



21 May 2021

Dear Shareholder,

Annual General Meeting – Notice and Proxy Form

Notice is hereby given that the 2021 Annual General Meeting ('Meeting') of Shareholders of Creso Pharma Limited ('Company') will be held at Quest East Perth, 176 Adelaide Terrace, East Perth 6004 at 12:00pm (WST) on Thursday, 24 June 2021.

Pursuant to ASIC's 'no action' position to facilitate electronic notices of meeting per the ASIC 21-061MR released on 29 March 2021, the Company has made the decision to not dispatch physical copies of the Notice of Meeting ('Notice'). Instead, a copy of the Notice is available on the ASX Company's Announcement Platform at www2.asx.com.au (ASX:CPH).

If you have elected to receive notices by email, a copy of your personalised proxy form will be emailed to you. If you have not elected to receive notices by email, a copy of your personalised proxy form will be posted to you, together with this letter for your convenience.

The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place at the time of the Meeting. Shareholders who are unable to attend the Meeting will be able to participate by:

- (a) voting prior to the Meeting by lodging your proxy instructions by no later than 48 hours prior to the Meeting (by 12:00pm (WST) on Tuesday 22 June 2021) either by:
- **voting online** at <https://investor.automic.com.au/#/loginsah>, or
 - **lodging a proxy form:**
 - by post to: Automic, GPO Box 5193, Sydney, NSW, 2001; or
 - in person to: Automic, Level 5, 126 Phillip Street, Sydney, NSW, 2000; or
 - by email to: meetings@automicgroup.com.au.
- (b) lodging questions in advance of the Meeting by emailing the questions to Erlyn Dale, Joint Company Secretary at erlyn@azc.com.au, by no later than 18 June 2021.

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at www.cresopharma.com.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant, or other professional adviser. If you have any difficulties obtaining a copy of the Notice, or for any other relevant information please contact the Company Secretary on +61 8 9389 3180 or erlyn@azc.com.au.

Authorised for release by the Board of Creso Pharma Limited.

Sincerely,

Erlyn Dale

Joint Company Secretary
Creso Pharma Limited

CRESO PHARMA LIMITED
ACN 609 406 911
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 12:00 pm (WST)
DATE: Thursday, 24 June 2021
PLACE: Quest East Perth
176 Adelaide Terrace
EAST PERTH WA 6004

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 22 June 2021.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2020.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BOAZ WACHTEL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Boaz Wachtel, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

5. RESOLUTION 4 – ISSUE OF SHARES IN CONSIDERATION FOR THE HALUCENEX ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 46,802,872 Shares and on the terms and conditions set out in the Explanatory Statement.”

Note: The maximum number of Securities to be issued in consideration for the Acquisition is 46,802,872. If Resolutions 4 and 5 are approved and Halucenex is granted the Dealer's Licence Amendment prior to Settlement of the Acquisition, the Company will issue an aggregate of up to 46,802,872 Shares under Resolution 4. If Resolutions 4 and 5 are approved and Halucenex is not granted the Dealer's Licence Amendment prior to Settlement of the Acquisition, the Company will issue an aggregate of up to 29,251,795 Shares and 17,551,077 Performance Shares to the Vendors under Resolution 5.

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 5 – ISSUE OF SHARES AND PERFORMANCE SHARES IN CONSIDERATION FOR THE HALUCENEX ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 6, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 29,251,795 Shares and 17,551,077 Performance Shares on the terms and conditions set out in the Explanatory Statement."

Note: The maximum number of Securities to be issued in consideration for the Acquisition is 46,802,872. If Resolutions 4 and 5 are approved and Halucenex is granted the Dealer's Licence Amendment prior to Settlement of the Acquisition, the Company will issue an aggregate of up to 46,802,872 Shares under Resolution 4. If Resolutions 4 and 5 are approved and Halucenex is not granted the Dealer's Licence Amendment prior to Settlement of the Acquisition, the Company will issue an aggregate of up to 29,251,795 Shares and 17,551,077 Performance Shares to the Vendors under Resolution 5.

A voting exclusion statement applies to this Resolution. Please see below.

7. RESOLUTION 6 — CREATION OF A NEW CLASS OF SECURITIES – PERFORMANCE SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, subject to the passing of Resolution 6, the purpose of section 246B of the Corporations Act and for all other purposes, the Company is authorised to issue Performance Shares as a new class of shares on the terms and conditions set out in the Explanatory Statement."

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF CONSULTANT OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 24,000,000 Options on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES TO LENDERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 17,263,158 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

10. RESOLUTION 9 – APPROVAL TO ISSUE OPTIONS TO LENDERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 4,315,790 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

11. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 94,736,843 Shares to the Placement Participants on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

12. RESOLUTION 11 – APPROVAL TO ISSUE PLACEMENT OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 23,684,144 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

13. RESOLUTION 12 – APPROVAL TO ISSUE BROKER SHARES TO EVERBLU CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,600,000 Shares to EverBlu Capital (or its nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

14. RESOLUTION 13 – APPROVAL TO ISSUE OPTIONS TO EVERBLU CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 12,000,000 Options to EverBlu Capital (or its nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

15. RESOLUTION 14 – ADOPTION OF INCENTIVE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Incentive Plan and for the issue of Securities under that Incentive Plan, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

16. RESOLUTION 15 – APPROVAL TO ISSUE SHARES TO RELATED PARTY - MR BOAZ WACHTEL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 500,000 Shares to Mr Boaz Wachtel (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

17. RESOLUTION 16 – APPROVAL TO ISSUE SHARES TO RELATED PARTY – DR JAMES ELLINGFORD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 500,000 Shares to Dr James Ellingford (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

18. RESOLUTION 17 – ISSUE OF SHARES TO CONSULTANT – MR JORGE WERNLI

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Shares to Mr Jorge Wernli (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 19 May 2021

By order of the Board



**Erlyn Dale
Joint Company Secretary**

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolutions set out below by or on behalf of the following persons:

Resolution 4 – Issue of Shares in Consideration for the Halucenex Acquisition	The Vendors (or their nominee/s) or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
Resolution 5 – Issue of Shares and Performance Shares in Consideration for the Halucenex Acquisition	
Resolution 7 – Ratification of prior issue of Consultant Options	David Deslauriers (or his nominee/s) or any other person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 8 – Ratification of prior issue of Shares to Lenders	The Lenders or any other person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 9 – Approval to issue Options to Lenders	The Lenders or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
Resolution 10 – Ratification of prior issue of Placement Shares	The Placement Participants or any other person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 11 – Approval to issue Placement Options	The Placement Participants or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
Resolution 12 – Approval to issue Broker Shares to EverBlu Capital	EverBlu Capital (or its nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 13 – Approval to issue Options to EverBlu Capital	EverBlu Capital (or its nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 14 – Adoption of Incentive Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
Resolution 15 – Approval to issue Shares to Related Party – Mr Boaz Wachtel	Mr Boaz Wachtel (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 16 – Approval to issue Shares to Related Party – Dr James Ellingford	Dr James Ellingford (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of

	being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 17 – Issue of Shares to Consultant – Mr Jorge Wernli	Mr Jorge Wernli (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolution 14 – Adoption of Incentive Plan	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and

	<p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
<p>Resolution 15 – Approval to issue Shares to Related Party – Mr Boaz Wachtel</p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 15 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 15 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p style="padding-left: 40px;">(i) a member of the Key Management Personnel; or</p> <p style="padding-left: 40px;">(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>Provided the Chair is not a Resolution 15 Excluded Party, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
<p>Resolution 16 – Approval to issue Shares to Related Party – Dr James Ellingford</p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 16 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 16 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p style="padding-left: 40px;">(i) a member of the Key Management Personnel; or</p> <p style="padding-left: 40px;">(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>Provided the Chair is not a Resolution 16 Excluded Party, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p>

	(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 17 – Issue of Shares to Consultant – Mr Jorge Wernli	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 17 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 17 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p style="padding-left: 40px;">(i) a member of the Key Management Personnel; or</p> <p style="padding-left: 40px;">(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>Provided the Chair is not a Resolution 17 Excluded Party, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9389 3180.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.cresopharma.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BOAZ WACHTEL

3.1 General

Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Boaz Wachtel, who has served as a Director since 20 November 2015 and was last re-elected on 31 May 2018, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Wachtel was Co-Founder and former Managing Director of MMJ PhytoTech Ltd, Australia's first publicly traded Medical Cannabis Company. Co-founder of IMCPC – International Medical Cannabis Patient Coalition. He is an Israeli medical cannabis pioneer/activist, who formulated and assisted the Ministry of Health with the implementation of the National Medical Cannabis Program – one of only few national programs in the world. He is a frequent lecturer and adviser to governments, national committees, business and NGO's on medical cannabis program formulation, grow operations, international laws and UN drug convention compliance, as well as the founder (1999) and former Chairman of the Green Leaf Party, an Israeli political party for cannabis legalisation/medicalisation, human rights and ecology. Mr Wachtel is a certified clinical research manager and holds an MA in Management and Marketing from the University of Maryland.

