

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **April 27, 2025**

ARTELO BIOSCIENCES, INC.

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation)	333-199213 (Commission File Number)	33-1220924 (IRS Employer Identification No.)
505 Lomas Santa Fe, Suite 160 Solana Beach, CA USA (Address of principal executive offices)		92075 (Zip Code)

Registrant's telephone number, including area code **(858) 925-7049**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	ARTL	The Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry Into a Material Definitive Agreement.

Between April 27, 2025 and May 1, 2025, Artelo Biosciences, Inc. (the “**Company**”) entered into Subscription Agreements (the “**Subscription Agreements**”) with various investors (the “**Investors**”), pursuant to which the Company issued convertible notes (the “**Notes**”) to the Investors in an aggregate principal amount of \$900,000 (collectively, the “**Notes Offering**”). A portion of the Notes shall be convertible into shares of the Company’s common stock, par value \$0.001 (“**Common Stock**”), at the election of each Investor, pursuant to the Voluntary Conversion (defined below) and the remaining portion of each Note shall be converted into warrants to purchase shares of the Company’s Common Stock (each, a “**Warrant**” and collectively, the “**Warrants**”). The sale and issuance of the Notes closed on May 1, 2025.

The Notes will accrue interest at a rate of 12% per annum, which will adjust to 20% upon an Event of Default (as defined in the Notes). All unpaid principal, together with any then unpaid and accrued interest and other amounts payable thereunder, shall be due and payable 180 days after the closing of the Notes Offering (the “**Maturity Date**”).

At the Maturity Date, the Investor may (at the Investor’s sole option) convert all of that certain unpaid portions of principal and accrued interest of the Investor’s Note into shares of Common Stock (the “**Voluntary Conversion**”), specifically into that number of shares of Common Stock (the “**Converted Shares**”) equal to the unpaid principal balance and any accrued interest of each Note divided by \$1.29. The amount of principal balance and any accrued interest of each Note convertible pursuant to the Voluntary Conversion shall be the number of Converted Shares multiplied by \$1.04 (the “**Minimum Price**”). Should the Investor not elect Voluntary Conversion, such portion of the unpaid principal balance and any accrued interest of each Note subject to Voluntary Conversion shall be immediately due and payable in cash.

At the Maturity Date, that portion of the unpaid principal balance and any accrued interest of each Note not subject to the Voluntary Conversion shall be automatically converted into Warrants at a conversion price of \$0.125 per share issuable pursuant to the Warrants (the “**Automatic Conversion**”). The exercise price of such Warrant for each Warrant Share shall be equal to the Minimum Price.

Each Warrant shall be immediately exercisable after issuance for five (5) years with an exercise price of such Warrant for each Warrant Share equal to the Minimum Price. Each Warrant will be exercisable by payment of the exercise price in cash or on a cashless basis if at the time of exercise there is no effective resale registration statement and will contain customary anti-dilution provisions (in the case of stock splits, dividends, recapitalizations, mergers and similar transactions).

Pursuant to the Subscription Agreements, the Company agreed (i) to file a registration statement (the “**Registration Statement**”) with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended (the “**Securities Act**”) on or before the 45th calendar day following the Maturity Date (subject to certain exceptions) for purposes of registering the resale of the Converted Shares, if any, and the shares issuable pursuant to the Warrants (collectively, the “**Registrable Shares**”), (ii) to use its reasonable best efforts to have such registration statement declared effective within the time period set forth in the Subscription Agreements, and (iii) to keep the Registration Statement effective until the Registrable Shares covered by such Registration Statement may be sold without volume or manner-of-sale restrictions pursuant to Rule 144, subject to certain conditions.

The Subscription Agreements contain customary representations, warranties and agreements by the Company, indemnification obligations of the Company and the Investors, including for liabilities under the Securities Act, and other obligations of the parties. The representations, warranties and covenants contained in the Subscription Agreements were made only for purposes of such Subscription Agreements and are made as of specific dates; are solely for the benefit of the parties (except as specifically set forth therein); may be subject to qualifications and limitations agreed upon by the parties in connection with negotiating the terms of the Subscription Agreements, instead of establishing matters as facts; and may be subject to standards of materiality and knowledge applicable to the contracting parties that differ from those applicable to the investors generally. Investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of the Company.

Certain directors, members of management and consultants of the Company entered into Subscription Agreements in connection with the Notes Offering and purchased an aggregate of \$200,000 of Notes in the Notes Offering. The participation of these Investors in the Notes Offering was disclosed to, and approved by, the board and separately by the disinterested members of the board.

The foregoing descriptions of the Subscription Agreements, the Notes and the Warrants are not complete and are qualified in their entirety by reference to the full text of the Subscription Agreements, the Notes and the Warrants, copies of which are filed as Exhibit 10.1, 10.2, and 10.3, respectively to this Current Report on Form 8-K and are incorporated by reference herein.

Item 3.02. Unregistered Sales of Equity Securities.

The information provided in Item 1.01 with respect to the issuances of the of the Notes and, when and/or if issued, the Warrants and the Registrable Shares, pursuant to the Subscription Agreements is incorporated herein by reference. The issuance of all such securities by the Company will not be registered under the Securities Act and are issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act and/or Rule 506 of Regulation D promulgated thereunder, or under any state securities laws, but the resale of such Registrable Shares will be registered under the Registration Statement.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Exhibit
10.1	Form of Subscription Agreement by and between Artelo Biosciences Inc. and the purchasers named therein
10.2	Form of Convertible Note
10.3	Form of Warrant
104	Cover Page Interactive Data File (embedded within the XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARTELO BIOSCIENCES, INC.

Date: May 1, 2025

/s/ Gregory D. Gorgas

Gregory D. Gorgas
President & Chief Executive Officer

NOTE AND WARRANT SUBSCRIPTION AGREEMENT

This Note and Warrant Subscription Agreement (this “**Agreement**”) is entered into by and between Artelo Biosciences, Inc., a Nevada corporation (the “**Company**”) and the Investors listed on Schedule A hereto and shall be effective as of the “**Effective Date**” as shown on the Company’s signature page hereto.

RECITALS

A. The Company’s Board of Directors has approved the issuance and sale of convertible promissory notes in the form attached hereto as Exhibit A (the “**Notes**”) in the aggregate principal amount of up to \$1,000,000 (the “**Note Financing**”) to certain investors set forth on Schedule A (the “**Investors**”).

B. Pursuant to the terms of the Voluntary Conversion provisions of the Notes, the Company shall permit the Investors to voluntarily convert a certain portion of the unpaid principal balance and any accrued interest of each Note at the Maturity Date (defined below) into shares of Common Stock (the “**Converted Shares**”) in full satisfaction of such principal and interest due under the Note at such time.

