies, Biohaven Pharmaceutical Holding Company Ltd (NYSE: BHVN) (“**Biohaven**”), was the second largest biotech IPO on NYSE in 2017, generating gross proceeds of approximately US\$193.5 million from the fundraising. On 24 January 2018, Portage announced a distribution in specie of its stock in Biohaven to its shareholders.

The “A” Independent Directors believe that the terms of the Disposal and the Demerger will enable Shareholders to realise the value of the Target Portfolio without significant dilution caused by equity fundraising directly by the Company. In addition, as the Consideration is to be satisfied by issue of the Consideration Shares, Shareholders may retain their interest in the Target Portfolio (through their resultant interest in Portage following completion of the Demerger).

3. Information on Target and the Target Portfolio

Target is a company incorporated in the BVI and formed for the purposes of investing in and acquiring businesses focused on novel cancer immunotherapies and to develop clinical proof of concept. Target is a 94.2 per cent. owned subsidiary of the Company. Mr Mellon and Dr. Bailey each hold 2,000 shares in the issued share capital of the Target. Accordingly each of Mr Mellon and Dr. Bailey shall receive 23,563,141 Portage Shares as consideration for the disposal of their interest in Target subject to approval of the Disposal.

In addition to the funds raised from the RTO Admission, the Company has obtained funding for its various drug development programmes from Jim Mellon and Dr Greg Bailey in the form of the Shareholder Loans more particularly described in paragraph 10 of Part I of this Document.

Set out below is an overview of the Target Portfolio as at the date of this Document.

(i) IOX Therapeutics Ltd

iOx was incorporated in England and Wales on 10 February 2015 by Oxford University Innovation Limited, Oxford University’s technology transfer subsidiary, together with the Ludwig Institute. As at the date of this Document, Target holds an equity stake of 60.5 per cent. in the issued shares of iOx. iOx’s strategy is to develop a new type of immunotherapy against cancer, originally discovered through a partnership between the Ludwig Institute and Professor Cerundolo, director of the MRC Human Immunology Unit and head of the Department of Investigative Medicine at the University of Oxford.

On 1 July 2015, iOx obtained an exclusive licence (with the right to sub-licence) from the Ludwig Institute to use, research, develop and commercialise iNKT cell agonists, including compounds IMM47 and IMM60, for the treatment of various forms of human disease, including cancer, under the Ludwig Institute’s intellectual property and know-how.

Target has entered into a collaborative research agreement with Oxford University to support its Phase I Study and Phase II Study that will allow the first human testing of the lead compound under licence to iOx. This initial trial is aiming to recruit approximately 60 participants in order to evaluate the safety and efficacy of the lead compound.

In April 2016, the company was also recipient of a Horizon 2020 grant which covers the development of a second compound (IMM65). IMM65 is a nanoparticle formulation of IMM60 combined with a NY-ESO1 vaccine. All development work including two clinical trials are supported by funding from this grant to iOx and to the centres conducting this work on their behalf.

On 8 March 2018, the Company announced that in order for iOx to fund its ongoing research and development activities, iOx had issued US\$1 million of unsecured convertible loan notes (the “**Notes**”). Portage subscribed for US\$950,000 of the Notes with existing iOx shareholder Oxford Sciences Innovation plc subscribing for the balance of the Notes.

On 24 July 2018, the Company announced that iOx had suffered a delay in manufacturing its lead drug candidate IMM60 due to quality failures in the manufacturing process. iOx is planning to initiate multiple human clinical studies in 2019.

(ii) Intensity Therapeutics Inc.

On 22 April 2016, the Company announced its investment in Intensity, a US-based private biotechnology company pioneering a new approach to treating solid tumours. The Company invested US\$2 million in cash for a 9.2 per cent. interest in Intensity as part of a series A funding round.

Intensity's platform, DfuseRx SM, identifies novel formulations that can be comprised of currently approved and effective cytotoxic or other anti-cancer agents for direct injection into solid tumours. The Intensity products not only directly kill tumour cells, but also improve the presentation of tumour antigen to the immune system.

Intensity's lead product, INT230-6, shows strong efficacy in preclinical models against the primary injected tumour without the devastating systemic exposure normally associated with cytotoxic compounds. Moreover, this lead compound can stimulate a potent systemic immune response that affects distal tumours.

On 27 February 2018, Intensity reported positive safety data from its ongoing phase I/II first in human trial of INT230-6 in multiple solid tumours. Following intratumoral drug injections into superficial lesions in six patients with either ovarian, thyroid, head and neck or skin cancers, there were no dose limiting toxicities. The investigators reported three drug-related, local, mild-to-moderate reversible adverse events, no drug-related serious adverse events, no systemic adverse events and no procedure-related adverse events. These results were consistent with the observed low systemic exposure levels of the active agents comprising INT230-6.

On 22 October 2018, Intensity announced the results from its clinical trial IT-01 at the European Society for Medical Oncology (ESMO) 2018 Congress in Munich, Germany. The preliminary data from a Phase 1/2 clinical study demonstrated that INT230-6, Intensity's novel lead product candidate designed for direct intratumoral injection, was well tolerated in patients with advanced solid tumors. On 8 November 2018, Intensity announced that additional data from a phase 1/2 clinical study of INT230-6 and preclinical research highlighting the Company's proprietary DfuseRx SM technology had been presented at a poster session at the Society for Immunotherapy of Cancer's 33rd annual meeting in Washington D.C.

On 2 November 2018, Intensity announced the completion of a \$6.5 million Series B financing. Intensity plans to use the proceeds of the financing to advance the clinical development of lead product candidate INT230-6. Intensity also intends to expand the study by adding clinical sites outside the U.S. and Canada, as well as adding combination arms with an anti-PD-1 antibody. Following the completion of the Series B financing, Target now has an interest of approximately 7 per cent. in the equity of Intensity.

(iii) *Nekonal Oncology Limited*

On 28 February 2017, Target announced that it had entered into an investment and collaboration agreement with Nekonal SARL ("**Nekonal Agreement**"), a Luxembourg-based company holding intellectual property rights for therapeutics and diagnostics in the field of autoimmune disorders and oncology.

As part of the agreement, Target and Nekonal have formed a joint venture company, Nekonal Oncology Ltd, which is working to utilise Target's management and drug development expertise to exclusively explore the applications of Nekonal's technology in cancer immunotherapy.

Under the terms of the Nekonal Agreement, Target invested an initial €600,000, with agreement to fund up to an additional €300,000, subject to certain milestones being achieved. The initial investment comprised a €300,000 convertible loan in Nekonal to participate in the funding of its auto-immune programmes and a €300,000 equity investment in Nekonal Oncology, giving Target a 33 per cent equity interest in that company.

Nekonal Oncology is focussing on the development of first-in-class antibodies against a novel T-cell based target having potential for use as a monotherapy and combination therapy for solid and haematological malignancies. Target is overseeing a work plan to advance multiple therapeutic antibodies towards the clinic for use in oncology. Dr Ian Walters, the CEO of Target and the Company, is the current CEO of Nekonal Oncology.

(iv) *Rift Biotherapeutics Inc.*

On 20 March 2017, the Company announced that Target had entered into an agreement to invest in Rift Biotherapeutics Inc. a private, Delaware-domiciled biotechnology company focused on the development of antibodies for use in oncology.

