2 October 2020

ASX Announcement
Private Placement and Market update

Lifespot Health Limited (ASX: LSH) ("the Company") is pleased to announce that it has issued 24,000,000 ordinary shares A$0.04 (4 cents) per share to Cannvalate Pty Ltd raising $960,000.

Funds raised will be used to fund clinical trials on the Company's Medihale® inhaler device and other novel cannabinoid inhalational devices, completion of the final stages of a BodyTel Fevertel workplace SaaS solution and ongoing marketing of the Fevertel home and workplace products. The Company intends to allocate $770,000 towards the inhaler device clinical trials and $190,000 towards the BodyTel Fevertel product development and marketing costs.

The Company issued 20,000,000 of the new placement shares pursuant to the shareholder approval received at the Company's 26 June 2020 Annual General Meeting. The remaining 4,000,000 shares were issued without shareholder approval under its 10% placement capacity pursuant to ASX Listing Rule 7.1A.

The Company continues to focus on the previously communicated dual strategy of the development of:

1. Medical devices and technologies for chronic disease and health monitoring and medicine delivery software platform known as the BodyTel system; and

2. The Medihale medical cannabis inhaler device that has been developed by the Company and that integrates with the BodyTel system.

Medihale - Medical Cannabis Inhaler Strategy

The Company's medical cannabis strategy has been centred on the Company's Medihale inhaler device which is integrated with BodyTel system which the Company has been developing over the past 3 years.

With the funds raised in the placement, the Company intends to further advance the Company's Medihale inhaler device and other non-company inhaler products under licence through clinical safety and pharmacokinetic trials. The Company does not currently have any licenced rights to non-company inhaler devices, however, is exploring opportunities to licence non-company inhaler devices to test under the clinical trials in addition to the Medihale inhaler device. The Company will aim to secure licences to non-company inhaler devices by Q1 of 2021 for the purposes of the clinical trials.

Following the relocation of Bodytel and Seng Vital assets and operational management to Australia, the Company has progressed discussions with a number of Melbourne-based clinical research organisations to

scope initial target disease areas and general outline of study protocols. The scoping process has not yet been completed, however, it is expected to be completed by Q1 of 2021.

The Company believes that the potential speed of onset of relief from inhaled cannabinoid delivery could deliver superior patient outcomes for specific targeted diseases. The Company will pursue clinical safety, proof-of-concept and pharmacokinetic trials for the inhaler devices. It is anticipated that such trials will commence by Q2 of 2021. The Company believes that if such trials are successful, this will provide greater medical validation for the Company's inhaler products and increase their commercial value in the market. This would then lead to advanced Phase 2 trials for the devices and also increase commercialisation opportunities for the devices.

If the abovementioned clinical safety, proof-of-concept and pharmacokinetic trials are successful, the Company then intends to conduct advanced trials with global medical cannabis organisations in relation to the administering of medicinal cannabis via the inhaler products, including Phase 1 and 2 trials for treatment of acute on chronic pain, insomnia, and anxiety.

If the further trials yield successful results, the Company intends to progress further commercialisation of the developed medical inhaler product. In progressing this commercialisation, the Company would seek to engage 3rd party consultants to conduct the testing, marketing and distribution of the inhaler products.

Update on Bodytel System and Fevertel device

Sales of the Fevertel monitoring system for households and small business commenced in late July 2020 with sales to date totalling $12k. Initial sales have primarily been to organisations involved in trailing and running return-to-workplace management. Pharmacy distributor sales have been weak and excessively margin dilutive due to restrictions in acceptance of new products in major pharmacy chains during the current economic climate and the very aggressive on-line and instore pricing of competitor products.

The Company will continue to focus FeverTel device marketing efforts towards sales to large organisations with a Software as a Service (SaaS) model and in consumer channels where higher sales margins are available.

The Company will be allocating a portion of funds raised under the placement towards costs of completion of the final stages of a BodyTel Fevertel workplace SaaS solution for launch via Jayex Healthcare in the UK and Australia under the existing license agreement between the parties and will also be allocating funds towards ongoing marketing of the Fevertel home and workplace products to high margin channels and on-line sales.

The Company will provide further updates and a more comprehensive financial update in the quarterly report in due course.

Authorised by the Board of Directors.

Justyn Stedwell
Company Secretary
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