C. Pursuant to the Automatic Conversion provisions of the Notes, the Company shall issue warrants to purchase shares of the Company’s common stock, par value \$0.001 (“**Common Stock**”) in the form attached hereto as Exhibit B (each, a “**Warrant**” and collectively, the “**Warrants**”) to Investors at a conversion price of \$0.125 per share issuable pursuant to the Warrants, in full satisfaction of the remaining amount of the principal and interest due under the Note at the Maturity Date not subject to the Voluntary Conversion.

D. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Note.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing, and the representations, warranties, and conditions set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. *The Notes and Warrants.*

(a) *Issuance of Notes.* In accordance with and subject to all of the terms and conditions hereof, the Company may from time to time sell to Investors Notes; provided that the total aggregate principal amount of all of the Notes sold to the Investors shall not exceed \$1.0 million. Upon the sale of Notes hereunder, the Company shall update Schedule A with such Investor’s name, date of issuance and the principal amount of such Note set forth opposite such Investor’s name.

(b) *Interest Rate; Note Maturity.* The Notes shall bear interest from the date of issuance on the unpaid principal balance at a rate equal to 12.0% per annum, computed on the basis of the actual number of days elapsed and a year of 360 days. All unpaid principal, together with any then unpaid and accrued interest and other amounts payable hereunder, shall be due and payable 180 days after the closing of a Note under the Note Financing (the “**Maturity Date**”), or (ii) the occurrence and during the continuance of an Event of Default (as defined in the Note), such amounts are declared due and payable by Investor or made automatically due and payable, in each case, in accordance with the terms hereof. Upon the occurrence of an Event of Default, the Notes shall bear interest from the date the Event of Default occurred until the same has been cured, at a rate equal to 20.0% per annum on the then unpaid principal balance and shall no longer be convertible into Warrants and/or Converted Shares.

(c) *Voluntary Conversion to Common Stock.* At the Maturity Date, the Investor may (at the Investor's sole option) convert all of that certain unpaid portions of principal and accrued interest of the Investor's Note into shares of Common Stock (the "**Voluntary Conversion**"), specifically into that number of shares of Common Stock (the "**Converted Shares**") equal to the unpaid principal balance and any accrued interest of each Note divided by \$1.29. The amount of principal balance and any accrued interest of each Note convertible pursuant to the Voluntary Conversion shall be the number of Converted Shares multiplied by \$1.04 (the "**Minimum Price**"). Should the Investor not elect Voluntary Conversion, such portion of the unpaid principal balance and any accrued interest of each Note subject to Voluntary Conversion shall be immediately due and payable in cash.

(d) *Automatic Conversion to Warrants.* At the Maturity Date, that portion of the unpaid principal balance and any accrued interest of each Note not subject to the Voluntary Conversion described in Section 1(c) above shall be automatically converted into Warrants to purchase shares of Common Stock (the "**Automatic Conversion**") at a price of \$0.125 per share issuable pursuant to the Warrants (the "**Warrant Shares**"). For the avoidance of doubt, the number of Warrant Shares issuable upon exercise of the Warrants shall be two (2) times the number of Converted Shares subject to the Voluntary Conversion (even if Investor does not elect the Voluntary Conversion). The exercise price of such Warrant for each Warrant Share shall be equal to the Minimum Price.

(e) *Terms of Warrants.* Each Warrant shall be immediately exercisable after issuance for five (5) years. The Warrant will be exercisable by payment of the exercise price in cash or on a cashless basis if at the time of exercise there is no effective resale registration statement and will contain customary anti-dilution provisions (in the case of stock splits, dividends, recapitalizations, mergers and similar transactions).

(f) *Closings.* The sale and purchase by an Investor of a Note shall take place from time to time (each, a "**Closing**") held by remote means. At a Closing, the Company will deliver to the Investor the Note and reserve such shares underlying the Warrant to be issued upon Automatic Conversion at the Maturity Date, in addition to the common stock issuable upon voluntary conversion by such Investor of the remaining amounts due under the Note, against receipt by the Company of the corresponding purchase price such Investor's execution and delivery of a counterpart signature page to this Agreement, and the Company shall thereafter update **Schedule A** accordingly.

(g) *Tax Reporting.* The Company and each Investor agree that the Notes may comprise an "investment unit" under Treasury Regulations section 1.1273-2. The Company, in consultation with the Investors, shall determine the "issue price" of the Notes in accordance with Treasury Regulations Section 1273-2 and report "original issue discount" if any, as required by the Treasury Regulations.

2. Representations and Warranties of the Company. The Company represents and warrants to the Investor that:

(a) *Due Incorporation, Qualification, etc.* The Company (i) is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Nevada; (ii) has the power and authority to own, lease and operate its properties and carry on its business as now conducted; and (iii) is duly qualified, licensed to do business and in good standing as a foreign corporation in each jurisdiction where the failure to be so qualified or licensed would have a material adverse effect on the Company.

(b) *Authority.* The execution, delivery and performance by the Company of each transaction document to be executed by the Company and the consummation of the transactions contemplated thereby (i) are within the power of the Company and (ii) have been duly authorized by all necessary actions on the part of the Company, its officers, directors and stockholders.

(c) *Enforceability.* Each transaction document executed, or to be executed, by the Company has been, or will be, duly executed and delivered by the Company and constitutes, or will constitute, a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

(d) *Compliance with Other Instruments.* Neither the authorization, execution and delivery of this Agreement, nor the issuance and delivery of the Note and Warrant and/or Converted Shares at the Maturity Date, will constitute or result in a material default or violation of any law or regulation applicable to the Company or any material term or provision of the Company's current Articles of Incorporation or bylaws or any material agreement or instrument by which it is bound or to which its properties or assets are subject.

3. Representations and Warranties of the Investor. Each Investor, severally and not jointly, represents and warrants to the Company as follows:

(a) *Binding Obligation.* The Investor has full legal capacity, power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes a valid and binding obligation of such Investor, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

(b) *Securities Law Compliance.* The Investor has been advised that the Note, the Warrant and the underlying shares of Common Stock issuable upon exercise of the Warrant, and the shares of Common Stock issuable upon the Voluntary Conversion, if any, have not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws and, therefore, cannot be resold unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available. Except as set forth in Section 4, such Investor is aware that the Company is under no obligation to effect any such registration with respect to the Note, the Warrant and the underlying shares of Common Stock issuable upon exercise of the Warrant, and the shares of Common Stock issuable upon the Voluntary Conversion, if any, or to file for or comply with any exemption from registration. Such Investor has not been formed solely for the purpose of making this investment and is purchasing the Note and Warrant to be acquired by such Investor hereunder for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. Such Investor has such knowledge and experience in financial and business matters that such Investor is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment without impairing such Investor's financial condition and is able to bear the economic risk of such investment for an indefinite period of time. Such Investor is an "accredited investor" as such term is defined in Rule 501 of Regulation D under the Securities Act and shall submit to the Company such further assurances of such status as may be reasonably requested by the Company. The residency of the Investor (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth beneath such Investor's name on the signature page hereto.