Rift, an early stage research and development company, was founded in 2015 in order to discover and develop first-in-class antibodies implicated in the inflammatory tumour and tumour infiltrating immune cells microenvironment. Rift has a small lab space in San Diego, California. Rift recently won the Boehringer Ingelheim Innovation prize, entitling it to additional lab space at BioLabs San Diego, a Southern California based incubator for biotech start-ups.

Under the terms of the agreement, Target has invested US\$1 million for an initial holding of approximately 30 per cent. Subject to Rift achieving certain development milestones with this initial funding, Target has the option to invest up to an additional US\$1,500,000 at the same valuation and to acquire all outstanding shares of Rift in exchange for new shares in Target on the same basis. On 15 December 2017, Target invested an additional US\$350,000, raising its equity interest to 34.99 per cent.

In the Company's half yearly report for the six month period ended 30 September 2018, the investment in Rift was impaired to nil (resulting in an £815,000 exceptional write off) as activities were on hold while Rift sought further investment funds.

(v) *Saugatuck Therapeutics Ltd*

On 25 September 2017, Target entered into a joint venture agreement with Immunova, LLC, a private, Delaware-domiciled biotechnology company focused on use of nanolipogel (“NLG”) technology (the “**Saugatuck JV Agreement**”). NLG technology, invented in the lab of Dr. Tarek Fahmy at Yale University, allows different combinations of drugs to be encapsulated in a single nanomedicine and delivered selectively to the tumour micro-environment, thus potentially minimizing systemic side-effects.

The joint venture company, Saugatuck Therapeutics Ltd., holds an exclusive licence from Yale University via Immunova for use of the NLG platform for delivering DNA aptamers and certain aptamer-based combination products.

Under the terms of the Saugatuck JV Agreement, Target will initially invest up to US\$1 million, to be released in tranches on the completion of milestones. The first tranche of US\$300,000, which gave Target an equity interest of 70 per cent in the company, is to be used by Saugatuck Therapeutics to establish proof of concept for the joint venture.

4. **Information on Portage and the Portage Portfolio**

Portage Biotech Inc. (“**Portage**”) was incorporated in Ontario, Canada in 1973 and moved its jurisdiction to the BVI on 5 July 2013. Portage has a listing on the CSE in Canada and a quotation on the OTC in the USA. Portage is engaged in researching and developing pharmaceutical and biotech products through to clinical "proof of concept" with an initial focus on unmet clinical needs. Portage is particularly focused on acquiring and operating promising early-to-mid stage companies. Portage uses a group of industry and academic experts to assess information on potential acquisition and investment targets.

Portage's portfolio of investments is set out below.

(i) *Portage Pharmaceuticals Ltd*

PPL is a wholly owned subsidiary of Portage.

PPL focuses on discovering and developing innovative cell permeable peptide (CPP) therapies to normalise gene expression, restore protein function and improve medical outcomes. PPL has collaborated with world class subject area expertise in relation to its research, including, Yale, the National Eye Institute and the University of Michigan. In particular, PPL has had the following successful outcomes in its research:

- PPL has successfully validated Cell Porter ®, a proprietary cell permeable peptide platform technology derived from human proteins and which is being developed to provide peptide cargos that regulate gene function in cancer and other diseases;
- PPL has developed PPL-003 ophthalmic solution, a topical eye drop intended to treat dry eyes, uveitis and other inflammatory eye disease. PPL has put together a clinical and non-clinical development plan for PPL-003 and after a successful meeting with the FDA on 15 September 2017, PPL-003 ophthalmic solution now has a clear path to Phase I and Phase II studies in healthy patients and volunteers with any eye disease.

(ii) *EyGen Limited*

EyGen was incorporated on 28 February 2018 in the BVI and is a wholly owned subsidiary of PPL.

Eygen has been established as a new ophthalmic company for the purpose of developing preclinical ophthalmology assets through to proof of concept in relation to PPL-003 following a “spin-out” from PPL on the basis of this programme being considerably more capital intensive than its Cell Porter ® programme.

EyGen is currently seeking to raise finance of approximately US\$10 million for the purpose of funding a Phase II Study in dry eye disease to confirm its target profile of corticosteroid like efficacy without the effects of steroids. In addition to a licence for PPL-003 in ophthalmic indications, EyGen also has an exclusive licence for use of Cell Porter technology for other ophthalmic drugs.

(iii) *Sentien Biotechnologies, Inc.*

In August 2015, Portage invested US\$700,000 in Sentien to acquire 210,210 series A preferred stock options, which are convertible into an equal number of Sentien's common shares, currently representing 5.06 per cent. of Sentien's equity.

Sentien is a privately-owned, clinical-stage company pioneering new approaches to cell therapy. Sentien's technology harnesses the power of cell therapy with innovative drug delivery systems to treat a wide range of systemic inflammatory diseases. Sentien's lead product, SBI-101, is designed to allow for controlled, sustained delivery of mesenchymal stromal cell ("MSC") secreted factors. This approach immobilizes the MSCs in an extracorporeal device, allowing for doses of therapeutic factors that are unattainable by direct injection.

SBI-101 is the first product application of Sentien's platform blood-conditioning technology that has the potential to restore balance to the immune system after acute vital organ injury, such as acute kidney injury.

Sentien has raised \$15 million up to January 2018. In June 2017, it commenced its Phase 1/2 clinical trial of its lead product SBI-101, a cell-containing dialysis device for the treatment of acute kidney injury and has so far enrolled seven patients, passing the mid-point of the low dose cohort enrolment. The data safety monitoring board concluded that there were no safety issues and recommended continuation of enrolment. In February 2018, Sentien had a pre-IND meeting with the FDA to use SBI-101 for another indication – proposed acute liver failure. Sentien plans to file another IND in the second half of 2018.

(iv) *Stimunity S.A.S.*

On 28 February 2018, Portage invested approximately €500,000 into Stimunity for an equity interest of 27 per cent. and committed to invest, subject to fulfilment of certain milestones by Stimunity, a further sum of €1million on or before 31 December 2018 for a total equity interest of 44 per cent.

Stimunity is an early stage research and development company focused on the development of STING agonists in cancer. It is in the process of developing a drug, using technology licenced from Institut Curie, Inserm and Oxford University, and which has the potential to be a 'best in class', activating the innate immune response and enhancing T-Cell response against tumour cells with low immunogenicity. Its lead programme is at an early stage of pre-clinical validation.

(v) *Portage Glasgow Limited*

On 31 January 2018, PGL was incorporated in Scotland as a joint venture vehicle established by PPL and the University of Glasgow to develop more effectively-targeted drugs to treat chronic conditions including cancer. PPL has a controlling stake of 65 per cent. in relation to PGL.

PGL is focused on the commercialisation of new therapies aimed at disrupting protein-protein interactions in disease pathways which give therapeutic benefit.

The University of Glasgow is providing therapeutic peptide development through the research of Prof. George Baillie and access to a therapeutic peptide discovery platform.

5. **Financial Information on Portage**

Portage recently published its: (a) audited consolidated financial statements for the years ended 31 March 2018 and 31 March 2017; (b) annual report in Form F-20 for the year ended 31 March 2018; (c) unaudited consolidated interim financial statements for the three months ended 30 June 2018 (published on 28 August 2018); (d) discussion and analysis by management of the financial condition and financial results for Portage for the three months ended 30 June 2018; and (e) unaudited consolidated interim financial statement for the three and six months ended 30 September 2018.

