



ASX Announcement

14 February 2020

Mernova Milestone 2 Achieved

Creso Pharma Limited (ASX:CPH) (**'Creso Pharma'** or **'the Company'**) is pleased to confirm achievement of the second milestone in respect of the Company's 2017 acquisition of Mernova Medicinal Inc. (**Mernova**) (**Milestone 2**).

As a result of the achievement of Milestone 2:

- (a) the 4,150,000 Milestone 2 Exchangeable Shares issued in the Company's Canadian subsidiary have now vested and become exchangeable, at the election of the Mernova vendors, for fully paid ordinary shares in the Company (**Shares**). In accordance with the terms of the shareholder approval and ASX Listing Rule 7.1 waiver, obtained in December 2017, the Mernova vendors can elect to exchange the Milestone 2 Exchangeable Shares into a maximum of 8,300,000 Shares at any time until 11 December 2022; and
- (b) the Milestone 2 cash payment of C\$800,000 is now also payable to the Mernova vendors. The Company and the Mernova vendors have reached an agreement to settle this payment in equal monthly instalments over the next 9 months.

The Company is pleased with the progress of Mernova and its growing facility and looks forward to the further progression of its sales once it secures European GMP certification.

If GMP certification is secured, Mernova will be one of very few EU GMP certified producers in Canada, allowing it to export and sell to Europe (including the high demand markets in Germany and Switzerland).

Ends

Authority and Contact Details

This announcement has been authorised for release by the Board of Creso Pharma Limited.

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About Creso Pharma

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 lifestyle products with wide patient and consumer reach for human and animal health. Creso Pharma uses GMP (Good Manufacturing Practice) 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. To learn more please visit: www.cresopharma.com