During the past three (3) years Mr Wachtel has held a directorship in Roots Sustainable Agricultural Technologies Limited (ASX: ROO) since December 2017.

3.3 Independence

If re-elected the Board does not consider Boaz Wachtel will be an independent Director as he held an executive role with the Company until 15 August 2020.

3.4 Board recommendation

The Board has reviewed Mr Wachtel's performance since his appointment to the Board and considers that Mr Wachtel's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Boaz Wachtel and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

4.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$214,912,589 (based on the number of Shares on issue and the closing price of Shares on the ASX on 10 May 2021).

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

4.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 3:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 4.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for:

- (i) advancing the Company's existing operations, including the development, marketing and distribution of human and animal health products and investment in the cannabis cultivation facilities and operations of the Company's subsidiaries in Canada and Colombia and the development, marketing and distribution of psychedelics alternative medicines subject to the completion of the Acquisition;
- (ii) business development, promotion and marketing services;
- (iii) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (iv) repayment of debt; and
- (v) general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 10 May 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.098	\$0.195	\$0.293
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	1,163,518,712 Shares	116,351,871 Shares	\$11,402,483	\$22,688,614	\$34,091,098
50% increase	1,745,278,068 Shares	174,527,806 Shares	\$17,103,724	\$34,032,922	\$51,136,647
100% increase	2,327,037,424 Shares	232,703,742 Shares	\$22,804,966	\$45,377,229	\$68,182,196

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- There are currently 1,163,518,712 Shares on issue comprising:
 - 1,102,115,840 existing Shares as at the date of this Notice of Meeting; and
 - 61,402,872 Shares which will be issued if Resolutions 4, 12, 15, 16 and 17 are passed at this Meeting (assuming the Dealer's Licence Amendment is granted prior to Settlement such that 46,802,872 Shares are issued under Resolution 4).
- The issue price set out above is the closing market price of the Shares on the ASX on 10 May 2021 (being \$0.195).
- The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 31 May 2019 and 16 June 2020.

During the 12-month period preceding the date of the Meeting, being on and from 24 June 2020, the Company issued 135,946,276 Shares pursuant to its placement capacity under Listing Rule 7.1A, which represents approximately 28.10% of the total diluted number of Equity Securities on issue in the Company on 24 June 2020, which was 483,693,834 (excluding the 5,064,192 convertible notes which were on issue at the time).

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12-month period preceding the date of the Meeting are set out in Schedule 1.

4.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

5. BACKGROUND TO RESOLUTIONS 4, 5 AND 6 – ISSUE OF SECURITIES IN PART CONSIDERATION FOR THE HALUCENEX ACQUISITION

5.1 Background of the Acquisition

As previously disclosed, Creso Pharma has been exploring how it may be able to access additional revenue by leveraging its experience in research and

development, product development, testing and distribution channels for medical and healthcare products, including consideration of options outside the cannabis sector.

As announced on 15 March 2021, the Company has entered into a binding agreement (**Acquisition Agreement**) to acquire 100% of the issued share capital in Halucenex Life Sciences Inc. (**Halucenex**) from the shareholders of Halucenex (**Vendors**) (**Acquisition**).

5.2 Overview of Halucenex

Based in Nova Scotia, Canada, Halucenex is a life sciences development company focused on researching, developing and licencing novel psychedelic molecules for the global pharmaceutical and nutraceutical markets. Halucenex is currently focused on progressing clinical trials to research the efficacy of psilocybin to treat and alleviate Treatment Resistant Depression in individuals suffering from PTSD and other mental illnesses.

Halucenex is focused on delivering and developing evidence-based products for the treatment of Treatment Resistant Depression and other detrimental mental illnesses, with a specific focus on psychedelic-derived medicines. The company operates at 6,000 sq. ft. medical treatment facility in Nova Scotia, Canada, located next to the Hants Emergency Hospital, with a Controlled Substances laboratory, and 18 treatment rooms dedicated to providing psychedelic-assisted psychotherapy.

On receipt of its Controlled Drugs and Substances Dealer's License (**Dealer's Licence**) which is currently pending, Halucenex will apply to commence a phase 2 clinical trial. The Dealer's Licence will allow Halucenex to possess and conduct research and development and clinical studies on psychedelic substances including LSD, psilocybin and MDMA. Halucenex's phase 2 clinical trial is expected to commence in Q3 2021. Halucenex will also seek an amendment to the Dealer's Licence to produce, package/assemble, sell, transport, import and export psychedelic substances (**Dealer's Licence Amendment**).

Once licensed, Halucenex will be able to undertake activities in respect to other psychedelic molecules aside from psilocybin, including but not limited to LSD and MDMA.

Further information in relation to Halucenex and the Acquisition is set out in the ASX announcements released on 15 and 17 March 2021.

5.3 Acquisition Agreement

The material terms and conditions of the Acquisition Agreement are as follows:

Acquisition	The Company agrees to acquire the 100% of the fully paid ordinary shares in the capital of Halucenex, free from encumbrances.
Conditions Precedent	Settlement of the Acquisition (Settlement) is conditional upon: <ul style="list-style-type: none"> (a) completion of due diligence by the Company on Halucenex and its assets and operations with the results of those due diligence enquiries being satisfactory to the Company in its absolute discretion; (b) Halucenex providing the Company with its financial accounts for the period ending 31 December 2020;

	<p>(c) the Company obtaining all shareholder and regulatory approvals required to complete the transaction; and</p> <p>(d) the parties obtaining all necessary regulatory approvals or waivers, third-party approvals and consents necessary to lawfully complete the transaction,</p> <p>(together, Conditions Precedent).</p> <p>Each of the Conditions Precedent are for the benefit of the Company and may only be waived by the Company.</p> <p>If the Conditions Precedent are not satisfied (or waived) by the Company on or before 5.00pm (WST) on 14 June 2021 (or such other date agreed by the parties in writing) or become incapable of being satisfied and are not waived any party may terminate the Acquisition Agreement by notice in writing to the other parties.</p>
Consideration	<p>Subject to the satisfaction (or waiver) of the Conditions Precedent, in consideration for the Acquisition, the Company agrees:</p> <p>(a) to make a cash payment of \$500,000 to the Vendors as a reimbursement of prior expenses incurred (Cash Consideration);</p> <p>(b) to issue an aggregate of 29,251,795 Shares to the Vendors; and</p> <p>(c) to either:</p> <p>(i) issue an aggregate of 17,551,077 Shares to the Vendors, if the Dealer's Licence Amendment has been granted prior to Settlement; or</p> <p>(ii) issue an aggregate of 17,551,077 Performance Shares to the Vendors on the terms and conditions set out in Schedule 2, if the Dealer's Licence Amendment has not been granted prior to Settlement.</p>
Voluntary Escrow	The Shares and Performance Shares are subject to voluntary escrow for a period of 6 months from the date of Settlement.
Halucenex Loan	The Company will advance Halucenex \$250,000 as an interest free loan (Halucenex Loan) for the sole purpose of funding Halucenex's operations prior to Settlement.
Operational Expenses	The Company agree to apply a minimum of \$1,250,000 less the outstanding balance under the Halucenex Loan, in funding towards the business and operations of Halucenex during the 12 months period following the date of Settlement.
Appointment of Director	Bill Fleming ATF The Fleming Family Trust has the right to nominate a director to the board of the Company within three (3) months from Settlement.