The audited accounts of Portage for the period to 31 March 2018 and the unaudited interim financial statements for the three month period ended 30 June 2018 are hereby incorporated by reference and are available for Shareholders to download, without charge, at the following web addresses:

<https://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00008656>

<http://thecse.com/en/listings/life-sciences/portage-biotech-inc>

Shareholders can also view historic financial information and reports relating to Portage, by going to the '*financial and regulatory reports*' section of the Portage website, located at the follow web address:

<https://www.portagebiotech.com/investors/financial-and-regulatory-reports.html>

For the financial year ended 31 March 2018, Portage had net operating costs of approximately US\$2.3 million and realised gain on disposal of investment of US\$126 million resulting in net income of US\$124 million compared to an operating cost of US\$36 million and a net loss of US\$0.6 million in the year ended 31 March 2017. Portage had net assets of approximately US\$9.6 million as at 31 March 2018 of which cash on hand was US\$7.5 million.

A significant decline in overall expenses during the fiscal year 2018 compared to prior years was mainly due to non-consolidation of Biohaven. There was also a slow-down in development activities at PPL and EyGen during the fiscal year 2018 compared to prior years as Portage sought to raise the funds needed to complete potential IND filings and partnership possibilities with other pharmaceutical companies.

During the fiscal year 2018, Portage distributed 6,102,730 shares of Biohaven held by it as an investment to its shareholders on a pro-rata basis as a dividend and sold 236,770 shares of Biohaven in the open market for an average price of US\$30.79 per share for total proceeds of approximately US\$7.3 million.

Portage invested US\$950,000 in iOx by way of a convertible note and acquired an equity interest in an associate, Stimunity SAS, for approximately US\$681,000.

The Portage Directors believe that Portage and the Portage Portfolio are well placed for strong growth in the coming years and beyond, as a result of the track record and strength of the team.

Portage's investment of US\$7 million in Biohaven between the years 2014 and 2016, and guidance from the Portage Directors, led to the second largest biotech IPO on the Nasdaq Stock Exchange in 2017. Portage's investment in Biohaven was worth in excess of US\$100 million at the time of the IPO in 2017, and has almost doubled since then. Biohaven is now worth approximately US\$1.3 billion, and Portage distributed the majority of these gains (as outlined above) to its shareholders and sold some of these shares to fuel the growth of the next round of companies. Portage has provided seed capital to four other biotech companies, and will seek to evaluate new opportunities with the help of Target's CEO, Dr Ian Walters.

Due to their track record and the company's cash reserves, the Portage management is confident in their ability to further support the development of Target and the Target Portfolio.

6. Summary of the Sale Agreement

The Company, James Mellon, Dr Greg Bailey and Portage have entered into the Sale Agreement, pursuant to which the Company, James Mellon and Dr Greg Bailey have together agreed to sell to Portage the entire issued share capital of Target. Mr Mellon and Dr. Bailey each hold 2,000 shares of Target representing in aggregate approximately 5.8 per cent. of Target's issued shares. Accordingly each of Mr Mellon and Dr. Bailey shall receive 23,563,141 Portage Shares as consideration for the disposal of their interest in Target subject to approval of the proposed Disposal.

The Sale Agreement is conditional upon the satisfaction of certain Conditions Precedent, including *inter alia*: (i) issuing and allotting the Consideration Shares to the Company; (ii) receipt of the Portage Approval; (iii) receipt of the Rule 15 Approval; and (iv) approval of the Demerger.

The Conditions Precedent under the Sale Agreement are required to be satisfied by no later than midnight on 31 January 2019.

Under the Sale Agreement, the Company, James Mellon, Dr Bailey and Portage have each provided basic title and capacity warranties, and the Company is providing other limited warranties in relation to Target relating to such matters as their solvency, certain accounting and financial information, litigation and disputes.

7. Demerger

The Demerger is to be undertaken immediately following completion of the Disposal. The only condition to the Demerger is completion of the Disposal (the "**Demerger Condition**"). The Demerger is a contractual obligation of the Sale Agreement.

Subject to the approval of the Demerger Condition, the Demerger shall result in:

- | | |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) <i>Adoption of the New Articles</i> | new memorandum and articles will be adopted by the Company setting out the rights of Shareholders and the Company in relation to a new class of Redeemable Shares |
| (ii) <i>Share Split</i> | Each Qualifying Shareholder will be allotted one Redeemable Share for each Ordinary Share recorded against their name in the Shareholder Register as at the Demerger Record Date ⁽¹⁾ |
| (iii) <i>Redemption of Redeemable Shares</i> | immediately following the allotment of the Redeemable Shares (in accordance with (ii)), the Company shall redeem all Redeemable Shares in accordance with the New Articles |
| (iv) <i>Transfer of Portage Shares</i> | the Redemption of the Redeemable Shares, will be satisfied by the Company transferring to each Qualifying Shareholder 18 Demerger Shares for each Redeemable Share recorded against their name in the Shareholder Register as at the Demerger Record Date ⁽²⁾ |

Notes:

- (1) Qualifying Shareholders will not receive a share certificate in respect of their Redeemable Shares.
- (2) At the Portage Share Price of US\$0.089 (based on a valuation of US\$25 million as agreed by the parties on the date of the LOI), this will constitute a distribution to Qualifying Shareholders of approximately US\$1.60 per Ordinary Share.

Qualifying Shareholders will receive their pro-rata entitlement to Demerger Shares in certificated form, and will have to make arrangements with their own broker to dematerialise certificates should they so wish. The Applicable Restrictions described in paragraph 8 below shall apply to the Consideration Shares during the Restricted Period. Further details regarding the dematerialisation of Portage Shares is set out at paragraph 8 below.

The Redeemable Shares issued pursuant to the Share Split shall be subject to the following rights and restrictions: (a) non-voting; (b) non-transferrable other than to the Company; and (c) the Company has a right to redeem the Redeemable Shares at any time, in its absolute discretion on such terms as it sees fit. The Redeemable Shares will not be admitted to trading on AIM or on any other exchange or trading platform.

All Ordinary Shares shall be subject to the same rights and restrictions as under the existing articles of association and will continue to be traded on AIM.

8. Applicable Restrictions, Safe-Keeping and Custody Arrangements and Rights of Demerger Shares

Applicable Restrictions

For a period of six months from the date of the Demerger (the “**Restricted Period**”), Demerger Shares (a) are not permitted to be held by, transferred to, or in any way benefit (whether by way of legal, beneficial or economic ownership or control), any person, company, limited partnership or other undertaking, who or which is a US national or otherwise domiciled or resident anywhere in the US or holds a US passport; and (b) may not be traded on the OTC market or any other trading platform in the United States (including by Shareholders resident or domiciled in the United Kingdom) ((a) and (b) together the “**Applicable Restrictions**”). It is illegal for any Demerger Share to be distributed in any way by any Shareholder into the United States for the duration of the Restricted Period.

Any purported transfer of Demerger Shares in breach of the Applicable Restrictions will be rejected by the Company, Portage and TSX Trust.

During the Restricted Period, the Demerger Shares may be traded by any non-US Person (such as a Shareholder resident or domiciled in the United Kingdom), other than “*Control Persons*” (as defined under Canadian securities laws, if any), through the facilities of the CSE.

