



Announcement Summary

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**Entity name**

CRESO PHARMA LIMITED

**Announcement Type**

New announcement

**Date of this announcement**

Wednesday October 7, 2020

**The Proposed issue is:**

A placement or other type of issue

**Total number of +securities proposed to be issued for a placement or other type of issue**

<b>ASX +security code</b>	<b>+Security description</b>	<b>Maximum Number of +securities to be issued</b>
n/a	CPHOA Listed Options	68,664,354
CPH	ORDINARY FULLY PAID	274,657,414

**Proposed +issue date**

Monday October 12, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

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**1.1 Name of +Entity**

CRESO PHARMA LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

**1.2 Registered Number Type**

ABN

**Registration Number**

89609406911

**1.3 ASX issuer code**

CPH

**1.4 The announcement is**

New announcement

**1.5 Date of this announcement**

Wednesday October 7, 2020

**1.6 The Proposed issue is:**

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

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Part 7A - Conditions

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**7A.1 - Are any of the following approvals required for the placement or other type of issue?**

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 7B - Issue details

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**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**

Existing class

**Will the proposed issue of this +security include an offer of attaching +securities?**

Yes

Details of +securities proposed to be issued

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**ASX +security code and description**

CPH : ORDINARY FULLY PAID

**Number of +securities proposed to be issued**

274,657,414

**Offer price details**

**Are the +securities proposed to be issued being issued for a cash consideration?**

Yes

**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

**What is the issue price per +security?**

AUD 0.02910

**Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?**

Yes



Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?

New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

**Details of attaching +securities proposed to be issued**

**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)**

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

Yes

**ASX +security code**

New class-code to be confirmed

**+Security description**

CPHOA Listed Options

**+Security type**

Options

**Number of +securities proposed to be issued**

68,664,354

**Offer price details**

Are the +securities proposed to be issued being issued for a cash consideration?

No

**Please describe the consideration being provided for the +securities**

Subject to shareholder approval and any other requirements, up to 68,664,354 CPHOA Listed Options will be issued to Placement participants, on the basis of one option issued for every four shares issued under the Placement, for nil cash consideration. Refer to the ASX release titled "Creso Pharma receives commitments totaling A\$8.992m" dated 7 October 2020 for further information.

**Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities**

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes



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Options details

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**+Security currency**

AUD - Australian Dollar

**Exercise price**

AUD 0.0500

**Expiry date**

Wednesday November 30, 2022

**Details of the type of +security that will be issued if the option is exercised**

CPH : ORDINARY FULLY PAID

**Number of securities that will be issued if the option is exercised**

Up to 68,664,354 CPHOA Listed Options.

**Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.**

Refer to the ASX Release titled "Creso Pharma receives commitments totaling A\$8.992m" dated 7 October 2020. Further disclosures will be outlined in a Notice of Meeting to be released in advance of the General Meeting at which approval of the issue of 68,664,354 CPHOA Listed Options will be sought. The expiry date set out above is indicative only. The actual expiry date will be set at 24 months from the date of issue.

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Part 7C - Timetable

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**7C.1 Proposed +issue date**

Monday October 12, 2020

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Part 7D - Listing Rule requirements

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**7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?**

Yes

**7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1**

Friday October 2, 2020

**7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?**

No

**7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?**

No

**7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?**

No



Part 7E - Fees and expenses

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**7E.1 Will there be a lead manager or broker to the proposed issue?**

Yes

**7E.1a Who is the lead manager/broker?**

EverBlu Capital Pty Ltd ("EverBlu").

**7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?**

EverBlu acted as lead manager and corporate advisor for the Placement. EverBlu will receive a fee of 6% of the total funds raised and, subject to shareholder approval, be issued one Share for every \$1 raised under the Placement and seven options for every \$1 raised, which options will be issued on the same terms as options issued to participants in the Placement. Refer to the ASX release titled "Creso Pharma receives commitments totaling A\$8.992m" dated 7 October 2020 for further information.

**7E.2 Is the proposed issue to be underwritten?**

No

**7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue**

Part 7F - Further Information

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**7F.01 The purpose(s) for which the entity is issuing the securities**

Repayment of debt and amounts owed to secured lenders to redeem outstanding convertible notes and working capital. Refer to the ASX release titled "Creso Pharma receives commitments totaling A\$8.992m" dated 7 October 2020 for further information.

**7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?**

No

**7F.2 Any other information the entity wishes to provide about the proposed issue**