(c) *Access to Information.* The Investor acknowledges that the Company has given such Investor access to the corporate records and accounts of the Company and to all information in its possession relating to the Company, has made its officers and representatives available for interview by such Investor, and has furnished such Investor with all documents and other information required for such Investor to make an informed decision with respect to the purchase of the Note and Warrant.

(d) *Legends.* Such Investor understands that, until such time as the shares of Common Stock issuable pursuant to this Agreement (the “Shares”) may be sold pursuant to Rule 144, any certificates representing the Shares, whether maintained in a book entry system or otherwise, will bear one or more legends in substantially the following form and substance:

“THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE SECURITIES LAWS AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO A TRANSACTION WHICH IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS, AND, IN THE CASE OF A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION, THE HOLDER WILL NOTIFY ANY SUBSEQUENT INVESTOR OF THE SECURITIES EVIDENCED BY THIS CERTIFICATE FROM IT OF SUCH RESALE RESTRICTIONS.”

In addition, any stock certificates, whether maintained in a book entry system or otherwise, representing the Shares may contain any legend required by the blue sky laws of any state to the extent such laws are applicable to the sale of such Shares hereunder. The Company shall use its commercially reasonable efforts to help facilitate the removal of such legend when it is legally permitted to do so under Rule 144, or to facilitate any transfer of the Shares under Rule 144 that may be requested by Investors but shall not be obligated to incur any material costs or expenses in making such efforts other than as set forth herein.

(e) *Restricted Securities.* Such Investor understands that the Shares are characterized as “restricted securities” under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Shares may be resold without registration under the Securities Act only in certain limited circumstances. Accordingly, such Investor represents that it is familiar with Rule 144 of the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

(f) *Independent Advice.* Such Investor understands that nothing in this Agreement or any other materials presented to such Investor in connection with the purchase and sale of the Shares constitutes legal, tax or investment advice. Such Investor has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Shares.

4. Registration of the Shares under the Securities Act.

(a) The Company shall, on or before the date that is 45 days after the Maturity Date (the “**Filing Deadline**”), use its commercially reasonable efforts to prepare and file with the Commission a Registration Statement on Form S-1 or S-3, as appropriate (the “**Registration Statement**”), relating to and providing for the resale of the Shares by the Investors on a continuous basis pursuant to Rule 415 under the Securities Act.

(b) The Company shall use its commercially reasonable efforts, subject to receipt of necessary information from the Investors, to cause the Commission to declare a Registration Statement covering the Shares effective as soon as practicable after the date of the filing thereof and in any event no later than sixty (60) days after such filing if the Registration Statement has been filed on Form S-3, and no later than ninety (90) days after such filing if such Registration Statement has been filed on Form S-1, and in either case, no later than forty-five (45) days after such filing in the event the Registration Statement is not reviewed by the Commission (in either case, such date, the “**Effectiveness Deadline**”).

(c) The Company shall promptly prepare and file with the Commission such amendments and supplements to the Registration Statement and the prospectus used in connection therewith as may be necessary to keep the Registration Statement effective until the earliest of (i) the second anniversary of the effective date of the Registration Statement, (ii) such time as all of the Shares purchased by the Investors pursuant to the terms of this Agreement have been sold pursuant to the Registration Statement, or (iii) such time as the Shares become eligible for resale by non-affiliates without any volume limitations or other restrictions pursuant to Rule 144(b)(1)(i) under the Securities Act or any other rule of similar effect.

(d) Notwithstanding the foregoing obligations, the Company may, upon written notice to the Investors, for a reasonable period of time, not to exceed ninety (90) days (each, a “**Blackout Period**”), delay the filing of a Registration Statement or a request for acceleration of the effective date, or suspend the effectiveness of any Registration Statement, in the event that (A) the Company is engaged in any activity or transaction or preparations or negotiations for any activity or transaction that the Company desires to keep confidential for business reasons, if the Company determines in good faith that the public disclosure requirements imposed on the Company under the Securities Act in connection with the Registration Statement would require at that time disclosure of such activity, transaction, preparations or negotiations and such disclosure could result in material harm to the Company or its business transactions or activities, (B) the Company does not yet have appropriate financial statements of any acquired or to be acquired entities necessary for filing, or (C) any other event occurs that makes any statement of a material fact made in such Registration Statement, including any document incorporated by reference therein, untrue or that requires the making of any additions or changes in the Registration Statement in order to make the statements therein not misleading. If the Company suspends the effectiveness of a Registration Statement pursuant to this Section 4(d), the Company shall, as promptly as reasonably practicable following the termination of the circumstance which entitled the Company to do so, take such actions as may be necessary to reinstate the effectiveness of such Registration Statement and give written notice to the Investors authorizing the Investors to resume offerings and sales pursuant to such Registration Statement. If as a result thereof the prospectus included in such Registration Statement has been amended or supplemented to comply with the requirements of the Securities Act, the Company shall enclose such revised prospectus with the notice to Investor given pursuant to this Section 4. The Company shall be entitled to exercise its rights under this Section 4(d) not more than once in any six (6) month period; provided, however, that the aggregate number of days of all Blackout Periods hereunder shall not exceed 120 days in any twelve (12) month period. After the expiration of any Blackout Period and without further request from the Investor, the Company shall effect the filing (or if required amendment or supplement) of the Registration Statement, or the filing of other documents, as necessary to allow the Investor to resell the Shares as set forth herein.

(e) The Company shall bear all expenses in connection with the procedures in paragraphs (a) through (d) of this Section 4 and the registration of the Shares pursuant to the Registration Statement, other than fees and expenses, if any, of counsel or other advisers to the Investors or underwriting discounts, brokerage fees and commissions incurred by the Investor, if any in connection with the offering of the Shares pursuant to the Registration Statement.

(f) In order to enable the Investors to sell the Shares under Rule 144 to the Securities Act, the Company shall use its commercially reasonable efforts to comply with the requirements of Rule 144, including without limitation, use its commercially reasonable efforts to comply with the requirements of Rule 144(c)(1) with respect to public information about the Company and to timely file all reports required to be filed by the Company under the Exchange Act.

(g) The Company shall provide the Investors an opportunity to review and comment on all disclosures regarding the Investors and any plan of distribution proposed by them in connection with the preparation of any Registration Statement. Notwithstanding anything to the contrary contained herein, in no event shall the Company be permitted to name any Investor or affiliate of an Investor as an “underwriter” without the prior written consent of such Investor.

(h) The Company’s obligations under this Section 4 shall terminate in full at such time as the Shares become eligible for resale by the Investors without any volume limitations or other restrictions pursuant to Rule 144(b)(1)(i) under the Securities Act or any other rule of similar effect.