5.4 Issue of Consideration

Resolutions 4 and 5 seek Shareholder approval for the issue of an aggregate of 46,802,872 Securities to the Vendors in consideration for the Acquisition.

As set out in Section 5.3 above, the Company will either issue:

- (a) an aggregate of 46,802,872 Shares to the Vendors if the Dealer's Licence Amendment is granted before Settlement (in respect of which Shareholder approval is sought under Resolution 4); or

- (b) issue 29,251,795 Shares and 17,551,077 Performance Shares to the Vendors if the Dealer's Licence Amendment is not granted before Settlement (in respect of which Shareholder approval is sought under Resolution 5).

For the avoidance of doubt, the maximum number of Securities to be issued in consideration for the Acquisition is 46,802,872. The Company will either issue Shares under the approval obtained pursuant to Resolution 4 if the Dealer's Licence Amendment is granted prior to Settlement **OR** issue Shares and Performance Shares to the Vendors if the Dealer's Licence Amendment is not granted before Settlement.

The Performance Shares will subsequently convert into Shares following the grant of the Dealer's Licence Amendment.

The Board considers that the quantum of the consideration payable for the Acquisition reflects reasonable fair value of the business, assets and operations of Halucenex. In particular, the number of Performance Shares to be issued is considered appropriate and equitable as it was agreed following arm's length negotiations with the Vendors to arrive at the commercial terms of the proposed Acquisition having regard to:

- (a) the value of other transactions that were taking place in the open market for companies in a similar position to Halucenex;
- (b) the value of other offers the Vendors were entertaining including offers from third party brokers in Canada to list Halucenex based on proposed valuations;
- (c) the value of similar potential acquisitions that the Company was considering - all of which were substantially higher;
- (d) the value of the time and resources the Company would need to achieve Halucenex's current position – i.e., minimum of 6 - 9 months, resources, IP, personnel, laboratory facilities, data, application lead time. The Company notes that it does not have the internal expertise to replicate the operations and business plan that Halucenex has put in place. As such, the Company is not able to enter the psychedelic market without making an acquisition;
- (e) the value of the reputation and relationships with industry participants (including regulators and researchers) that Halucenex and the Vendors, specifically Bill Fleming, have developed. The Company considers the relationships and the associated reputation of Halucenex is an invaluable asset and the Company would not be able to replicate this even with extensive resources and time; and
- (f) the fact that part of the consideration payable will be deferred (i.e. the Performance Shares) and only realised in the event that the milestone is satisfied, which would be a significant value accretive event for Halucenex.

The deemed issue price of each Share and Performance Share is \$0.20 (being the 10-day value-weighted average price of the Company's shares over the 10 days prior to execution of the Acquisition Agreement). Based on the deemed issue price, the total value of the Securities that will be issued as consideration is \$9,360,574.

5.5 Dilution

Assuming the Dealer's Licence Amendment is granted prior to Settlement (meaning that 46,802,872 Shares to the Vendors under Resolution 4), no Options are exercised, no convertible securities are converted, and other Shares are issued, the number of Shares on issue would increase from 1,102,115,840 (being the number of Shares on issue as at the date of this Notice) to 1,149,818,712 and the shareholding of existing Shareholders would be diluted by 4.07%.

Assuming the Dealer's Licence Amendment is not granted prior to Settlement (meaning that 29,251,795 Shares to the Vendors under Resolution 5), no Options are exercised, no convertible securities are converted, and other Shares are issued, the number of Shares on issue would increase from 1,102,115,840 (being the number of Shares on issue as at the date of this Notice) to 1,131,367,635 and the shareholding of existing Shareholders would be diluted by 2.59%. If the Dealer's Licence is subsequently granted, 17,551,077 Shares would be issued, which, assuming no Options are exercised, no convertible securities are converted and no other Shares are issued, would result in the number of Shares increasing to 1,148,918,712 and the shareholding of existing Shareholders diluting by a further 1.53% (being an aggregate dilution of 4.07%).

6. RESOLUTION 4 – ISSUE OF SHARES IN CONSIDERATION FOR THE HALUCENEX ACQUISITION

6.1 General

Resolution 4 seeks Shareholder approval for the issue of up to 46,802,872 Shares to the Vendors in part consideration for the Acquisition, which Shares will be issued at Settlement if the Dealer's Licence Amendment has been granted.

If the Dealer's Licence Amendment is not granted, the Company will, subject to obtaining Shareholder approval pursuant to Resolution 5, issue 29,251,795 Shares and 17,551,077 Performance Shares to the Vendors at Settlement.

6.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

6.3 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Shares. In addition, the issue of the Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Shares, and the Company will not be able to complete the Acquisition.

6.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3 the following information is provided in relation to Resolution 4:

- (a) the Shares will be issued to the Vendors (including proposed Director Bill Fleming). In accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that, other than Bill Fleming, who will hold 26,514,590 Shares on completion of the Acquisition, none of the Vendors:
 - (i) are currently related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) will be issued more than 1% of the issued capital of the Company;
- (b) the maximum number of securities to be issued is 46,802,872 Shares which shall be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Shares are being issued to the Vendors in connection with the Acquisition;
- (d) the Board considers that the quantum of the consideration payable for the Acquisition reflects reasonable fair value of the business, assets and operations of Halucenex;
- (e) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (f) the Shares will be issued at a nil issue price, in consideration for the Acquisition. The deemed issue price of the Shares is \$0.20 (being the 10 day value-weighted average price of the Company's Shares over the 10 days prior to execution of the Acquisition Agreement);
- (g) the purpose of the issue of the Shares is to satisfy the Company's obligations under the Acquisition Agreement;
- (h) the Shares are being issued under the Acquisition Agreement, a summary of the material terms of which is set out in Section 5.3; and
- (i) the Shares are not being issued under, or to fund, a reverse takeover.

6.5 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 4 and all other Securities proposed to be issued pursuant to this Notice is set out Section 22.

7. RESOLUTION 5 – ISSUE OF SHARES AND PERFORMANCE SHARES IN CONSIDERATION FOR THE HALUCENEX ACQUISITION

7.1 General

Resolution 5 seeks Shareholder approval for the issue of up to 29,251,795 Shares and up to 17,551,077 Performance Shares to the Vendors in part consideration for the Acquisition. Performance Shares will be issued at Settlement if the Dealer's Licence Amendment has not been granted.

If the Dealer's Licence Amendment has been granted, the Company will, subject to obtaining Shareholder approval pursuant to Resolution 4, issue 46,802,872 Shares to the Vendors at Settlement.

7.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 6.2 above.

The proposed issue of the Shares and Performance Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

7.3 Technical information required by Listing Rule 14.1A

If Resolutions 5 and 6 is passed, the Company will be able to proceed with the issue of the Shares and Performance Shares. In addition, the issue of the Shares and Performance Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 5 and 6 is not passed, the Company will not be able to proceed with the issue of the Shares and Performance Shares, and the Company will not be able to complete the Acquisition.

7.4 Listing Rule 6.1 and Guidance Note 19

Listing Rule 6.1 requires that the terms that apply to each class of equity securities which an entity has on issue must, in ASX's opinion, be appropriate and equitable.

ASX has confirmed that the terms of the Performance Shares are appropriate and equitable pursuant to Listing Rule 6.1, subject to a number of standard conditions, including Shareholder approval of the issue of the Performance Shares and the Company making certain requisite disclosures regarding the Performance Shares in this Notice and to the market.

As is its usual practice, ASX has imposed a requirement under Listing Rule 6.1 and Guidance Note 19 *Performance Securities*, that the Company obtain Shareholder approval to the issue of the Performance Shares. This approval is sought pursuant to this Resolution 5.