All Demerger Shares will carry the following legend:

“FOR A PERIOD OF SIX MONTHS FROM THE DATE OF ISSUE BY THE COMPANY (THE “RESTRICTED PERIOD”), THE SECURITIES REPRESENTED HEREBY ARE NOT PERMITTED TO BE HELD BY, TRANSFERRED TO, OR IN ANY WAY BENEFIT (WHETHER BY WAY OF LEGAL, BENEFICIAL OR ECONOMIC OWNERSHIP OR CONTROL), ANY PERSON, COMPANY, LIMITED PARTNERSHIP OR OTHER UNDERTAKING, WHO OR WHICH IS A US NATIONAL OR OTHERWISE DOMICILED OR

RESIDENT ANYWHERE IN THE US OR HOLDS A US PASSPORT. THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS. DURING THE RESTRICTED PERIOD, THESE SECURITIES (A) ARE NOT PERMITTED TO TRADE THROUGH THE FACILITIES OF ANY STOCK EXCHANGE OR QUOTATION SYSTEM IN THE UNITED STATES (B) MAY ONLY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED OUTSIDE THE UNITED STATES IN CONFORMITY WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) IN CONFORMITY WITH AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT, IF AVAILABLE, AND IN CONFORMITY WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS, GOVERNING THE OFFER AND SALE OF SECURITIES.

SUBJECT TO COMPLIANCE WITH APPLICABLE CANADIAN SECURITIES LAWS, THE SECURITIES REPRESENTED HEREBY MAY BE FREELY TRADED BY ANY NON-US PERSON THROUGH THE FACILITIES OF THE CSE OR ANY OTHER CANADIAN STOCK EXCHANGE UPON WHICH THE SECURITIES BECOME LISTED."

Safe-Keeping and Custody Arrangements in respect of the Demerger Shares applicable to US Persons

To ensure compliance with Applicable Restrictions (including but not limited to the restrictions under the Securities Act) Qualifying Shareholders who are US Persons will not receive their Demerger Shares and will be prohibited from dealing in Demerger Shares for the duration of the Restricted Period. Under the terms of the New Articles, consideration paid by the Company on redemption of the Redeemable Shares can be held in escrow, or subject to safe-keeping and custody arrangements on such terms and for such period as the Company determines in its sole discretion.

The Company has accordingly agreed to the appointment of the Custodian who shall hold in custody all Demerger Shares which cannot be held by US Persons for the duration of the Restricted Period. Accordingly, US Persons will not receive possession or have entitlement to Demerger Shares until expiry of the Restricted Period. Portage has approved the appointment of the Custodian and the arrangements to ensure its continued compliance with the Securities Act and will direct its transfer agent to send relevant share certificates directly to the Custodian on completion of the Demerger.

For further details regarding the safe-keeping and custody arrangements, US Persons should contact the Custodian directly by email to michael.corcoran@hilldickinson.com.

Rights of Demerger Shares

In addition to the Applicable Restrictions, the Demerger Shares received by Shareholders of the Company will be subject to the following rights and restrictions:

- (i) Rights on Voting: each Demerger Share shall entitle the holder to one vote per Demerger Share on any resolution put to the shareholders of Portage.
- (ii) Rights on Income: each Demerger Share confers an equal right to participate in any dividend declared by Portage.
- (iii) Rights in the event of a winding-up of Portage: in the event of a winding up and a distribution of assets, each Demerger Share shall have equal rights with regard to the distribution of the surplus assets of Portage.
- (iv) Rights on Transfers: the Demerger Shares are transferrable provided that the transfer is made pursuant to an appropriate instrument of transfer, subject to the memorandum and articles of Portage.
- (v) Rights of Pre-emption (first refusal): in respect of any future issue by Portage of any equity securities, rights of pre-emption under BVI Companies Act 2004 do not apply to Portage.

Subject to approval of the Disposal and the Demerger, it is expected that share certificates in respect of the Demerger Shares will be posted on or around 15 January 2019. Share certificates in respect of Demerger Shares which are subject to safe-keeping and custody arrangements will be held by the Custodian until the expiration of the Restricted Period.

The CSE is a junior stock market in Canada and is not widely traded by investors in the UK. A number of UK-based brokers do, however, offer a trading platform for investors to dematerialise their Demerger Shares (should they wish to do so) and deal in Portage Shares electronically. Shareholders wishing to hold their Demerger Shares in dematerialised form should, in the first instance, speak to their existing broker to see whether they provide this service. If they do not

provide this service, such Shareholders should contact other brokers. The Company makes no recommendation regarding which brokers Shareholders should contact regarding new accounts (if their existing brokers do not provide a CSE trading facility), but the Company has contacted an established London broker, Peterhouse Capital Limited (“Peterhouse”), who have consented to their contact details being included in this Document. Any engagement is subject to the standard terms and conditions of Peterhouse for new clients and Shareholders should satisfy themselves in this regard that they understand and accept the proposed terms. The Company accepts no liability or responsibility for the appointment of any broker, or the terms of such appointment, by Shareholders.

<i>Contact Name</i>	<i>Email</i>	<i>Telephone</i>
Lucy Williams	lw@peterhousecap.com	+44 (0)20 7469 0930
Duncan Vasey	dv@peterhousecap.com	+44 (0)20 7469 0930

9. Taxation

The Company has taken UK tax advice in relation to the structure of the Disposal and the Demerger and has endeavoured to structure the Disposal and the Demerger as a capital tax event for Shareholders tax resident in the UK. No assurance is given by the Company that HMRC will treat the receipt of the Demerger Shares (or in the case of New Option Holders, New Option Shares) as a capital tax event for Shareholders tax resident in the UK. Every Shareholder has different circumstances, however, and should take their own advice in relation to the tax treatment of the Demerger and taxes payable by them on receipt of their respective entitlement to Demerger Shares. The Company accepts no responsibility to any Shareholder in relation to their personal tax treatment following receipt of Demerger Shares (or in the case of New Option Holders, New Option Shares).

10. The Company’s operations following the Disposal and the Demerger

The Disposal and the Demerger, if approved, will result in the divestment of substantially all of the Company’s existing business, assets and investments. Thereafter, the Company will be classified as an AIM Rule 15 cash shell and as such will be required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (or seek re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal failing which the Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

On 26 June 2018, Jim Mellon (via Galloway Limited) and Dr Greg Bailey each agreed to loan US\$500,000 to the Company (the “Shareholder Loans”) to fund the operational activities and the investments of the Company. The Shareholder Loans are required to be repaid by the Company within twelve months (the “Loan Term”) from the date of the loan and shall accrue interest at a rate of 7 per cent. per annum in the first twelve months. If the Shareholder Loans are not repaid within the Loan Term, the interest rate shall be increased to 18 per cent. per annum. Unless new debt or equity funding is available to the Company during the Loan Term, it is expected that the Shareholder Loans will be repaid prior to expiry of the Loan Term out of the proceeds of sale of some or all of the Retained Shares.

The Shareholder Loans have been reduced by, in aggregate, approximately £40,000 following the exercise of options by Jim Mellon and Dr Greg Bailey, as detailed in the announcement released by the Company on 6 November 2018.

In the event that the Disposal and the Demerger are approved, the Directors will ensure that steps are taken to minimise the Company’s costs and to preserve capital.

Dr Ian Walters, Kam Shah, Richard Armstrong and Colin Weinberg shall each resign as Directors of the Company with immediate effect from the conclusion of the AGM. By recommendation of the Board, Denham Eke shall stand for appointment as a director of the Company at the AGM. A biography for Denham Eke is set out in paragraph 13 below. As from the conclusion of the AGM, the Company shall have no independent directors and the Company is therefore seeking to appoint at least one independent non-executive director. The Company will release an announcement reporting on the progress with regard to such an appointment or appointments in due course.