5. *Miscellaneous.*

(a) *Waivers and Amendments.* Any provision of this Agreement may be amended, waived or modified only upon the written consent of the Company and the Investors representing a majority of all principal then owing pursuant to outstanding Notes issued pursuant to this Agreement, provided that no such amendment, waiver or consent shall affect the amendment provisions set forth in Section 8 of the Notes or Section 13 of the Warrant unless the provisions thereof shall have been separately complied with. **Schedule A** hereto may be amended by the Company from time to time in accordance with this Agreement to add information regarding additional Investors without the consent of the other parties hereto. Any amendment or waiver effected in accordance with this paragraph shall be binding upon all of the Investors with respect to their Notes and Warrants.

(b) *Governing Law.* This Agreement and all actions arising out of or in connection with this Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law provisions of the State of California or of any other state.

(c) *Jurisdiction and Venue.* Each of the parties hereby submits and consents irrevocably to the exclusive jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California for the interpretation and enforcement of the provisions of this Agreement. Each Investor and the Company also agrees that the jurisdiction over such persons and the subject matter of such dispute shall be effected by the mailing of process or other papers in connection with any such action in the manner provided for herein or in such other manner as may be lawful, and that service in such manner shall constitute valid and sufficient service of process.

(d) *Waiver of Jury Trial.* By EXECUTION of this AGREEMENT, Investor hereby agrees and the Company hereby agrees to waive their respective rights to a jury trial of any claim or cause of action based upon or arising out of this AGREEMENT or any of the Transaction Documents.

(e) *Survival.* The representations, warranties, covenants and agreements made herein shall survive the execution and delivery of this Agreement.

(f) *Successors and Assigns.* The rights and obligations of the Company and the Investor shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

(g) *Entire Agreement.* This Agreement together with the Note and Warrant constitute and contain the entire agreement between the Company and Investor and supersedes any and all prior agreements, negotiations, correspondence, understandings and communications among the parties, whether written or oral, respecting the subject matter hereof.

(h) *Notices.* All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall in writing and faxed, mailed or delivered to each party as follows: (i) if to the Investor, at such Investor's address or facsimile number set forth on the signature page hereto, or at such other address as such Investor shall have furnished the Company in writing, or (ii) if to the Company, to the attention of the Chief Executive Officer of the Company at Artelo Biosciences, Inc., 505 Lomas Santa Fe, Suite 160, Solana Beach, CA 92075 with a copy to: Wilson Sonsini Goodrich & Rosati, P.C., 12235 El Camino Real, San Diego, CA 92130, or at such other address as the Company shall have furnished to the Investor in writing. All such notices and communications will be deemed effectively given the earlier of (i) when received, (ii) when delivered personally, (iii) one business day after being delivered by facsimile (with receipt of appropriate confirmation), (iv) one business day after being deposited with an overnight courier service of recognized standing or (v) four days after being deposited in the U.S. mail, first class with postage prepaid.

(i) *Counterparts.* This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Facsimile copies of signed signature pages will be deemed binding originals.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Note and Warrant Subscription Agreement as of the Effective Date.

ARTELO BIOSCIENCES, INC.

Effective Date: _____

By: _____
Gregory D. Gorgas
President and Chief Executive Officer

[Signature Page to Note and Warrant Subscription Agreement]

IN WITNESS WHEREOF, the parties have executed this Note and Warrant Subscription Agreement as of the Effective Date.

INVESTOR

(Print investor name)

(Signature)

(Print name of signatory, if signing for an
entity)

(Print title of signatory, if signing for an entity)

[Signature Page to Note and Warrant Subscription Agreement]

Schedule A
INVESTORS

Investor Name	Principal
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
Total	\$

Exhibit A

FORM OF NOTE

Exhibit B

FORM OF WARRANT

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “*ACT*”), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

ARTELO BIOSCIENCES, INC.

CONVERTIBLE PROMISSORY NOTE

§[●]

[●], 2025

FOR VALUE RECEIVED, Artele Biosciences, Inc., a Nevada corporation (the “*Company*”) promises to pay to [NAME] or its registered assigns (“*Investor*”), in lawful money of the United States of America, the principal sum of [●] Dollars (§[●]), or such lesser amount as shall equal the outstanding principal amount hereof, together with interest from the date of this Convertible Promissory Note (this “*Note*”) on the unpaid principal balance at a rate equal to 12.0% per annum, computed on the basis of the actual number of days elapsed and a year of 360 days. All unpaid principal, together with any then unpaid and accrued interest and other amounts payable hereunder, shall be due and payable on the earlier of (i) [●], 2025 (the “*Maturity Date*”), or (ii) when, upon the occurrence and during the continuance of an Event of Default, such amounts are declared due and payable by Investor or made automatically due and payable, in each case, in accordance with the terms hereof.

The following is a statement of the rights of Investor and the conditions to which this Note is subject, and to which Investor, by the acceptance of this Note, agrees:

1. *Payments.*

(a) Interest. Accrued interest on this Note shall be payable, in arrears, on the Maturity Date.

2. *Events of Default.* The occurrence of any of the following shall constitute an “*Event of Default*” under this Note.

(a) Failure to Pay. The Company shall fail to pay the principal payment, plus any accrued and unpaid interest, on the Maturity Date;

(b) Voluntary Bankruptcy or Insolvency Proceedings. The Company shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) admit in writing its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated, (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing; or

(c) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company, or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or any of its subsidiaries, if any, or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within 45 days of commencement.

3. Rights of Investor upon Default. Upon the occurrence of any Event of Default (other than an Event of Default described in **Section 2(b)** or **2(c)**) and at any time thereafter during the continuance of such Event of Default, the Note will no longer be convertible into Warrants and/or Converted Shares and Investor may, by written notice to the Company, declare all outstanding Obligations payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. Upon the occurrence of any Event of Default described in **Section 2(b)** or **2(c)**, immediately and without notice, all outstanding Obligations payable by the Company hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. In addition to the foregoing remedies, upon the occurrence and during the continuance of any Event of Default, Investor may exercise any other right, power or remedy otherwise permitted to it by law, either by suit in equity or by action at law, or both.

4. Conversion.

(a) Voluntary Conversion at Investor's Option. At the Maturity Date, the Investor may (at the Investor's sole option) convert all of that certain unpaid portions of principal and accrued interest of the Investor's Note into shares of Common Stock (the "**Voluntary Conversion**"), specifically into that number of shares of Common Stock (the "**Converted Shares**") equal to the unpaid principal balance and any accrued interest of each Note divided by \$1.29. The amount of principal balance and any accrued interest of each Note convertible pursuant to the Voluntary Conversion shall be the number of Converted Shares multiplied by \$1.04 (the "**Minimum Price**"). Should the Investor not elect Voluntary Conversion, such portion of the unpaid principal balance and any accrued interest of each Note subject to Voluntary Conversion shall be immediately due and payable in cash.