7.5 Technical information required by Listing Rule 7.1, Guidance Note 19 and Guidance Note 21

Pursuant to and in accordance with Listing Rule 7.3 and the terms of the ASX confirmation decision for the purpose of Listing Rule 6.1, the following information is provided in relation to Resolution 5:

- (a) the Shares and Performance Shares and the Vendors (including proposed Director Bill Fleming). In accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that, other than Bill Fleming, who will hold 26,514,590 Shares on completion of the Acquisition, none of the Vendors:
 - (i) are currently related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) will be issued more than 1% of the issued capital of the Company;
- (b) the maximum number of Securities to be issued is:
 - (i) 29,251,795 Shares, which shall be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
 - (ii) 17,551,077 Performance Shares on the terms set out in Schedule 2;
- (c) the Shares and Performance Shares are being issued to the Vendors in connection with the Acquisition. The commercial goal of the issue of the Performance Shares is to defer part of the consideration payable and will only be realised in the event that the milestone is satisfied, which will be a significant value accretive event for Halucenex;
- (d) the Shares and Performance Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares and Performance Shares will occur on the same date;
- (e) the Shares and Performance Shares will be issued at a nil issue price, in consideration for the Acquisition. The deemed issue price of the Shares and Performance Shares (and the Shares issued upon the conversion of the Performance Shares) is \$0.20 (being the 10-day value-weighted average price of the Company's Shares over the 10 days prior to execution of the Acquisition Agreement);
- (f) the purpose of the issue of the Shares and Performance Shares is to satisfy the Company's obligations under the Acquisition Agreement;
- (g) the Shares and Performance Shares are being issued under the Acquisition Agreement, a summary of the material terms of which is set out in Section 5.3; and
- (h) the Shares and Performance Shares are not being issued under, or to fund, a reverse takeover.

7.6 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 5 and all other Securities proposed to be issued pursuant to this Notice is set out Section 22.

8. RESOLUTION 6 – CREATION OF NEW CLASS OF SECURITIES – PERFORMANCE SHARES

8.1 Background

Resolution 6 seeks Shareholder approval for the Company to be authorised to create the necessary class of and issue the Performance Shares.

A company with a single class of shares on issue which proposes to issue new shares not having the same rights as its existing shares, is taken to vary the rights of existing shareholders unless the Constitution already provides for such an issue.

Under clause 2.2 of the Company's Constitution and, subject to the Corporations Act and the Listing Rules, the Company may issue Shares on any terms and for any consideration as the Directors resolve.

Section 246B of the Corporations Act and clause 2.4 of the Constitution provides that the rights attaching to a class of shares may be varied:

- (a) with the written consent of the holders of 75% of the issued shares of the affected class; or
- (b) by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

Pursuant to the Acquisition Agreement, the Company has agreed to issue up to 17,551,077 Performance Shares, on the terms and conditions set out in Schedule 2.

The Company currently has only one class of shares on issue being fully paid ordinary shares. The terms of the Performance Shares are not the same as the Shares. Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares.

Resolution 6 is a special resolution and is subject to and conditional the passing of Resolution 5. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

8.2 ASX approval pursuant to Listing Rule 6.1

Listing Rule 6.1 provides that the terms that apply to each class of equity security must, in ASX's opinion, be appropriate and equitable. The Company has received ASX approval for the issuance of the Performance Shares required under Listing Rule 6.1.

9. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF CONSULTANT OPTIONS

9.1 General

On 11 January 2021, the Company issued 24,000,000 Options in consideration for business development, promotion and marketing services provided by

David Deslauriers between 11 January 2021 and 11 April 2021 (**Consultant Options**), comprising of:

- (a) 8,000,000 exercisable at \$0.235 on or before 11 January 2023;
- (b) 8,000,000 exercisable at \$0.27 on or before 11 January 2023; and
- (c) 8,000,000 exercisable at \$0.30 on or before 11 January 2023.

9.2 Listing Rules 7.1 and 7.1A

A summary of Listing Rule 7.1 is set out in Section 6.2 above.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 3 being passed at this Meeting.

The issue of the Consultant Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Consultant Options.

9.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultant Options.

Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultant Options.

9.4 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Consultant Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Consultant Options.

If Resolution 7 is not passed, the Consultant Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Consultant Options.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 3 being passed at this Meeting.

9.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) the Consultant Options were issued to David Deslauriers, a consultant engaged by the Company;
- (b) 24,000,000 Consultant Options were issued;
- (c) the Consultant Options were issued on the terms and conditions set out in Schedule 3;
- (d) the Consultant Options were issued on 11 January 2021;
- (e) the Consultant Options were issued at a nil issue price, in consideration for business development, promotion and marketing services. The Company has not and will not receive any other consideration for the issue of the Consultant Options (other than in respect of funds received on exercise of the Consultant Options);
- (f) the purpose of the issue of the Consultant Options was to remunerate David Deslauriers for his services; and
- (g) the Consultant Options were issued to David Deslauriers in lieu of cash consideration under a business development, promotion and marketing services agreement, a summary of the material terms and condition of which is set out in Section 9.1.

10. BACKGROUND TO RESOLUTIONS 8 AND 9 – ISSUE OF SECURITIES TO LENDERS

On 31 December 2020, the Company entered into short term loan agreements with unrelated third-party lenders, Chifley Portfolios Pty Ltd, Jamber Investments Pty Ltd and L1 Capital Opportunities Master Fund (together, the **Lenders**) pursuant to which the Company drew down an aggregate of \$3,000,000 (**Loans**).

On 26 March 2021, there was an aggregate of \$3,529,412 outstanding in respect of the Loans (being the principal loans and accrued interest).

On 26 March 2021, the Company agreed to repay the outstanding Loans by:

- (a) issuing the Lenders an aggregate of 17,263,158 Shares at a deemed issue price of \$0.19 per Share (**Lender Shares**) together with one free attaching Option for every four Shares subscribed for and issued (**Lender Options**); and
- (b) making an aggregate cash payment of \$249,411.80 to the Lenders.

The issue of the Lender Options is subject to the Company obtaining Shareholder approval.

The Lender Shares were issued on 26 March 2021.

Resolution 8 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Lender Shares and Resolution 9 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Lender Options.

11. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES TO LENDERS

11.1 General

Resolution 8 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Lender Shares. Further information in respect of the Lender Shares and the Loans is set out in Section 10.

11.2 Listing Rules 7.1 and 7.1A

A summary of Listing Rules 7.1 and 7.1A is set out in Section 9.26.2 above.

The issue of the Lender Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Lender Shares.

11.3 Listing Rule 7.4

A summary of Listing Rule 7.4 is set out in Section 9.3 above.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Lender Shares.

11.4 Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the Lender Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Lender Shares.

If Resolution 8 is not passed, the Lender Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Lender Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 3 being passed at this Meeting.

11.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 8:

- (a) the Lender Shares were issued to the Lenders, in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the Lenders were:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (b) 17,263,158 Lender Shares were issued and the Lender Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (c) the Lender Shares were issued on 26 March 2021;
 - (d) the Lender Shares were issued at a deemed issue price of \$0.19 per Share on conversion of the Loans and accrued interest which were advanced by the Lenders. The Company has not and will not receive any other consideration for the issue of the Lender Shares;
 - (e) the purpose of the issue of the Lender Shares was to satisfy the obligations of the Company to repay a portion of the Loans (being an amount of \$3,280,000); and
 - (f) the Lender Shares were issued in accordance with the loan repayment agreements reached with each of the Lenders. A summary of the material terms of these agreements is set out in Section 10.

12. RESOLUTION 9 – APPROVAL TO ISSUE OPTIONS TO THE LENDERS

12.1 General

Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lender Options. Further information in respect of the Lender Options and the Loans is set out in Section 10.

12.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 9.2 above.

The proposed issue of the Lender Options falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

12.3 Technical information required by Listing Rule 14.1A

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Lender Options. In addition, the issue of the Lender Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the Lender Options.