In addition to the Shareholder Loans and the fees of Directors, the Company will otherwise be required to meet its general overheads and the costs of maintaining a listing of the Company’s shares on AIM.

Following the completion of the Disposal and the Demerger, the Company will have limited cash reserves and its principal assets will be up to 56,657,531 Retained Shares worth approximately US\$5,043,000 at the Portage Share

Price (approximately, £3,897,000 at the Exchange Rate), which are to be set aside for general working capital requirements. In the event that the New Options remain unexercised by 5.00 p.m. on 8 January 2020 the number of Retained Shares could increase by up to 40,692,697 Portage Shares. The number of Retained Shares shall decrease by 18 Portage Shares (US\$1.60 at the Portage Share Price) for each new Ordinary Share issued by the Company following any exercise of the Northland Warrants prior to the Demerger Record Date.

The Company's available resources to undertake an evaluation of and to complete a reverse takeover will depend upon the value of the Retained Shares (to the extent they continue to be held by the Company at such time) and its existing cash reserves. In the event that the cash reserves and any value realised from the Retained Shares are insufficient to undertake a reverse takeover, the Directors may seek further funding, including by a further issue of Ordinary Shares.

11. Company Options, the Option Redemption and New Options

There are 2,949,803 Options over Ordinary Shares outstanding as at the date of this Document. The Options were granted to the directors, management team, consultants and to certain advisers of the Company during the period from 29 April 2015 to 23 March 2016. As at the date of this Document, 2,113,539 of the outstanding Options have vested; a further 836,264 Options will vest on the third anniversary of the RTO Admission.

Existing Company Options

The table below provides a summary of the Options currently in issue:

<i>Name of Option Holder</i>	<i>Date of Grant</i>	<i>Exercise Price</i>	<i>Number of vested Options</i>	<i>Number of unvested Options</i>
Richard Armstrong	29.04.2015	23.2p	86,231	-
Colin Weinberg	29.04.2015	23.2p	86,231	-
Catalyst Corporate Consultants Limited	29.04.2015	23.2p	86, 231	-
Northland Capital Partners Limited	22.03.2016	71p	182,333	-
Anthony Chow	22.03.2016	35.5 p	243,110	121,556
Declan Doogan	22.03.2016	35.5 p	243,110	121,556
Alexander Pickett	22.03.2016	35.5 p	243,110	121,556
Kam Shah	22.03.2016	35.5 p	243,110	121,556
Dr Ian Walters *	22.03.2016	35.5 p	285,857	142,929
Robert Kramer **	22.03.2016	35.5p	171,109	85,555
Catalyst Corporate Consultants Limited	22.03.2016	35.5 p	121,555	60,778
Richard Armstrong	22.03.2016	35.5p	60,776	30,389
Colin Weinberg	22.03.2016	35.5 p	60,776	30,389
Totals:			2,113,539	836,264
Total Options:				2,949,803

**granted to his personal services company Value Driven Drug Solutions LLC*

***granted to his personal services company RA Kramer Consulting LLC*

Should Northland exercise some or all of the Northland Warrants prior to the Demerger Record Date, the new Ordinary Shares issued to it would be eligible for the Demerger and the number of Retained Shares would therefore decrease by 18 Portage Shares for each new Ordinary Share issued by the Company.

Option Redemption and grant of New Options

The table below summarises the number of Redemption Options held by each Option Holder and the number of New Options each New Option Holder will be granted, in accordance with the terms of the Option Purchase Agreements referred to in paragraph 1 above:

<i>Name of New Option Holder</i>	<i>Number of Redemption Options</i>	<i>Implied gain on sale of Redemption Options based on value of Consideration Shares on the Diluted Basis</i>	<i>Number of New Options granted</i>
Richard Armstrong	177,396	US\$243,202	2,730,871
Colin Weinberg	177,396	US\$243,202	2,730,871
Catalyst Corporate Consultants Limited	268,564	US\$361,251	4,056,417
Anthony Chow	364,666	US\$472,187	5,302,094
Declan Doogan	364,666	US\$472,187	5,302,094
Alexander Pickett	364,666	US\$472,187	5,302,094
Kam Shah	364,666	US\$472,187	5,302,094
Dr Ian Walters*	428,786	US\$555,213	6,234,373
Robert Kramer**	256,664	US\$332,341	3,731,789
Totals:	2,767,470	US\$3,623,959	40,692,697

*granted to his personal services company Value Driven Drug Solutions LLC

**granted to his personal services company RA Kramer Consulting LLC

Terms of New Options

Subject to the approval of the Demerger, the Company shall grant the New Options to the New Option Holders on the following terms and conditions:

- (a) Exercise Period: the New Options are exercisable during the period commencing three months from the Date of Grant and expiring on the first anniversary of the Date of Grant, being, 5.00 p.m. on 8 January 2020; and
- (b) Vesting Condition: the Portage Shares have traded above US\$0.03 (three cents) for a period of at least five consecutive trading days during the Exercise Period.

The New Options will lapse irrevocably in the event that they are not exercised before the expiry of the Exercise Period.

Safe-Keeping and Custody Arrangements in respect of the New Option Shares

To the extent that New Option Holders who are US Persons exercise their New Options during the Restricted Period, any New Option Shares issued will be subject to the following safe keeping and custody arrangements during the Restrictive Period.

To ensure compliance with Applicable Restrictions (including but not limited to the restrictions under the Securities Act) Option Holders (who are US Persons) who elect to exercise their New Options will not receive certificates representing their New Option Shares and will be prohibited from dealing in their New Option Shares for the duration of the Restricted Period.

The Company has accordingly agreed to the appointment of the Custodian who shall hold in custody any New Option Shares which cannot be held by US Persons for the duration of the Restricted Period. Accordingly, New Option Holders who are US Persons will not receive possession or have entitlement to New Option Shares required to be issued pursuant to the exercise of the New Options until expiry of the Restricted Period. Portage has approved the appointment of the Custodian and the arrangements to ensure its continued compliance with the Securities Act and will direct its transfer agent to send relevant share certificates, representing New Option Shares, pursuant to the exercise of New Options by US Persons during the Restricted Period directly to the Custodian on completion of the Option Redemption.

For further details regarding the safe-keeping and custody arrangements, affected New Option Holders should contact the Custodian directly by email to michael.corcoran@hilldickinson.com.

All New Option Shares will carry the legend described in paragraph 8 of Part I of this Document.

12. Related Party Transactions

The Disposal

The Disposal is a related party transaction under Rule 13 of the AIM Rules by virtue of the commonality in the share ownership structure and management boards of Portage and the Company.

The Directors of the Company hold the following positions on the senior management board of Portage: (i) Dr Greg Bailey, Chairman; (ii) Kam Shah, Chief Financial Officer; (iii) Jim Mellon, Director; and (iv) Dr Ian Walters, Director.

As at the date of this Document, Dr Greg Bailey and Jim Mellon, respectively, hold a legal and beneficial interest in approximately 23.92 per cent. and 16.38 per cent. of the issued share capital of Portage, and are also vendors under the Sale Agreement in relation to their personal holdings of shares in Target. Shareholders should also be aware that the Acquisition constitutes a related party transaction for Portage under Canadian securities legislation and, as such, approval is required from a majority of the disinterested Portage shareholders. Portage shares held by Messrs. Bailey and Mellon will therefore not be eligible to vote on the Portage Approval.