(b) Automatic Conversion to Warrants. At the Maturity Date, that portion of the unpaid principal balance and any accrued interest of each Note not subject to the Voluntary Conversion described in Section 1(c) above shall be automatically converted into Warrants to purchase shares of Common Stock (the "**Automatic Conversion**") at a price of \$0.125 per share issuable pursuant to the Warrants (the "**Warrant Shares**"). For the avoidance of doubt, the number of Warrant Shares issuable upon exercise of the Warrants shall be two (2) times the number of Converted Shares subject to the Voluntary Conversion (even if Investor does not elect the Voluntary Conversion). The exercise price of such Warrant for each Warrant Share shall be equal to the Minimum Price.

(c) Conversion Pursuant to Section 4(b). Before Investor shall be entitled to convert this Note into shares of common stock, it shall surrender this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement acceptable to the Company whereby the holder agrees to indemnify the Company from any loss incurred by it in connection with this Note) and give written notice to the Company at its principal corporate offices of the election to convert the same pursuant to Section 4(b), and shall state therein the amount of the unpaid principal amount of this Note to be converted, together with all accrued and unpaid interest. The Company shall, as soon as practicable thereafter, issue and deliver to Investor a certificate or certificates, or evidence of the applicable book entry or entries, for the number of shares to which Investor shall be entitled upon such conversion, including a check payable to Investor for any cash amounts payable as described in Section 4(d). Any conversion of this Note pursuant to Section 4(b) shall be deemed to have been made upon the satisfaction of all of the conditions set forth in this Section 4(c) and on and after such date the Persons entitled to receive the shares issuable upon such conversion shall be treated for all purposes as the record holder of such shares.

(d) Fractional Shares; Interest; Effect of Conversion. No fractional shares shall be issued upon conversion of this Note. In lieu of the Company issuing any fractional shares to the Investor upon the conversion of this Note, the Company shall pay to Investor an amount equal to the product obtained by multiplying the applicable Exercise Price by the fraction of a share not issued pursuant to the previous sentence. In addition, to the extent not converted into shares of capital stock, the Company shall pay to Investor any interest accrued on the amount converted and on the amount to be paid by the Company pursuant to the previous sentence. Upon conversion of this Note in full and the payment of the amounts specified in this paragraph, the Company shall be forever released from all its obligations and liabilities under this Note and this Note shall be deemed of no further force or effect, whether or not the original of this Note has been delivered to the Company for cancellation.

(e) Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of common stock solely for the purpose of effecting the conversion of this Note such number of its shares of common stock as shall from time to time be sufficient to effect the conversion of the Note; and if at any time the number of authorized but unissued shares of common stock shall not be sufficient to effect the conversion of the entire outstanding principal and interest amount of this Note, without limitation of such other remedies as shall be available to the holder of this Note, the Company will use its reasonable efforts to take such corporate action as may, in the opinion of counsel, be necessary to increase its authorized but unissued shares of common stock to such number of shares as shall be sufficient for such purposes.

5. **Representations and Warranties of Investor**. By acceptance of this Note, Investor represents and warrants to the Company that Investor has full legal capacity, power and authority to execute and deliver this Note and to perform its obligations hereunder. This Note constitutes valid and binding obligations of Investor, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

6. **Definitions**. As used in this Note, the following capitalized terms have the following meanings:

“**Exercise Price**” shall have the meaning as defined in Section 4(a).

“**Investor**” shall mean the Person specified in the introductory paragraph of this Note or any Person who shall at the time be the registered holder of this Note.

“**Obligations**” shall mean and include all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Company to Investor of every kind and description, now existing or hereafter arising under or pursuant to the terms of this Note, including, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Company hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 *et seq.*), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

“**Person**” shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

7. Miscellaneous.

(a) Waiver and Amendment. Any provision of this Note may be amended, waived or modified upon the written consent of the Company and Investor.

(b) Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail (if to Investor) or otherwise delivered by hand, messenger or courier service addressed:

(i) if to Investor, to Investor’s address, facsimile number or electronic mail address as shown in the Company’s records, as may be updated in accordance with the provisions hereof, or, until such holder so furnishes an address, facsimile number or electronic mail address to the Company, then to the address, facsimile number or electronic mail address of the last holder of this Note for which the Company has contact information in its records; or

(ii) if to the Company, to the attention of the Chief Executive Officer of the Company at Artelo Biosciences, Inc., 505 Lomas Santa Fe, Suite 160, Solana Beach, CA 92075 with a copy to: Wilson Sonsini Goodrich & Rosati, P.C., 12235 El Camino Real, San Diego, CA 92130, or at such other address as the Company shall have furnished to the Investor in writing.

Each such notice or other communication shall for all purposes of this Note be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent via facsimile, upon confirmation of facsimile transfer or, if sent via electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient’s next business day. In the event of any conflict between the Company’s books and records and this Note or any notice delivered hereunder, the Company’s books and records will control absent fraud or error.

(c) Payment. Unless converted into the Company’s equity securities pursuant to the terms hereof, payment shall be made in lawful tender of the United States.

(d) Default Rate; Usury. During any period after the Maturity Date in which a non- payment by the Company of amounts due on the Note has occurred and is continuing, or an Event of Default has occurred and is continuing, the Company shall pay interest on the unpaid principal balance hereof at a rate of twenty percent (20%) per annum. In the event any interest is paid on this Note which is deemed to be in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the principal of this Note.

(e) Waivers. The Company hereby waives notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor and all other notices or demands relative to this instrument.

(f) Governing Law. This Note and all actions arising out of or in connection with this Note shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law provisions of the State of California, or of any other state.

(g) Restriction on Transferability. This Note and the rights and obligations hereunder may not be assigned by either the Investor or the Company without the prior written consent of the other party.

(h) Registration. The Company or its agent will keep books for the registration and registration of transfer of the Note. Subject to this section and any other restrictions on or conditions to transfer set forth in the Note, the Note may be transferred only upon its surrender to the Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Prior to registration of any such transfer, the Company shall treat the person in whose name the Note is registered as the owner and holder of the Note for all purposes, including payment of principal and interest, and the Company shall not be affected by notice to the contrary.

(i) Tax Withholding. Notwithstanding any other provision to the contrary, the Company shall be entitled to deduct and withhold from any amounts payable or otherwise deliverable with respect to this Note such amounts as may be required to be deducted or withheld therefrom under any provision of applicable law, and to be provided any necessary tax forms and information, including Internal Revenue Service Form W 9 or appropriate version of IRS Form W 8, as applicable, from each beneficial owner of the Note. To the extent such amounts are so deducted or withheld and paid over to the appropriate taxing authority, such amounts shall be treated for all purposes as having been paid to the person to whom such amounts otherwise would have been paid.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by one of its officers thereunto duly authorized and issued pursuant to its terms.

ARTELO BIOSCIENCES, INC.