12.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the Lender Options will be issued to the Lenders, in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the Lenders were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) will be issued more than 1% of the issued capital of the Company through the issue of the Lender Options;
- (b) the maximum number of Lender Options to be issued is 4,315,790. The terms and conditions of the Lender Options are set out in Schedule 4;
- (c) the Lender Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Lender Options will occur on the same date;
- (d) the Lender Options will be issued at a nil issue price, free attaching with the Lender Shares (on the basis of one Lender Option for every four Lender Shares issued). Accordingly no funds will be raised from the issue of the Lender Options (other than funds received on exercise of the Lender Options);
- (e) the purpose of the issue of the Lender Options is to satisfy the Company's obligations under the loan repayment agreements;
- (f) the Lender Options are being issued in accordance with the loan repayment agreements reached with each of the Lenders. A summary of the material terms of these agreements is set out in Section 10; and
- (g) the Lender Options are not being issued under, or to fund, a reverse takeover.

12.5 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 9 and all other Securities proposed to be issued pursuant to this Notice is set out Section 22.

13. BACKGROUND TO RESOLUTIONS 10 TO 12

13.1 Overview

As announced on 26 March 2021, the Company received firm commitments from institutional, professional and sophisticated investors (**Placement Participants**) to raise up to A\$18 million (before costs) through the issue of 94,736,843 Shares (**Placement Shares**) at an issue price of \$0.19 per Share (**Placement**). The Placement Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1A on 1 April 2021.

The Company agreed, subject to obtaining Shareholder approval, to issue the Placement Participants one Option for every four Shares subscribed for and issued under the Placement (**Placement Options**). The Placement Options will be exercisable at \$0.38 each on or before the date that is 12 months after the date of issue.

13.2 Lead Manager

EverBlu Capital Pty Ltd (ACN 612 793 683) (**EverBlu Capital**) was engaged to lead manage the Placement. In consideration for the provision of these services, the Company agreed to:

- (a) pay EverBlu Capital a capital raising and management fee of 6% of the funds raised under the Placement (being a fee of \$1,080,000); and
- (b) subject to Shareholder approval being obtained, issue EverBlu Capital (or its nominee/s) 3,600,000 Shares (being 1,000,000 Shares per \$5 million raised under the Placement) (**Broker Shares**).

13.3 Use of Funds

The funds raised from the Placement are intended to be applied in accordance with the table set out below:

	(\$)	%
Undertaking psychedelic clinical trials upon completion of the Halucenex Acquisition	\$1,000,000	5.6%
Advancing sales of nutraceutical products globally	\$2,400,000	13.3%
Increasing marketing of cannabis products through Canada	\$750,000	4.2%
Scaling-up operations at the Mernova Facility	\$1,800,000	10.0%
Progressing a dual listing on the OTCQB	\$250,000	1.4%
Operating costs associated with the Switzerland business and Mernova	\$8,500,000	47.2%
Penetration of market opportunities in the USA and evaluation of M&A opportunities	\$720,000	4.0%
Lead Manager Fees	\$1,080,000	6.0%
General working capital	\$1,500,000	8.3%
Total	\$18,000,000	100.00%

The above table is a statement of current intentions as of the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

13.4 Summary of Resolutions

Resolutions 10 to 12 seek:

- (a) Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares (Resolution 10);
- (b) Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Placement Options (Resolution 11); and
- (c) Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Broker Shares (Resolution 12).

14. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

14.1 General

Resolution 10 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares. Further information in respect of the Placement and the issue of the Placement Shares is set out in Section 13 above.

14.2 Listing Rules 7.1 and 7.1A

A summary of Listing Rules 7.1 and 7.1A is set out in Section 9.2 above.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Shares.

14.3 Listing Rule 7.4

A summary of Listing Rule 7.4 is set out in Section 9.3 above.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

14.4 Technical information required by Listing Rule 14.1A

If Resolution 10 is passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution 10 is not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 3 being passed at this Meeting.

14.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 10:

- (a) the Placement Shares were issued to the Placement Participants, who are professional and sophisticated investors who are clients of EverBlu Capital. The Placement Participants were identified through a bookbuild process, which involved EverBlu Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company. In accordance with paragraph 7.4 of ASX Guidance Note 21,

the Company confirms that, other than CS Third Nominees Pty Ltd (a substantial holder of the Company) who received 19,060,601 Shares under the Placement, none of the Placement Participants were:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (b) 94,736,843 Placement Shares were issued, and the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (c) the Placement Shares were issued on 1 April 2021;
 - (d) the issue price was \$0.19 per Placement Shares. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
 - (e) the purpose of the issue of the Placement Shares was to raise \$18,000,000 (before costs), which will be applied as set out in Section 13.3; and
 - (f) the Placement Shares were not issued under an agreement.

15. RESOLUTION 11 – APPROVAL TO ISSUE PLACEMENT OPTIONS

15.1 General

Resolution 11 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Options. Further information in respect of the Placement and the issue of the Placement Options is set out in Section 13 above.

15.2 Listing Rules 7.1

A summary of Listing Rule 7.1 is set out in Section 9.2 above.

The proposed issue of the Placement Options falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

15.3 Technical information required by Listing Rule 14.1A

If Resolution 11 is passed, the Company will be able to proceed with the issue of the Placement Options. In addition, the issue of the Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 11 is not passed, the Company will not be able to proceed with the issue of the Placement Options.

15.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 11:

- (a) the Placement Options will be issued to the Placement Participants;

- (b) the maximum number of Placement Options to be issued is 23,684,144. The terms and conditions of the Placement Options are set out in Schedule 4;
- (c) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Options will occur on the same date;
- (d) the purpose of the issue of the Placement Options is to satisfy the Company's obligations under the Placement. The issue price of the Placement Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Placement (on the basis of one Placement Option for every four Shares subscribed for and issued). Accordingly, no funds will be raised from the issue of the Placement Options;
- (e) the Placement Options are not being issued under an agreement; and
- (f) the Placement Options are not being issued under, or to fund, a reverse takeover.

15.5 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 11 and all other Securities proposed to be issued pursuant to this Notice is set out Section 22.

16. RESOLUTION 12 – APPROVAL TO ISSUE BROKER SHARES TO EVERBLU CAPITAL

16.1 General

Resolution 12 seeks Shareholder approval for the purposes of Listing Rule 10.11 for the issue of the Broker Shares. Further information in respect of the Placement and the issue of the Broker Shares is set out in Section 13 above.

16.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Broker Shares constitutes giving a financial benefit and EverBlu Capital is a related party of the Company by virtue of being controlled by Director, Adam Blumenthal.

The Directors (other than Adam Blumenthal who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Broker Shares because the agreement to grant the Broker Shares was negotiated on an arm's length basis.

16.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Broker Shares falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

16.4 Technical information required by Listing Rule 14.1A

If Resolution 12 is passed, the Company will be able to proceed with the issue of the Broker Shares within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Broker Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Broker Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 12 is not passed, the Company will not be able to proceed with the issue of the Broker Shares as part of the payment for services provided and will be required to re-negotiate a revised fee with EverBlu Capital which may require cash payments and affect the Company's available cash position. The Company considers that a failure to comply with the obligations under such agreement may hinder the Company's ability to raise further capital, if necessary, as EverBlu Capital may elect to cease providing further capital raising services to the Company and, given the current market, there can be no assurance that the Company would be able to engage an alternative lead manager to assist the Company to raise money on terms any more favourable than those agreed with EverBlu Capital.

16.5 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 12:

- (a) the Broker Shares will be issued to EverBlu Capital (or its nominee/s), who falls within the category set out in Listing Rule 10.11.1, by virtue of being

controlled by Director, Adam Blumenthal. Mr Blumenthal is the Chairman of EverBlu Capital and a major shareholder and controller of EverBlu Capital;

- (b) the maximum number of Shares to be issued is 3,600,000;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (e) the Broker Shares will be issued for nil cash consideration; accordingly, no funds will be raised;
- (f) the purpose of the issue of the Broker Shares is to satisfy the Company's obligations under its agreement with EverBlu Capital (as summarised in Section 13.2);
- (g) the issue of the Broker Shares is not intended to remunerate or incentivise a Director; and
- (h) the Broker Shares are being issued under a mandate between the Company and EverBlu Capital, a summary of which is set out in Section 13.2.

