



ASX Announcement

9 January 2019

Creso further builds medical cannabis in NZ with Medleaf

Highlights

- Creso Pharma welcomes the Misuse of Drugs (Medicinal Cannabis) Amendment Act that came into force on the 18th December 2018, which introduces three significant changes to New Zealand's medicinal cannabis regulatory framework.
- These changes support the timely development of New Zealand's future Medicinal Cannabis Scheme, which should ultimately deliver improved patient access to medicinal cannabis.
- The existing Distribution Agreement between Creso and Medleaf, which currently includes cannaQIX® 50, will be expanded to include Creso's full range of CBD-based medicinal cannabis products.
- Creso and Medleaf announced a strategic alignment to build a comprehensive New Zealand-based cannabis business to explore local R&D activity, domestic cultivation, extraction and product development for meeting domestic and international demand.
- Creso welcomes the planned binding referendum on the legalisation of cannabis for personal use as part of the 2020 New Zealand general election.

Creso Pharma Limited (ASX:CPH, FRA:1X8) (the "Company" or "Creso") is pleased to announce a binding Letter of Intent ("LOI") signed with Medleaf Ltd to partner on building a comprehensive cannabis business in New Zealand and an expansion of the range of CBD-based medicinal cannabis products available to New Zealand consumers.

Dr. Miri Halperin Wernli, Creso Pharma's CEO and co-founder said, "The partnership is greatly encouraged by the evolving regulatory situation in New Zealand which will lead to a wide range of new opportunities with initial investments by Medleaf.

Creso has stated previously we believe New Zealand forms an important part of our business plan for the APAC region, with New Zealand set to emerge as one of the fastest growing markets for cannabis related products in the region.



We have developed a strong relationship with Medleaf and we are delighted to expand this partnership to realise the tremendous potential in New Zealand. With CBD products no longer regarded as controlled drugs but as prescription medicines, we expect improved patient access across the country.

Furthermore, New Zealand's future regulations on quality standards of medicinal cannabis products is perfectly aligned with Creso's pharmaceutical rigour and methodology built into our products, such as cannaQIX® 50 which is the only Creso product currently available in New Zealand."

Courtney Letica, the founder and CEO of Medleaf said, "Our aim is to develop a world class, New Zealand-based cannabis business with leading research and development, cultivation, extraction and product development capabilities.

We firmly believe New Zealand can secure its place as a global leader in cannabis innovation and the recent regulatory advances reinforce this view. We're delighted to announce a deeper alliance with Creso Pharma, one of the industry's innovation leaders globally. Our intention is to accelerate our efforts to be prepared for the opportunities which are opening up."

The Misuse of Drugs (Medicinal Cannabis) Amendment Act introduces three significant changes to New Zealand's medicinal cannabis regulatory framework which include:

- (i) an improved status for individuals requiring palliation;
- (ii) medicinal cannabis products based on non-psychoactive cannabinoids such as cannabidiol (CBD) are no longer controlled drugs; and
- (iii) quality standards for medicinal cannabis products will be set at all stages of production, with clear guidance expected from New Zealand's Ministry of Health in 2019.



About Creso Pharma

www.cresopharma.com

Creso Pharma brings the best of cannabis to better the lives of people and animals. It brings pharmaceutical expertise and methodological rigor to the cannabis world and strives for the highest quality in its products.

It develops cannabis and hemp derived therapeutic, nutraceutical, and life style products with wide patient and consumer reach for human and animal health. Creso uses GMP development and manufacturing standards for its products as a reference of quality excellence with initial product registrations in Switzerland. It has worldwide rights for a number of unique and proprietary innovative delivery technologies which enhance the bioavailability and absorption of cannabinoids.

About Medleaf Ltd

Medleaf Limited has a mission to introduce safe, high quality medicinal cannabis products as prescription medicine for the betterment of people's lives in New Zealand. The owners are proudly associated with grass roots cannabis activism and are committed to the patient advocacy community.

Forward Looking statements

This announcement contains forward-looking statements with respect to Creso and its respective operations, strategy, investments, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Creso could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition and government regulation.

The cautionary statements qualify all forward-looking statements attributable to Creso and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this announcement and Creso has no obligation to up-date such statements, except to the extent required by applicable laws.



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