By: _____
Name: Gregory D. Gorgas
Title: President & Chief Executive Officer

[Signature page for Note]

NEITHER THIS SECURITY NOR ANY SECURITIES WHICH MAY BE ISSUED UPON EXERCISE OF THIS SECURITY HAVE BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY U.S. STATE OR OTHER JURISDICTION OR ANY EXCHANGE OR SELF-REGULATORY ORGANIZATION, IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND SUCH OTHER LAWS AND REQUIREMENTS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR LISTING OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, SUCH REGISTRATION AND/OR LISTING REQUIREMENTS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH WILL BE REASONABLY ACCEPTABLE TO THE COMPANY.

ARTELO BIOSCIENCES, INC.

FORM OF COMMON STOCK WARRANT

No. [●]

Issuance Date: [●], 2025

Artelo Biosciences, Inc., a Nevada corporation (the “**Company**”), hereby certifies that [NAME], its permissible transferees, designees, successors and assigns (collectively, the “**Holder**”), for value received, is entitled to purchase from the Company at any time and from time to time commencing from the date first appearing above (the “**Issuance Date**”), up to and through 12:01 a.m. (EST) on the date five (5) years from the Issuance Date (the “**Termination Date**”) up to [●●●] shares (each, a “**Share**” and collectively the “**Shares**”) of the Company’s common stock, par value \$0.001 (the “**Common Stock**”), at an exercise price per Share of \$1.04 (the “**Exercise Price**”). The number of Shares purchasable hereunder and the Exercise Price are subject to adjustment as provided in **Section 4** hereof.

This Common Stock Warrant (this “**Warrant**”) is issued pursuant to the Note and Warrant Subscription Agreement between the Holder and the Company (the “**Subscription Agreement**”). Capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to such terms in the Subscription Agreement.

1. Method of Exercise: Payment.

(a) *Exercise by Holder.* The purchase rights represented by this Warrant may be exercised for cash, by the Holder, in whole or in part, at any time as specified above, or from time to time, by the surrender of this Warrant (with the notice of exercise form (the “**Notice of Exercise**”) attached hereto as **Exhibit A** duly executed) at the principal office of the Company, and by payment to the Company of an amount equal to the Exercise Price multiplied by the number of the Shares being purchased, which amount may be paid, at the election of the Holder, by wire transfer or check payable to the order of the Company. The person or persons in whose name(s) any certificate(s) representing Shares shall be issuable upon exercise of this Warrant shall be deemed to have become the holder(s) of record of, and shall be treated for all purposes as the record holder(s) of, the Shares represented thereby (and such Shares shall be deemed to have been issued) immediately prior to the close of business on the date or dates upon which this Warrant is exercised. Notwithstanding the foregoing or any other provision of this Warrant, the Company shall not effect the exercise of this Warrant, and the Holder shall not have the right to exercise this Warrant, to the extent that after giving effect to such exercise such person (together with such person's affiliates) would beneficially own greater than 9.9% of the Company’s issued and outstanding shares of common stock after such exercise unless the Holder consents to a higher percentage, provided, however, that such higher percentage may not exceed 19.9%. By written notice to the Company, the Holder may reset such percentage limits to a higher, not to exceed 19.9%, or a lower percentage of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock pursuant to any exercise of this Warrant.

(b) If at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for, the resale of the Shares by the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a “cashless exercise” in which the Holder shall be entitled to receive a number of Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

- (A) equals the closing price of the Company’s Common Stock, as reported on the Nasdaq exchange (or if such shares are no longer trading on Nasdaq, then the exchange on which the Company’s Common Stock is then listed and if the Company’s Common Stock is no longer traded on an exchange, then the primary public market, e.g. the OTC market, on which the Company’s Common Stock is then traded) on the trading date preceding the date of the election to exercise; or, if the Company’s Common Stock is not then listed or traded on an exchange or a public trading market, then the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holder and the Company, the fees and expenses of which shall be paid by the Company;
- (B) equals the Exercise Price, as adjusted from time to time in accordance herewith; and
- (X) equals the number of Shares Holder wishes to exercise in accordance with the terms of this Warrant by means of a cashless exercise.

(c) *Forced Exercise by Company.* At the option of the Company, at any time beginning on the date that is three (3) months following the Issuance Date, the Company may force the holder to exercise the Warrants at the Exercise Price provided that (i) the daily Volume Weighted Average Price for the Company’s Common Stock is equal to or greater than three times (3x) the Exercise Price for a period of ten (10) consecutive trading days immediately prior to such exercise, (ii) the shares of common stock issuable upon exercise of the Warrants are registered for resale and the registration statement is declared effective and (iii) such forced exercise by the Company shall not cause the aggregate number of shares of Common Stock beneficially owned (as defined in Rule 13d-3 promulgated under the Exchange Act) by the Holder and its affiliates to exceed 9.9% of the Company’s issued and outstanding shares of common stock after such forced exercise unless the Holder consents to a higher percentage, provided, however, that such higher percentage may not exceed 19.9%. By written notice to the Company, the Holder may reset such percentage limits to a higher, not to exceed 19.9%, or a lower percentage of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock pursuant to any exercise of this Warrant. The Company may exercise its right to require exercise of this Warrant by delivering a written notice thereof by facsimile, email or overnight courier to the holder and the transfer agent (the “**Forced Exercise Notice**”) no later than two (2) trading days after the conditions above have been met. The Forced Exercise Notice delivered shall be irrevocable and shall state (A) the date on which the Forced Exercise shall occur (the “**Forced Exercise Date**”) which date shall be the thirtieth (30th) trading day after the date of the Forced Exercise Notice, and (B) the number of Shares to be issued to the holder on the Forced Exercise Date.

(d) *Stock Certificates.* In the event of any exercise of the rights represented by this Warrant, as promptly as practicable after this Warrant is surrendered and delivered to the Company along with all other appropriate documentation on or after the date of exercise and in any event within ten (10) days thereafter, the Company at its expense shall issue and deliver to the person or persons entitled to receive the same a certificate or certificates for the number of Shares issuable upon such exercise. In the event this Warrant is exercised in part, the Company at its expense will execute and deliver a new Warrant of like tenor exercisable for the number of Shares for which this Warrant may then be exercised.

(e) *Taxes.* The issuance of the Shares upon the exercise of this Warrant, and the delivery of certificates or other instruments representing such Shares, shall be made without charge to the Holder for any tax or other charge in respect of such issuance.