16.6 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 12 and all other Securities proposed to be issued pursuant to this Notice is set out Section 22.

17. RESOLUTION 13 – ISSUE OF OPTIONS TO EVERBLU CAPITAL

17.1 General

Resolution 13 seeks Shareholder approval for the purposes of Listing Rule 10.11 for the issue of up to 12,000,000 Options to EverBlu Capital.

These Options are proposed to be issued to EverBlu Capital as remuneration for additional out of scope corporate advisory services that have been and will continue to be provided to the Company over an 18 month period commencing in January 2021. The out-of-scope services include EverBlu Capital's involvement in progressing the Company's application to dual list on the OTCQB market in the USA and activities associated with investigating, evaluating and negotiating international expansion opportunities.

17.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and Listing Rule 10.11 is set out in Sections 16.2 and 16.3 above.

The issue of the Options constitutes giving a financial benefit and EverBlu Capital is a related party of the Company by virtue of being controlled by Director, Adam Blumenthal.

The Directors (other than Adam Blumenthal who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options because the agreement to grant the Options was negotiated on an arm's length basis.

The issue of the Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

17.3 Technical information required by Listing Rule 14.1A

If Resolution 13 is passed, the Company will be able to proceed with the issue of the Options within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 13 is not passed, the Company will not be able to proceed with the issue of the Options.

17.4 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 13:

- (a) the Options will be issued to EverBlu Capital (or its nominee/s), who falls within the category set out in Listing Rule 10.11.1, by virtue of being controlled by Director, Adam Blumenthal. Mr Blumenthal is the Chairman of EverBlu Capital and a major shareholder and controller of EverBlu Capital;
- (b) the maximum number of Options to be issued is 12,000,000;
- (c) the Options will be issued on the terms and conditions set out in Schedule 5;
- (d) the Options will be issued for nil cash consideration; accordingly, no funds will be raised;
- (e) the purpose of the issue of the Options is summarised in Section 17.1 above;
- (f) the issue of the Options is not intended to remunerate or incentivise a Director; and
- (g) the Options are proposed to be issued under an agreement, the material terms of which are summarised in Section 17.1.

17.5 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 13 and all other Securities proposed to be issued pursuant to this Notice is set out Section 22.

18. RESOLUTION 14 – ADOPTION OF INCENTIVE PLAN

18.1 General

Resolution 14 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Incentive Plan" (**Incentive Plan**) and for the issue of Securities under the Incentive Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Incentive Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Incentive Plan and the future issue of Securities under the Incentive Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

As summarised in Section 9.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 14 is passed, the Company will be able to issue Securities under the Incentive Plan to eligible participants over a period of 3 years. The issue of any Securities to eligible participants under the Incentive Plan (up to the maximum number of Securities stated in Section 18.2(c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Securities under the Incentive Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 14 is not passed, the Company will be able to proceed with the issue of Securities under the Incentive Plan to eligible participants, but any issues of Securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Securities.

18.2 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 14:

- (a) a summary of the key terms and conditions of the Incentive Plan is set out in Schedule 6;

- (b) the Company has not issued any Securities under the Incentive Plan as this is the first time that Shareholder approval is being sought for the adoption of the Incentive Plan; and
- (c) the maximum number of Securities proposed to be issued under the Incentive Plan, following Shareholder approval, is 110,201,584 Securities. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

19. BACKGROUND TO RESOLUTIONS 15 TO 17 – ISSUES OF SHARES TO RELATED PARTIES

19.1 Overview

Pursuant to this Notice, the Company is seeking Shareholder approval for the issue an aggregate of 11,000,000 Shares to related parties of the Company to recognise historical performance and incentivise future performance. Details of the Shares which are proposed to be issued pursuant to Resolutions 15 to 17 are set out in the table below:

Recipient	Shares	Resolution
Mr Boaz Wachtel	500,000	Resolution 15
Dr James Ellingford	500,0000	Resolution 16
Mr Jorge Wernli	10,000,000	Resolution 17

19.1.1 Background to Resolutions 15 and 16 – Issue of Shares to Mr Boaz Wachtel and Dr James Ellingford

Resolutions 15 and 16 seek Shareholder approval for the issue of an aggregate of 1,000,000 Shares to Mr Boaz Wachtel and Dr James Ellingford (or their nominee/s).

The Company is seeking to issue these Shares as bonus payments to Mr Boaz Wachtel and Dr James Ellingford for their out-of-scope services over the past two years. During this period, the Directors have been involved in the growth of the business of the Company. This has included involvement in several capital raisings conducted by the Company, investigation and evaluation of acquisition opportunities including the Halucenex Acquisition, expansion of the Company's Mernova facility and the progression of the Company's application to dual list on the OTCQB market in the USA. The Company considers that the time Mr Wachtel and Mr Ellingford have devoted to the Company exceeds the scope of their previously agreed roles and accordingly both Directors should be remunerated accordingly. The Company considers that the issue of these Shares will also further align the interests of Mr Boaz Wachtel and Dr James Ellingford with those of Shareholders.

The number of Shares to be issued to each of Mr Boaz Wachtel and Dr James Ellingford was determined through consideration of the salary payable to each of the Directors and their contributions to the growth of the business of the Company (as summarised above).

19.1.2 Background to Resolution 17 – Issue of Shares to Mr Jorge Wernli

The Company has agreed, subject to obtaining Shareholder approval, to issue 10,000,000 Shares to Mr Jorge Wernli (or his nominee/s).

Mr Wernli has been engaged by the Company since October 2016, initially in the role of Commercial/Market Access Director, where he has been responsible for

the development and commercialisation of the Company's line of CBD-based nutraceutical products. Mr Wernli recently assumed an additional role as Head of Swiss International Operations in August 2021.

These Shares are proposed to be issued in order to retain the service of Mr Wernli in a highly competitive marketplace, where other global pharmaceutical firms were seeking to engage Mr Wernli for higher remuneration packages. Mr Wernli's continued involvement in the Company's business is vital as he is key to the operations in Europe, particularly Switzerland, and the Company considers that replacing him would have a significant financial impact on the Company. The Securities will align Mr Wernli's interests with those of Shareholders, motivate and reward his performance and provide a cost effective way from the Company to remunerate Mr Wernli, allowing the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Wernli.

The number of Securities to be issued to Mr Wernli was determined based upon a consideration of the importance of retaining Mr Wernli's skills and experience, the highly competitive market environment including financial incentives which were proposed to be offered to Mr Wernli by other global pharmaceutical firms and the remuneration of Mr Jorge Wernli.

As Mr Jorge Wernli is the spouse of former director, Dr Miriam Halperin Wernli, the Company is seeking Shareholder approval pursuant to Resolution 17 for the issue of 10,000,000 Shares to Mr Jorge Wernli (or his nominee/s) under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

19.2 Interest in Securities

The relevant interests of Mr Boaz Wachtel, Dr James Ellingford and Mr Jorge Wernli in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options	Performance Rights
Mr Boaz Wachtel	8,300,000	-	1,600,000
Dr James Ellingford	652,500	-	-
Mr Jorge Wernli	13,633,333 ²	-	-

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: CPH).
2. 300,000 Shares held by Jorge Wernli <WHP Management Consulting A/C> and 13,333,333 Shares held by Miriam Halperin Wernli.

19.3 Trading History

The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below.

	Price	Date
Highest	\$0.47	9 December 2020
Lowest	\$0.024	29 October 2020
Last	\$0.195	10 May 2021

19.4 Board Recommendation

Mr Adam Blumenthal recommends that Shareholders vote in favour of Resolutions 15 and 16 for the reasons set out in Section 19.1.1. In forming his recommendation, Mr Adam Blumenthal considered the factors summarised in Section 19.1.1.

