



ASX Announcement

2 June 2020

Placement and Corporate Update

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that it has completed \$1.837M of the \$2.137M placement to institutional and sophisticated investors ("**Placement**") as announced on 1 June 2020.

The Company has now issued a total of 30,619,007 fully paid ordinary shares in the capital of the Company (**Shares**) at \$0.06 per Share as set out in the Appendix 2A forms lodged with ASX on 1 June 2020 and 2 June 2020).

A further 3,333,334 Shares is intended to be issued on Wednesday, 3 June 2020 upon receipt of subscription monies of \$200,000.

The remaining tranche of 1,666,666 Shares in respect of director participation in the Placement of \$100,000, will be issued subject to shareholder approval.

The funds raised from the Placement will be deployed towards accelerating growth across the Company's existing human and health CBD product lines, repayment of outstanding debt and creditors and for general working capital purposes.

Further to the above, the Company intends to complete the issue of the following securities today:

- a) 2,500,000 CPHCON4 Convertible Notes, each with a face value of \$1.00;
- b) 36,764,706 Tranche 1 CPHOPT28 Options, which are exercisable at \$0.17 each on or before 2 June 2023;
- c) 4,000,000 CPHOPT29 Options, which are exercisable at \$0.25 each on or before 2 June 2023; and
- d) 8,000,000 CPHOPT31 Options, which are exercisable at \$0.20 each on or before 2 June 2023.

(together, the "**Securities**").

The Securities are expected to be issued pursuant to a Prospectus to be lodged with ASIC today. The Shares issued under the Placement will also be cleansed through the cleansing offer being made under the Prospectus.

Following the issue of the above Securities, the Company's issued capital will be as follows:

Type of Securities	Total Number of Securities
<u>Shares</u>	
CPH Ordinary Fully Paid Shares ¹	265,140,235
<u>Options</u>	
CPHO Listed Options (\$0.80, 21/08/2020)	72,796,411
CPHOPT2 Options (\$0.40, 27/06/2020)	400,000
CPHOPT3 Options (\$0.20, 13/10/2020) ²	2,886,250
CPHOPT5 Options (\$0.50, 23/01/2021)	300,000
CPHOPT12 Options (\$0.60, 27/07/2020)	100,000
CPHOPT14 Options (\$0.80, 13/07/2021) ²	150,000
CPHOPT16 Options (\$0.535, 27/07/2021)	200,000
CPHOPT17 Options (\$0.80, 27/07/2022)	200,000
CPHOPT18 Options (\$0.55, 21/08/2021)	200,000
CPHOPT19 Options (\$0.80, 15/09/2022) ²	400,000
CPHOPT20 Options (\$0.35, 12/02/2023)	2,128,387
CPHOPT21 Options (\$0.40, 12/02/2023)	6,847,725
CPHOPT22 Options (\$0.25, 1/03/2023)	250,000
CPHOPT23 Options (\$0.16, 10/03/2024) ²	1,000,000
CPHOPT24 Options (\$0.20, 10/03/2024) ²	1,000,000
CPHOPT25 Options (\$0.08, 10/03/2024) ²	500,000
CPHOPT28 Options (\$0.17, 2/06/2023)	36,764,706
CPHOPT29 Options (\$0.25, 2/06/2023)	4,000,000
CPHOPT31 Options (\$0.20, 2/06/2023)	8,000,000
<u>Performance Shares</u>	
CPHPERSB Performance Shares ²	303,027
CPHPERSC Performance Shares ²	303,027
CPHPERSD Performance Shares ²	303,027
CPHPERSE Performance Shares ²	303,039
<u>Performance Rights</u>	
CPHPERR6 Performance Rights (T1) ²	800,000
CPHPERR7 Performance Rights (T2) ²	800,000
CPHPERR16 Performance Rights (T17) ²	100,000



Type of Securities	Total Number of Securities
<u>Employee Performance Rights (Under Plan)</u>	
CPHPERR22 Employee Performance Rights	33,000
CPHPERR23 Employee Performance Rights	33,000
CPHPERR24 Employee Performance Rights ²	132,000
CPHPERR29 Employee Performance Rights ²	300,000
CPHPERR32 Employee Performance Rights ²	100,000
<u>Convertible Notes</u>	
CPHCON1 Tranche 1 Convertible Notes	3,264,192
CPHCON4 Convertible Notes	2,500,000

1. Excludes 1,666,666 Shares to be issued in respect of director participation in the Placement, subject to shareholder approval
2. Subject to performance milestones and/or vesting conditions.

*In addition to the above, there are also 8,300,000 exchangeable shares on issue in the Company's Nova Scotia subsidiary which may be exchanged for Shares in accordance with agreed ratios subject to satisfaction of milestones and conversion by the holders.

Updates to Agreements with Secured Lenders

The Company confirms it has agreed with each of the Tranche 1 Noteholders, being L1 Capital Global Opportunities Master Fund (**L1 Capital**), Suburban Holdings Pty Limited and Chifley Portfolios Pty Limited, to extend the date that the first interest payment and the first periodic repayment for the Tranche 1 Convertible Notes are due until 27 July 2020.

Further, in consideration for L1 Capital agreeing to the delay in the issue of the 2,500,000 Convertible Notes and the associated Options (which were originally required to be issued on or before 25 May 2020), the Company has agreed to issue L1 Capital (or its nominee) 2,400,000 Shares subject to obtaining shareholder approval and the consent of its existing secured lenders.

Change of Registered Office & Principal Place of Business

The Company advises that it has relocated registered office and principal place of business, effective from 1 June 2020 to:

Suite 5 CPC
145 Stirling Highway
Nedlands, Western Australia, 6009

Telephone: +61 (8) 9389 3180



All other contact details for the Company remain unchanged.

Ends

Authority and Contact Details

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

For further information, please contact:

Investor Enquiries

EverBlu Capital

E: info@everblucapital.com

P: +61 2 8249 0000

Media Enquiries

Ben Jarvis | Six Degrees Investor Relations

E: ben.jarvis@sdir.com.au

P: +61 413 150 448

About Creso Pharma

Creso Pharma Limited (ASX:CPH) 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 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