(f) *Acknowledgment.* **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this Section 1, following the purchase of a portion of the Shares hereunder, the number of Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

2. Warrant.

(a) *Transfer and Replacement.* Subject to compliance with applicable securities laws, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto as Exhibit B duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. A Warrant, if properly assigned, may be exercised by a new holder for the purchase of Shares without having a new Warrant issued. The Holder consents that the Company may, if it desires, permit the transfer of this Warrant out of the Holder's name only when the Holder's request for transfer is accompanied by an opinion of counsel reasonably satisfactory to the Company that neither the sale nor the proposed transfer results in a violation of the Securities Act of 1933, as amended (the "**Securities Act**"), or any applicable state "blue sky" laws. At any time prior to the exercise hereof, this Warrant may be exchanged upon presentation and surrender to the Company, alone or with other warrants of like tenor of different denominations registered in the name of the same Holder, for another warrant or warrants of like tenor in the name of such Holder exercisable for the aggregate number of Shares as the warrant or warrants surrendered.

(b) *Replacement of Warrant.* Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of this Warrant and, in the case of any such loss, theft, or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company, at its expense, will execute and deliver in lieu thereof, a new Warrant of like tenor.

(c) *Cancellation; Payment of Expenses.* Upon the surrender of this Warrant in connection with any transfer, exchange or replacement as provided in this **Section 2**, this Warrant shall be promptly canceled by the Company. The Holder shall pay all taxes and all other expenses (including legal expenses, if any, incurred by the Holder or transferees) and charges payable in connection with the preparation, execution and delivery of Warrants pursuant to this **Section 2**.

(d) *Warrant Register.* The Company shall maintain, at its principal executive offices (or at the offices of the transfer agent for the Warrant or such other office or agency of the Company as it may designate by notice to the holder hereof), a register for this Warrant (the "**Warrant Register**"), in which the Company shall record the name and address of the person in whose name this Warrant has been issued, as well as the name and address of each transferee and each prior owner of this Warrant.

3. Rights and Obligations of Holders of this Warrant

The Holder of this Warrant shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or in equity; provided, however, that in the event any certificate representing shares of Common Stock or other securities is issued to the holder hereof upon exercise of this Warrant, such holder shall, for all purposes, be deemed to have become the holder of record of such Common Stock on the date on which this Warrant, together with a duly executed Notice of Exercise, was surrendered and payment of the aggregate Exercise Price was made, irrespective of the date of delivery of such Common Stock certificate.

4. Adjustments.

During the Exercise Period, the Exercise Price and the number of Shares shall be subject to adjustment from time to time as provided in this **Section 4**.

(a) *Subdivision or Combination of Common Stock.* If the Company at any time subdivides (by any stock split, stock dividend, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock acquirable hereunder into a greater number of shares, then, after the date of record for effecting such subdivision, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced. If the Company at any time combines (by reverse stock split, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock acquirable hereunder into a smaller number of shares, then, after the date of record for effecting such combination, the Exercise Price in effect immediately prior to such combination will be proportionately increased.

(b) *Adjustment in Number of Shares.* Upon each adjustment of the Exercise Price pursuant to the provisions of this **Section 4**, the number of shares of Common Stock issuable upon exercise of this Warrant shall be adjusted by multiplying a number equal to the Exercise Price in effect immediately prior to such adjustment by the number of shares of Common Stock issuable upon exercise of this Warrant immediately prior to such adjustment and dividing the product so obtained by the adjusted Exercise Price.

(c) *Consolidation, Merger or Sale.* In case of any consolidation of the Company with, or merger of the Company into any other corporation, or in case of any sale or conveyance of all or substantially all of the assets of the Company other than in connection with a plan of complete liquidation of the Company, then as a condition of such consolidation, merger or sale or conveyance, adequate provision will be made whereby the holder of this Warrant will have the right to acquire and receive upon exercise of this Warrant in lieu of the shares of Common Stock immediately theretofore acquirable upon the exercise of this Warrant, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore acquirable and receivable upon exercise of this Warrant had such consolidation, merger or sale or conveyance not taken place. In any such case, the Company will make appropriate provision to insure that the provisions of this **Section 4** hereof will thereafter be applicable as nearly as may be in relation to any shares of stock or securities thereafter deliverable upon the exercise of this Warrant. The Company will not effect any consolidation, merger or sale or conveyance unless prior to the consummation thereof, the successor corporation (if other than the Company) assumes by written instrument the obligations under this **Section 4** and the obligations to deliver to the holder of this Warrant such shares of stock, securities or assets as, in accordance with the foregoing provisions, the holder may be entitled to acquire.

(d) *Distribution of Assets.* In case the Company shall declare or make any distribution of its assets (including cash) to holders of Common Stock as a partial liquidating dividend, by way of return of capital or otherwise, then, after the date of record for determining shareholders entitled to such distribution, but prior to the date of distribution, the holder of this Warrant shall be entitled upon exercise of this Warrant for the purchase of any or all of the shares of Common Stock subject hereto, to receive the amount of such assets which would have been payable to the holder had such holder been the holder of such shares of Common Stock on the record date for the determination of shareholders entitled to such distribution.

(e) *Notice of Adjustment.* Upon the occurrence of any event which requires any adjustment of the Exercise Price, then, and in each such case, the Company shall give notice thereof to the holder of this Warrant, which notice shall state the Exercise Price resulting from such adjustment and the increase or decrease in the number of Shares purchasable at such price upon exercise, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Such calculation shall be certified by the Chief Financial Officer of the Company.

(f) *Minimum Adjustment of Exercise Price.* No adjustment of the Exercise Price shall be made in an amount of less than 1% of the Exercise Price in effect at the time such adjustment is otherwise required to be made, but any such lesser adjustment shall be carried forward and shall be made at the time and together with the next subsequent adjustment which, together with any adjustments so carried forward, shall amount to not less than 1% of such Exercise Price.

(g) *No Fractional Shares.* No fractional shares of Common Stock are to be issued upon the exercise of this Warrant, but the Company shall round up the number of shares to the issued.

(h) *Other Notices.* In case at any time:

- (i) the Company shall declare any dividend upon the Common Stock payable in shares of stock of any class or make any other distribution (including dividends or distributions payable in cash out of retained earnings) to the holders of the Common Stock;
- (ii) the Company shall offer for subscription pro rata to the holders of the Common Stock any additional shares of stock of any class or other rights;
- (iii) there shall be any capital reorganization of the Company, or reclassification of the Common Stock, or consolidation or merger of the Company with or into, or sale of all or substantially all its assets to, another corporation or entity; or
- (iv) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company;

then, in each such case, the Company shall give to the holder of this Warrant (a) notice of the date on which the books of the Company shall close or a record shall be taken for determining the holders of Common Stock entitled to receive any such dividend, distribution, or subscription rights or for determining the holders of Common Stock entitled to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up and (b) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, notice of the date (or, if not then known, a reasonable approximation thereof by the Company) when the same shall take place. Such notice shall also specify the date on which the holders of Common Stock shall be entitled to receive such dividend, distribution, or subscription rights or to exchange their Common Stock for stock or other securities or property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, or winding-up, as the case may be. Such notice shall be given at least 30 days prior to the record date or the date on which the Company's books are closed in respect thereto. Failure to give any such notice or any defect therein shall not affect the validity of the proceedings referred to in clauses (i), (ii), (iii) and (iv) above.