Each Director (other than Mr Adam Blumenthal) has a material personal interest in the outcome of Resolutions 15 and 16 on the basis that the Directors (other than Mr Adam Blumenthal) (or their nominee/s) are to be issued Securities should Resolutions 15 and 16 be passed. For this reason, the Directors (other than Mr Adam Blumenthal) do not believe that it is appropriate to make a recommendation on Resolutions 15 and 16 of this Notice.

Each of the Directors recommends that Shareholders vote in favour of Resolutions 17 for the reasons set out in Section 19.1.2. In forming their recommendation, the Directors considered the factors summarised in Section 19.1.2.

The Board is not aware of any information (other than as set out in this Section and Sections 20 and 21 below) that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 15 to 17.

20. RESOLUTIONS 15 AND 16 – APPROVAL TO ISSUE SHARES TO RELATED PARTIES – MR BOAZ WACHTEL AND DR JAMES ELLINGFORD

20.1 General

Resolutions 15 and 16 seek Shareholder approval for the issue of an aggregate of 1,000,000 Shares to Mr Boaz Wachtel and Dr James Ellingford (or their nominee/s) on the terms and conditions set out below. Further information in respect of these issues is set out in Section 19 above.

20.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 16.2 above.

The issue of Securities to Mr Boaz Wachtel and Dr James Ellingford and (together, the **Related Parties**) constitutes giving a financial benefit. Mr Boaz Wachtel and Dr James Ellingford are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Wachtel) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares to Mr Wachtel (being the subject of Resolution 15), because the agreement to issue the Shares, reached as part of the remuneration package for Mr Wachtel, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

The Directors (other than Dr Ellingford) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares to Dr Ellingford (being the subject of Resolution 16), because the agreement to issue the Shares, reached as part of the remuneration package for Dr Ellingford, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that two of the three Directors have a material personal interest in the outcome of Resolutions 15 to 16. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 15 to 16 at a Board level. Accordingly, Shareholder approval for the issue of these Shares is sought in accordance with Chapter 2E of the Corporations Act.

20.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 16.3 above.

The issue of the Shares falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

20.4 Technical information required by Listing Rule 14.1A

If Resolutions 15 and 16 are passed, the Company will be able to proceed with the issue of the Shares within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 15 and 16 are not passed, the Company will not be able to proceed with the issue of the Shares.

20.5 Technical information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 15 and 16:

- (a) the Shares will be issued to the following persons:
 - (i) Mr Boaz Wachtel (or his nominee/s) pursuant to Resolution 15; and
 - (ii) Dr James Ellingford (or his nominee/s) pursuant to Resolution 16, each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Shares to be issued (being the nature of the financial benefit proposed to be given) is 1,000,000 comprising:
 - (i) 500,000 Shares to Mr Boaz Wachtel (or his nominee/s) pursuant to Resolution 15; and
 - (ii) 500,000 Shares to Dr James Ellingford (or his nominee/s) pursuant to Resolution 16;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (e) the issue price of the Shares will be nil. The Company will not receive any other consideration in respect of the issue of the Shares (other than in respect of funds received on exercise of the Shares);
- (f) the purpose of the issue of the Shares is set out in Section 19.1.1 above;
- (g) the number of Shares to be issued to each of Mr Boaz Wachtel and Dr James Ellingford has been determined based upon a consideration of the factors set out in Section 19.1.1 above;
- (h) the total remuneration package for each of these Directors for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Boaz Wachtel	\$60,000	\$77,500
James Ellingford	\$159,870	\$184,395

Notes:

1. This does not include the value of the Shares proposed to be issued under Resolutions 15 and 16.
 2. Further information in respect of the remuneration payable for the financial year ended 31 December 2020 is set out in the Company's annual report which was released on 9 March 2021.
- (i) the value of the Shares (based on the closing price on ASX on 10 May 2021) is \$195,000 (being a value of \$97,500 for each of Mr Boaz Wachtel and Dr James Ellingford);
 - (j) the Shares are not being issued under an agreement;
 - (k) the relevant interests of Mr Boaz Wachtel and Dr James Ellingford in securities of the Company as at the date of this Notice are set out in Section 19.2 above;
 - (l) if the Shares are issued pursuant to Resolution 15 and 16, the number of Shares on issue would increase from 1,102,115,840 (being the total number of Shares on issue as at the date of this Notice) to 1,103,115,840 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.09%, comprising 0.045% by Mr Boaz Wachtel and 0.045% by Dr James Ellingford; and
 - (m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out in Section 19.3 above.

20.6 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolutions 15 and 16 and all other Securities proposed to be issued pursuant to this Notice is set out Section 22.

21. RESOLUTION 17 – ISSUE OF SHARES TO MR JORGE WERNLI

21.1 General

Resolution 17 seeks Shareholder approval for the issue of 10,000,000 Shares to Mr Jorge Wernli (or his nominee/s) under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11. Further information in respect of this issue is set out in Section 19 above.

21.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 16.2 above.

The issue of Shares to Mr Jorge Wernli constitutes giving a financial benefit. Mr Jorge Wernli is related party by virtue of being the spouse of former director Dr Miriam Halperin Wernli.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares to Mr Wernli because the issue of Shares constitutes reasonable remuneration payable to Mr Wernli.

However, in light of the quantum of Shares proposed to be issued to Mr Wernli and in the interest of good corporate governance, the Company is seeking Shareholder approval for the issue of these Shares in accordance with Chapter 2E of the Corporations Act.

21.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 16.3 above.

The issues of the Shares fall within Listing Rule 10.11.1 and do not fall within any of the exceptions in Listing Rule 10.12. The issues therefore require the approval of Shareholders under Listing Rule 10.11.

21.4 Technical information required by Listing Rule 14.1A

If Resolution 17 is passed, the Company will be able to proceed with the issue of the Shares to Mr Jorge Wernli within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 17 is not passed, the Company will not be able to proceed with the issue of the Shares accordingly the Company may need to consider other options to incentivise and remunerate Mr Jorge Wernli including potentially making further cash payments reducing the Company's available funds for operations.

21.5 Technical information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolution 17:

- (a) the Shares will be issued to Mr Jorge Wernli (or his nominee/s) who falls within the category set out in Listing Rule 10.11.4 by virtue of being the spouse of former director, Dr Miriam Halperin Wernli;

- (b) the maximum number of Shares to be issued is 10,000,000;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (e) the issue price of the Shares will be nil. The Company will not receive any other consideration in respect of the issue of the Shares;
- (f) the purpose of the issue of the Shares is summarised in Section 19.1.2 above;
- (g) the number of Shares to be issued to Mr Jorge Wernli has been determined based upon a consideration of the factors set out in Section 19.1.2 above;
- (h) the value of the Shares (based on the closing price on ASX on 10 May 2021) is \$1,950,000;
- (i) the Shares are not proposed to be issued to incentivise or remunerate a Director;
- (j) the Shares are not being issued pursuant to a formal agreement other than as part of the remuneration package for Mr Jorge Wernli;
- (k) the relevant interests of Mr Jorge Wernli in securities of the Company as at the date of this Notice are set out in Section 19.2 above;
- (l) if the Shares are issued, the number of Shares on issue would increase from 1,102,115,840 (being the total number of Shares on issue as at the date of this Notice) to 1,112,115,840 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by 0.90%; and
- (m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out in Section 19.3 above.

21.6 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 17 and all other Securities proposed to be issued pursuant to this Notice is set out Section 22.

22. DILUTIONARY EFFECT OF ISSUES PROPOSED TO CURRENT SHAREHOLDERS

Pursuant to this Notice, the Company is seeking approval to issue a number of Securities as noted in the table below.