Kam Shah and Dr Ian Walters each hold a minority interest of less than 3 per cent. of the issued share capital of Portage, as at the date of this Document.

Richard Armstrong, and Colin Weinberg, being the “A” Independent Directors for the purposes of AIM Rule 13, having consulted with Northland, the Company’s Nominated Adviser, consider that the terms of the Disposal are fair and reasonable insofar as Shareholders are concerned. In particular, it is noted that the value of the Disposal values the Target Portfolio at substantially more than the Company’s valuation on the AIM Market on 13 August 2018, the date before the announcement by the Company of the terms of the Disposal.

The Option Redemption

The Option Redemption is a related party transaction under Rule 13 of the AIM Rules.

Mr James Mellon and Dr Greg Bailey are deemed to be independent directors for the purposes of the Option Redemption. Mr James Mellon and Dr Greg Bailey, being the “B” Independent Directors for the purposes of AIM Rule 13, having consulted with Northland, the Company’s Nominated Adviser, consider that the terms of the Option Redemption are fair and reasonable insofar as Shareholders are concerned, particularly noting:

- (a) key management and consultants who hold Redemption Options are to transfer to Portage (subject to completion of the transaction) in order to continue to operate the Target Portfolio and are standing down from their respective duties with the Company on completion. During the course of negotiations with Portage it was made clear that the services of such parties were required for the continued development of the Target Portfolio and the value of their respective Options should be respected (as the burden of rewarding each individual for past endeavour should not rest with Portage and was the responsibility of the Company);
- (b) as the holders of Redemption Options will not be involved in the day-to-day operations and management of the Company following completion of the Disposal, the “B” Independent Directors do not believe that it will be beneficial to Shareholders as a whole for such holders to exercise their options to be eligible for Demerger Shares (given the likelihood that such holders will dispose of their Ordinary Shares post-transaction which would have a negative impact on the Company’s share price); and
- (c) the advice of the Company’s UK legal counsel that the existing option holders would not be compensated in the event of a transfer of assets by the Company as a distribution *in specie* (thereby reducing the value of the Company’s assets and its net asset value per share) under the terms of the existing option arrangements, and that it was common for option schemes in the UK to provide for terms to be adjusted or to permit a “cashless exercise” in such circumstances (and in this regard the “B” Independent Directors considered the terms of the existing option arrangements to be unfair as management and consultants and advisers were not protected where assets were transferred by the Company as a distribution *in specie*).

13. AGM

Resolution 1 – Receiving the Financial Statements and Reports for 2017

Shareholders are being asked to receive the financial statements of the Company for the year ended 31 December 2017 (including the Directors’ and auditors’ reports thereon).

Resolution 2 – Appointment of a Director and Note on Retirement of Directors

In accordance with the Current Articles and corporate governance policy, one third of the Directors are required to stand for re-election by rotation at every annual general meeting.

On this occasion, Kamlesh Shah and Dr Ian Walters have agreed to retire by rotation but not to offer themselves for re-appointment at the AGM. Richard Armstrong and Colin Weinberg will also retire as directors of the Company with effect from the conclusion of the AGM.

The Board are therefore proposing the appointment of Denham Eke as the chief financial officer and as a director of the Company at the AGM in accordance with article 88 of the Current Articles. The board of directors following the AGM will comprise James Mellon, Dr Greg Bailey and, if elected, Denham Eke. A biography for Denham Eke is set out below.

Biography – Denham Eke

Denham Eke is the Managing Director of Burnbrae Group Limited, a private international asset management company. He began his career in stockbroking with Sheppards & Chase before moving into corporate planning for Hogg Robinson Plc, a major multinational insurance broker. He is a director of many years' standing of both public and private companies involved in the financial services, property, mining, and manufacturing sectors. He is chairman of Webis Holdings Plc, chief executive officer of Manx Financial Group Plc, chief finance officer of Port Erin Biopharma Investments Limited, and a non-executive director of Billing Services Group Limited - all quoted on the London AIM market. Mr Eke is also a non-executive director of Juvenescence Ltd., a life science and artificial intelligence company focussed on advancements in the field of longevity.

Resolution 3 – Appointment of Auditors and Determination of their Remuneration

The Company is required to appoint or re-appoint auditors at each general meeting at which financial statements are presented. It is proposed that RSM UK Audit LLP be re-appointed as the Company's auditors, and to authorise the Board to determine their remuneration.

Resolution 4 – Disapplication of pre-emption rights

Article 4.2 of the Company's Current Articles and Article 4.2 of the New Articles contain pre-emption rights that require all shares which the Company proposes to allot for cash to be first offered to existing Shareholders in proportion to existing shareholdings, unless a special resolution is passed to dis-apply such rights. Such rights do not apply to an issue otherwise than for cash, such as an issue in consideration of an acquisition.

It is proposed that the Directors be authorised to allot for cash, on a non-pre-emptive basis, ordinary shares in the capital of the Company for an aggregate par value of up to £500,000, as if the pre-emption rights of the Shareholders contained in Current Articles and the New Articles did not apply to such allotment(s), such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in a general meeting) at the conclusion of the next annual general meeting of the Company. The purpose of this special resolution is to give the Directors the flexibility to take advantage of specific investment and funding opportunities as they arise, without the need to revert to Shareholders for further approval.

Resolution 5 – Adoption of New Articles

Resolution 5 which will be proposed as a special resolution is to approve the adoption of the New Articles in substitution and to the exclusion of the Current Articles.

Resolution 6 – Disposal and Demerger

Resolution 6 which will be proposed as a special resolution and which is conditional on the passing of Resolution 5, is to approve: (i) the Disposal in accordance with the terms of the Sale Agreement and as required under Rule 15 of the AIM Rules; (ii) the Share Split, resulting in the creation of the Redeemable Shares; and (iii) the redemption of the Redeemable Shares by the Company in consideration for the transfer of the Demerger Shares to Shareholders.

Resolution 7 – Redemption of Options

Resolution 7 which will be proposed as a special resolution and which is conditional on the passing of Resolutions 5 and 6 is to approve and authorise the purchase of the Redemption Options in consideration of the grant of the New Options to the New Option Holders.

14. Action to be taken

A Form of Proxy for use at the AGM is enclosed with this Document.

Shareholders holding Ordinary Shares in certificated form should complete and sign the Form of Proxy and return it to Link Asset Services, PXS, 34 Beckenham Road, Kent BR3 4TU as soon as possible but in any event to be received not later than 3.00 p.m. on 4 January 2019 or 48 hours before any adjourned meeting.

The return of a Form of Proxy will not, however, prevent a Shareholder from attending the AGM and voting in person, should he/she wish to do so. Shareholders who wish to attend in person should contact Link Asset Services in advance to confirm what identity documents they should bring with them and to complete a form of representation (available on request from Link Asset Services) if necessary.

Shareholders holding their interest in uncertificated form may vote via their CREST provider (please see CREST instructions in the Notice of Meeting notes section).

15. Recommendation

The Board considers that the resolutions to be proposed at the AGM are in the best interests of Shareholders as a whole. In relation to the Rule 15 Approval and the Demerger Resolution, for the reasons set out in paragraph 2 of this Part I and following the process undertaken by the Board, the Board is of the view that the proposals are in the best interests of Shareholders.