(i) *Certain Events.* If any event occurs of the type contemplated by the adjustment provisions of this **Section 4** but not expressly provided for by such provisions, the Company will give notice of such event as provided in **Section 8** hereof, and the Company's Board of Directors will make an appropriate adjustment in the Exercise Price and the number of shares of Common Stock acquirable upon exercise of this Warrant so that the rights of the holder shall be neither enhanced nor diminished by such event.

5. Legends.

All certificates representing shares of Common Stock underlying this Warrant shall bear a restrictive legend to the effect that the Shares represented by such certificate have not been registered under the Securities Act, and that the Shares may not be sold or transferred in the absence of such registration or an exemption therefrom, such legend to be substantially in the form of the bold-face language appearing at the top of Page 1 of this Warrant.

6. Disposition of Warrants or Shares.

The Holder of this Warrant, each transferee hereof and any holder and transferee of any Shares, by his or its acceptance thereof, agrees that no public distribution of Warrants or Shares will be made in violation of the provisions of the Securities Act. Furthermore, it shall be a condition to the transfer of this Warrant that any transferee thereof deliver to the Company his or its written agreement to accept and be bound by all of the terms and conditions contained in this Warrant.

7. Merger or Consolidation.

The Company will not merge or consolidate with or into any other corporation, or sell or otherwise transfer its property, assets and business substantially as an entirety to another corporation, unless the corporation resulting from such merger or consolidation (if not the Company), or such transferee corporation, as the case may be, shall expressly assume, by supplemental agreement reasonably satisfactory in form and substance to the Holder, the due and punctual performance and observance of each and every covenant and condition of this Warrant to be performed and observed by the Company.

8. Notices.

Except as otherwise specified herein to the contrary, all notices, requests, demands and other communications required or desired to be given hereunder shall only be effective if given in writing by certified or registered U.S. mail with return receipt requested and postage prepaid; by private overnight delivery service (e.g. Federal Express); by facsimile transmission (if no original documents or instruments must accompany the notice); or by personal delivery. Any such notice shall be deemed to have been given (a) on the business day immediately following the mailing thereof, if mailed by certified or registered U.S. mail as specified above; (b) on the business day immediately following deposit with a private overnight delivery service if sent by said service; (c) upon receipt of confirmation of transmission if sent by facsimile transmission; or (d) upon personal delivery of the notice. All such notices shall be sent to the following addresses (or to such other address or addresses as a party may have advised the other in the manner provided in this **Section 8**):

If to the Company:

Artelo Biosciences, Inc.
505 Lomas Santa Fe, Suite 160
Solana Beach, CA 92075 USA
President and Chief Executive Officer

If to the Holder, at the address set forth on the signature page of the Subscription Agreement.

Notwithstanding the time of effectiveness of notices set forth in this **Section 8**, a Notice of Exercise shall not be deemed effectively given until it has been duly completed and submitted to the Company together with this original Warrant and payment of the Exercise Price in a manner set forth in this **Section 8**.

9. Governing Law.

This Agreement shall be governed by and construed solely and exclusively in accordance with and pursuant to the internal laws of the State of New York without regard to the conflicts of laws principles thereof. The parties hereto hereby expressly and irrevocably agree that any suit or proceeding arising directly and/or indirectly pursuant to or under this Agreement shall be brought solely in a federal or state court located in the City of New York. By its execution hereof, the parties hereby covenant and irrevocably submit to the in personam jurisdiction of the federal and state courts located in the City of New York, New York and agree that any process in any such action may be served upon any of them personally, or by certified mail or registered mail upon them or their agent, return receipt requested, with the same full force and effect as if personally served upon them in New York. The parties hereto expressly and irrevocably waive any claim that any such jurisdiction is not a convenient forum for any such suit or proceeding and any defense or lack of in personam jurisdiction with respect thereto. In the event of any such action or proceeding, the party prevailing therein shall be entitled to payment from the other party hereto of all of its reasonable counsel fees and disbursements.

10. Successors and Assigns.

This Warrant shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

11. Headings.

The headings of various sections of this Warrant have been inserted for reference only and shall not affect the meaning or construction of any of the provisions hereof.

12. Severability.

If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant, and the balance hereof shall be interpreted as if such provision were so excluded.

13. Modification and Waiver.

This Warrant and any provision hereof may be amended, waived, discharged or terminated only by an instrument in writing signed by the Company and the Holder.

14. Specific Enforcement.

The Company and the Holder acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Warrant were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Warrant and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which either of them may be entitled by law or equity.

15. Assignment.

This Warrant may be transferred or assigned, in whole or in part, at any time and from time to time by the then Holder by submitting this Warrant to the Company together with a duly executed Assignment in substantially the form and substance of the Form of Assignment which accompanies this Warrant as **Exhibit B** hereto, and, upon the Company's receipt thereof, and in any event, within five (5) business days thereafter, the Company shall issue a Warrant to the Holder to evidence that portion of this Warrant, if any as shall not have been so transferred or assigned.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by one of its officers thereunto duly authorized.

ARTELO BIOSCIENCES, INC.

By: _____

Name: Gregory D. Gorgas

Title: President & Chief Executive Officer

[Signature Page to Warrant]

EXHIBIT A

NOTICE OF EXERCISE

To Be Executed by the Holder in Order to Exercise the Common Stock Warrant

The undersigned Holder hereby elects to purchase _____ Shares pursuant to the attached Common Stock Warrant, and requests that certificates for securities be issued in the name of:

(Please type or print name and address)

(Social Security or Tax Identification Number)

and to be delivered to: _____

(Please type or print name and address if different from above)

If such number of Shares being purchased hereby shall not be all the Shares that may be purchased pursuant to the attached Warrant, a new Warrant for the balance of such Shares shall be registered in the name of, and delivered to, the Holder at the address set forth below.

In full payment of the purchase price with respect to the Shares purchased and transfer taxes, if any, the undersigned hereby tenders payment of \$ _____ by check, money order or wire transfer payable in United States currency to the order of [_____].

HOLDER:

By: _____

Name:

Title:

Address:

Dated: _____

EXHIBIT B
ASSIGNMENT FORM

(To assign the foregoing warrant, execute this form and supply required information.
Do not use this form to exercise the warrant.)

TO: Artelo Biosciences, Inc.
505 Lomas Santa Fe, Suite 160
Solana Beach, CA 92075

FOR VALUE RECEIVED, _____ shares of the foregoing Common Stock Warrant of Artelo Biosciences, Inc. and all rights evidenced thereby are hereby assigned to:

_____ whose address is:
(Print Name)

(Address)

(City, State, Zip)

Dated: _____, 20__

Holder's Signature: _____

Holder's Address: _____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Common Stock Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Common Stock Warrant.