Accordingly, the Board recommends that Shareholders vote in favour of the Resolutions to be proposed at the AGM as they intend to do in respect of their own beneficial holdings of 26,920,780 Ordinary Shares in aggregate representing 73.35 per cent. of the current issued share capital of the Company.

16. Undertakings

The Company has received signed irrevocable undertakings from James Mellon and Dr Greg Bailey, shareholders holding, in aggregate 26,813,042 Ordinary Shares as at the date of this Document and which together represents 73.12 per cent. of the current issued ordinary share capital of the Company, confirming that they shall vote in favour of all Resolutions being proposed at the AGM.

On the basis of the signed irrevocable undertakings, it is likely that the Resolutions put to Shareholders at the AGM will be approved.

17. Risk Factors Arising from the Disposal and the Demerger

Shareholders should carefully consider the risks set out in Part II of this Document relating to the Disposal and the Demerger, along with all other information set out in this Document. Should any of the risks materialise, the market prices of the Ordinary Shares and/or the Portage Shares may be adversely affected.

Yours sincerely,

Richard Armstrong
“A” Independent Director

Colin Weinberg
“A” Independent Director

PART II

RISK FACTORS ARISING FROM THE DISPOSAL AND THE DEMERGER

Shareholders should carefully consider all of the information in this Document including the risks below. The Board has identified the risks below as material risks if the Disposal is approved and the Demerger is completed. Additional risks and uncertainties not presently known to the Board, or that the Board consider immaterial, may also adversely affect the Company. If any or a combination of the following risks were to materialise, the Company's business, financial condition and/or performance could be materially adversely affected. In any such case the market price of the Ordinary Shares and/or the Demerger Shares could decline.

The following risk factors should not be considered in any order of priority. The Company's future performance might also be affected by changes in market conditions and legal, regulatory and tax requirements.

PART A – RISK RELATING TO THE COMPANY

AIM Rule 15 Deadlines

In accordance with AIM Rule 15, the Disposal and the Demerger constitute a fundamental change of business of the Company. On completion, the Company would cease to own, control or conduct all or substantially all, of its existing trading business, activities or assets.

Following completion of the Disposal and the Demerger, the Company will become an AIM Rule 15 cash shell and as such will be required to make one or more acquisitions which constitute a reverse takeover under AIM Rule 14 (or seek re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal and the Demerger failing which the Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

Any failure therefore in completing one or more acquisitions which constitute a reverse takeover under AIM Rule 14 (or in being re-admitted as an investing company (as defined under the AIM Rules)) within the relevant timeframe will result in the cancellation of the Shares from trading on AIM.

Identifying a suitable target

The Company will be dependent upon the ability of the Board to identify suitable acquisition targets. There is no assurance that the Company will be able to acquire an identified opportunity at an appropriate price, or at all, as a consequence of which resources might have been expended fruitlessly on investigative work and due diligence.

Limited current funds

As an AIM Rule 15 cash shell, the Company would have no operating cash flow and would be dependent on its current cash balances and its holding of Retained Shares to meet its working capital requirements. It may be required to raise additional funds in order to complete a reverse takeover. Shareholders' holdings of Ordinary Shares may be materially diluted in due course by any such equity issues.

The Retained Shares are subject to the Applicable Restrictions described in paragraph 8 of Part I of this Document and as consequence this may limit the Company's ability to realise value for its holding of Retained Shares, as such shares can only be traded on the CSE.

Market conditions

Market conditions may have a negative impact on the Company's ability to make one or more acquisitions which constitute a reverse takeover under AIM Rule 14. There is no assurance that the Company will be successful meeting the AIM Rule 15 deadline as described above.

Costs associated with potential acquisition or acquisitions

The Company expects to incur certain third party costs associated with the sourcing of one or more suitable acquisitions. The Company can give no assurance as to the level of such costs, and given that there can be no guarantee that negotiations to acquire any given target business will be successful, the greater the number of deals that do not reach completion, the greater the likely impact of such costs on the Company's cash resources.

PART B – RISKS RELATING TO OWNERSHIP OF PORTAGE SHARES

There is currently a limited trading market for Portage Shares

There is currently a limited public market in Portage Shares. Portage Shares are currently traded on the OTC and CSE. Trading in Portage Shares (prior to the suspension in trading on those markets) was extremely sporadic. There can be no assurance that a more active trading market for Portage Shares will develop. Accordingly, investors must assume they may have to bear the economic risk of an investment in Portage Shares for an indefinite period of time.

The issuance of Portage Shares following the exercise of outstanding options over Portage Shares will dilute the ownership interest of existing shareholders and increase the number of shares eligible for future resale

Portage has granted options over Portage Shares. The exercise of some or all of its outstanding options could significantly dilute the ownership interests of its existing shareholders. Portage may grant more options in future as part of compensating its management and other consultants.

Portage senior management own a significant percentage of Portage Shares and are able to exert significant control over matters subject to shareholder approval

As at the date of this Document, Portage Directors, Declan Doogan, Dr Greg Bailey and James Mellon, together hold approximately 53.6 per cent. of the issued share capital of Portage, and they shall continue to exercise significant control over Portage following the completion of the Disposal and the Demerger.

As a result, these shareholders have the ability either alone or voting together as a group to determine and/or significantly influence the outcome of matters submitted to Portage shareholders for approval, including the election and removal of board members, payment of dividends, amendments to articles of association, including changes to share capital or any mergers, demergers, liquidations and similar transactions.

This may prevent or discourage unsolicited acquisition proposals or offers for Portage Shares that minority shareholders may feel are in their best interests as a shareholder.

In addition, these shareholders may have the ability to control Portage's management and affairs. Such control and concentration of ownership may affect the market price of Portage Shares and may discourage certain types of transactions, including those involving actual or potential change of control of Portage (whether through merger, consolidation, take-over or other business combination), which might otherwise have a positive effect on the market price of the shares.

UK shareholders may not be able to take enforcement proceedings against Portage

Portage is a company incorporated under the laws of the British Virgin Islands. Because a substantial portion of Portage's assets are located outside the United Kingdom, it may be difficult for investors to bring an action or proceedings in the United Kingdom against Portage.

Portage's corporate affairs are governed by its Memorandum and Articles of Association, the BVI Business Companies Act 2004 (as amended) (the "BVI Act"), and the common law of the British Virgin Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of the directors of Portage under British Virgin Islands law are to a large extent governed by the BVI Act and common law of the British Virgin Islands. The common law of the British Virgin Islands is derived in part from comparatively limited judicial precedent in the British Virgin Islands, as well as from English common law, the decisions of whose courts are considered persuasive authority but are not binding on a court in the British Virgin Islands. The rights of Portage shareholders and the fiduciary responsibilities of their directors under British Virgin Islands law are not as clearly established as they would be under statutes or judicial precedent in the United Kingdom.

In particular, the British Virgin Islands has a less developed body of corporate law, securities laws and regulatory protection than investors based in the United Kingdom would be accustomed to.

Effect of the Acquisition

The Acquisition could result in additional overhead costs and disruption to the day-to-day administration of Portage, whilst it provides for the transition of Target's business into its group. This could result in Portage incurring increased administrative and regulatory costs, which were not accounted for in previous financial statements produced by Portage

in relation to its business. The Acquisition is being structured with a view to ensuring that the transition proceeds smoothly and without causing disruption to its business, however, it is not possible to guarantee that the Acquisition will not lead to disruption.

Taxation

Whilst the Company has taken professional advice as to the tax consequences for Shareholders of the Disposal and the Demerger and has endeavoured to structure the transaction as a capital tax event, the tax circumstances of each individual Shareholder is different and Shareholders should obtain their own independent tax advice on the tax consequences for them individually in receiving the Demerger Shares. If the receipt of Demerger Shares by any Shareholder is considered to be an income tax event they will be liable for increased tax as a result of the transaction.

Restrictions on US Persons

For the duration of the Restricted Period, Demerger Shares, New Option Shares and Retained Shares (a) are not permitted to be held by, transferred to, or in any way benefit (whether by way of legal, beneficial or economic ownership or control), any US Person; and (b) may not be traded on the OTC market or any other trading platform in the United States (including by Shareholders resident or domiciled in the United Kingdom).

The Applicable Restrictions may affect volumes of Portage Shares traded on the OTC or CSE during the Restricted Period and the price of Portage Shares on the relevant market may be affected accordingly.

Any purported transfer in breach of the Applicable Restrictions will be rejected by the Company, Portage and TSX Trust. Accordingly the Company and Shareholders may not be able to realise the value of their Demerger Shares, New Option Shares and/or the Retained Shares (as applicable) at a time of their choosing.

PART III

NOTICE OF ANNUAL GENERAL MEETING

SALVARX GROUP PLC

(Incorporated and registered in the Isle of Man under the Companies Act 2006 of the Isle of Man with registered number 00258V)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of SalvaRx Group Plc (the “**Company**”) will be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX at 3.00 p.m. on 8 January 2019 to transact the business set out below. Resolutions 1, 2 and 3 will be proposed as Ordinary Resolutions and Resolutions 4, 5, 6 and 7 as special resolutions.

ORDINARY RESOLUTIONS

To consider and, if thought fit, approve the following resolutions which will each be proposed as an ordinary resolution:

1. To receive the audited accounts of the Company, and the auditors and Directors reports thereon, for the year ended 31 December 2017.
2. To appoint Denham Eke, who being eligible, offers himself for appointment as a director of the Company by recommendation of the Board of directors in accordance with article 81 of the articles of association of the Company.
3. To re-appoint RSM UK Audit LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to determine their remuneration.

SPECIAL RESOLUTION

To consider and, if thought fit, approve the following resolution which will be proposed as a special resolution:

4. **THAT**, the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot Ordinary Shares of 2.5p each in the capital of the Company (“**Ordinary Shares**”) for cash up to an aggregate par value of £500,000, as if the provisions of article 5.2 of the Company’s current articles of association did not apply to such allotments (and if new articles are adopted pursuant to Resolution 5 hereof, as if Article 5.2 of such new articles of association did not apply), such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in the annual general meeting) at the conclusion of the next Annual General Meeting of the Company (except that the Directors of the Company may allot new Ordinary Shares, pursuant to this authority in pursuance of an offer or agreement made prior to such date and which requires such shares to be allotted after such date). This authority is in substitution for all other previous authorities conferred on the Directors but without prejudice to any allotment of shares already made or offered or agreed to be made pursuant to such authorities.

SPECIAL BUSINESS

To consider and, if thought fit, approve resolutions 5, 6 and 7, each being proposed as a special resolution:

5. **THAT** with immediate effect the proposed new articles of association produced to the meeting and initialled by the Chairman for identification purposes be adopted as the new articles of association (“**New Articles**”) of the Company in substitution for, and to the exclusion of, the existing articles of association.
6. **THAT**, subject to and conditional on the passing of Resolution 5:
 - 6.1 the disposal by the Company to Portage Biotech Inc., (“**Portage**”) of its interest in 94.2 per cent. of the issued share capital of SalvaRx Limited (the “**Disposal**”), in accordance with the terms of the sale agreement dated 12 August 2018 (the “**Sale Agreement**”) for an aggregate consideration of US\$67,500,000 to be satisfied in full by the issue of 757,943,784 new shares of Portage, be approved in accordance with Rule 15 of the AIM Rules for Companies and that the Directors of the Company be authorised to take all such steps as any of them may consider necessary or desirable to implement and give full effect to the intentions of the parties under the Sale Agreement (including by waiver or variation of the terms and conditions of the Sale Agreement);
 - 6.2 the share capital of the Company be re-organised by sub-dividing each of the issued Ordinary Shares of 2.5p each in the capital of the Company on the register of shareholders at 5.00 p.m. on 8 January 2019 (the “**Demerger Record Date**”) into:

- a. one ordinary share of 2.5p each in the capital of the Company (a “**New Ordinary Share**”), such share having the same rights and being subject to the same restrictions as the Existing Ordinary Share; and
 - b. one new redeemable share of no par value in the capital of the Company (a “**Redeemable Share**”), each Redeemable Share being subject to the rights and restrictions set out in draft regulations proposed to be adopted by the Company pursuant to resolution 5 (above);
- 6.3 the Directors shall in accordance with the New Articles exercise their right to redeem all of the Redeemable Shares, the redemption being satisfied by the Company transferring to each Shareholder 18 Portage Shares for each Redeemable Share redeemed;
- 6.4 each and any of the Directors be hereby authorised to conclude the Disposal and the Demerger, and to do and to procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as they consider necessary and expedient for the purposes of giving effect to the Disposal and the Demerger with such amendments, modifications, variations or revisions as are not of a material nature.
7. **THAT**, subject to and conditional on the approval of Resolutions 5 and 6, the Company is authorised to purchase outstanding options over 2,767,470 new Ordinary Shares (the “**Existing Options**”), the consideration to be satisfied by the grant of options over a maximum of 40,692,697 shares of Portage held by the Company (the “**New Options**”) to the holders of the Existing Options.

By Order of the Board

Stone Limited
Company Secretary

Date: 26 November 2018

Registered Office:
Commerce House
1 Bowring Road
Ramsey
Isle of Man
IM8 2LQ

NOTES

1. A member who is entitled to attend, speak and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting.
2. Forms for the appointment of a proxy in respect of the meeting have been provided to members with this Notice of meeting (the “**Form of Proxy**”). To be valid, the Form of Proxy must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 3.00 p.m. on 4 January 2019.
3. Completion and return of the Form of Proxy does not preclude a member from attending the meeting and voting in person should they wish to do so.
4. The Company, pursuant to Regulation 22 of the Uncertificated Securities Regulations 2006 (Isle of Man), specifies that only those members registered in the register of members of the Company as at close of business on 3.00 p.m. on 4 January 2019 (or in the event that the meeting is adjourned, at close of business on the date which is 48 hours before the adjourned meeting) shall be entitled to attend, speak or vote at the meeting in respect of the ordinary shares registered in their name at that time. Changes to entries on the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.
5. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in “the CREST voting service” section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a “**CREST proxy appointment instruction**”) must be properly authenticated in accordance with the specifications of CREST’s operator, Euroclear UK & Ireland Limited (“**Euroclear**”), and must contain all the relevant information required by the CREST Manual. To be valid, the message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Link Asset Services (CREST participant ID RA10) by 3.00 p.m. on 4 January 2019. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means.
6. The time of the message’s receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer’s agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on “Practical limitations of the system”. In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2006 of the Isle of Man or the CREST Manual, treat a CREST proxy appointment instruction as invalid.
7. Copies of the Directors’ service contracts and letters of appointment are available for inspection at the registered office of the Company during normal business hours on any business day and will be available for inspection at the place where the meeting is being held from at least 15 minutes prior to and during the meeting.