		Shares	Options
Resolution 4 ¹	Issue of Shares in consideration for the Halucenex Acquisition	46,802,872	-
Resolution 9	Approval to issue Options to Lenders	-	4,315,790

		Shares	Options
Resolution 11	Approval to issue Placement Options	-	23,684,144
Resolution 12	Approval to issue Broker Shares to EverBlu Capital	3,600,000	-
Resolution 13	Approval to issue Options to EverBlu Capital	-	12,000,000
Resolution 15	Approval to issue Shares to Related Party – Mr Boaz Wachtel	500,000	-
Resolution 16	Approval to issue Shares to Related Party – Dr James Ellingford	500,000	-
Resolution 17	Issue of Shares to Consultant – Mr Jorge Wernli	10,000,000	-

Notes:

- Resolutions 4 and 5 seek Shareholder approval for the issue of an aggregate of 46,802,872 Securities to the Vendors in consideration for the Acquisition. As set out in Section 5.3 above, the Company will either issue:
 - an aggregate of 46,802,872 Shares to the Vendors if the Dealer's Licence Amendment is granted before Settlement (in respect of which Shareholder approval is sought under Resolution 4); or
 - issue 29,251,795 Shares and 17,551,077 Performance Shares to the Vendors if the Dealer's Licence Amendment is not granted before Settlement (in respect of which Shareholder approval is sought under Resolution 5).

This table assumes that the Dealer's Licence Amendment is granted prior to Settlement and the Company issues an aggregate of 46,802,872 Shares to the Vendors.

The maximum impact on current Shareholders assuming that the maximum number of Securities are issued under each of the Resolutions set out in this Notice and no convertible securities (including Options) are exercised or converted is set out below. As demonstrated, in such circumstances the percentage Shareholding of current Shareholders will be diluted to 94.72%.

	Shares	Percentage
Current Shares on issue	1,102,115,840	94.72%
Resolution 4 ²	46,802,872	4.02%
Resolution 9	-	-
Resolution 11	-	-
Resolution 12	3,600,000	0.31%
Resolution 13	-	-
Resolution 15	500,000	0.04%
Resolution 16	500,000	0.04%
Resolution 17	10,000,000	0.86%
Total	1,163,518,712	100.00%

Notes:

- There are currently 1,102,115,840 Shares on issue as at the date of this Notice and this table assumes that no Securities are exercised or converted and no additional Shares are issued, other than as set out in the table above.
- Resolutions 4 and 5 seek Shareholder approval for the issue of an aggregate of 46,802,872 Securities to the Vendors in consideration for the Acquisition. As set out in Section 5.3 above, the Company will either issue:

- (a) an aggregate of 46,802,872 Shares to the Vendors if the Dealer's Licence Amendment is granted before Settlement (in respect of which Shareholder approval is sought under Resolution 4); or
- (b) issue 29,251,795 Shares and 17,551,077 Performance Shares to the Vendors if the Dealer's Licence Amendment is not granted before Settlement (in respect of which Shareholder approval is sought under Resolution 5).

This table assumes that the Dealer's Licence Amendment is granted prior to Settlement and the Company issues an aggregate of 46,802,872 Shares to the Vendors.

Additionally, if the Options issued under Resolutions 9, 11 and 13 are exercised, and no other convertible securities are exercised or converted, the percentage Shareholding of current Shareholders will be diluted to 91.57%.

	Shares	Percentage
Current Shares on issue	1,102,115,840	91.57%
Resolution 4	46,802,872	3.89%
Resolution 9	4,315,790	0.00%
Resolution 11	23,684,144	0.00%
Resolution 12	3,600,000	0.30%
Resolution 13	12,000,000	0.00%
Resolution 15	500,000	0.04%
Resolution 16	500,000	0.04%
Resolution 17	10,000,000	0.83%
Total	1,203,518,646	100.00%

Notes:

1. There are currently 1,102,115,840 Shares on issue as at the date of this Notice and this table assumes that no Securities are exercised or converted (other than the Options issued under Resolutions 9, 11 and 13) and no additional Shares are issued, other than as set out in the table above.
2. Resolutions 4 and 5 seek Shareholder approval for the issue of an aggregate of 46,802,872 Securities to the Vendors in consideration for the Acquisition. As set out in Section 5.3 above, the Company will either issue:
 - (a) an aggregate of 46,802,872 Shares to the Vendors if the Dealer's Licence Amendment is granted before Settlement (in respect of which Shareholder approval is sought under Resolution 4); or
 - (b) issue 29,251,795 Shares and 17,551,077 Performance Shares to the Vendors if the Dealer's Licence Amendment is not granted before Settlement (in respect of which Shareholder approval is sought under Resolution 5).

This table assumes that the Dealer's Licence Amendment is granted prior to Settlement and the Company issues an aggregate of 46,802,872 Shares to the Vendors.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Creso Pharma Limited (ACN 609 406 911).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Incentive Plan means the Company's employee incentive scheme as summarised in Schedule 6.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Performance Share means a performance share with the terms set out in Schedule 2.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2020.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES UNDER LISTING RULE 7.1A SINCE 24 JUNE 2020

Date	Recipients	Number and Class of Equity Securities Issued	Issue price and discount to Market Price (if applicable) ¹	Total Cash Consideration and Use of Funds
Issue – 12 October 2020 Appendix 2A – 12 October 2020	Professional and sophisticated investors as part of a placement announced on 7 October 2020.	41,209,433 Shares ²	\$0.0291 (representing a discount to Market Price of 11.82%)	Amount raised or to be raised = \$1,199,194 Amount spent = \$1,199,194 Use of funds: The funds were deployed towards advancing the Company's existing operations, including the development, marketing and distribution of human and animal health products and investment in the cannabis cultivation facilities and operations of the Company's subsidiaries in Canada and general capital working.
Issue – 1 April 2021 Appendix 2A – 1 April 2021	Professional and sophisticated investors as part of a placement announced on 26 March 2021.	94,736,843 Shares ²	\$0.19 (representing a discount to Market Price of 5%)	Amount raised = \$18,000,000 Amount spent = \$3,000,000 Use of funds: The funds were allocated towards the costs associated with the placement, operating costs associated with the Switzerland business and Mernova, general working capital, advancing sales of nutraceutical products globally, increasing marketing of cannabis products through Canada, scaling up operations at the Mernova facility, progressing a dual listing on the OTCQB, and penetration of market opportunities in the USA and evaluation of M&A opportunities. Amount remaining=\$15,000,000 Proposed use of remaining funds ³ : The funds will be deployed to undertake psychedelic clinical trials upon completion of Halucenex transaction, operating costs associated with the Switzerland business and Mernova, general working capital, advancing sales of nutraceutical products globally, increasing marketing of cannabis products through Canada, scaling up operations at the Mernova facility, progressing a dual listing on the OTCQB, and penetration of market opportunities in the USA and evaluation of M&A opportunities.

Notes:

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: CPH (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

SCHEDULE 2 – TERMS OF THE PERFORMANCE SHARES

Rights attaching to the Performance Shares:

(a) **Performance Shares**

Each Performance Share is a share in the capital of the Company.

(b) **Notification to holder**

The Company shall notify the holder (**Holder**) in writing when the Milestone has been satisfied.

(c) **No voting rights**

A Performance Share does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.

(d) **No dividend rights**

A Performance Share does not entitle the Holder to any dividends.

(e) **No rights to return of capital**

A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) **Rights on winding up**

A Performance Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(g) **Not transferable**

A Performance Share is not transferable.

(h) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable Listing Rules and Corporations Act at the time of reorganisation.

(i) **Application to ASX**

The Performance Shares will not be quoted on ASX. However, the Company must apply for the official quotation of a Share issued on conversion of a Performance Share on ASX within the time period required by the Listing Rules.

(j) **Participation in new issues**

A Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **No other rights**

A Performance Share gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Shares

(a) **Milestone**

Subject to paragraph (c) and paragraph (e), the Performance Shares will convert into Shares upon the Company announcing that Halucenex has been granted an amended dealer's licence by Health Canada to allow Halucenex to produce, package/assemble, sell, transport, import and export Psychedelics (**Dealer's Licence Amendment**) (**Milestone**).

(b) **Conversion of Performance Shares**

Subject to prior conversion under paragraph (e), one Performance Shares will convert into one Share.

(c) **Conversion on change of control**

Subject to paragraph (e) and notwithstanding the Milestone has not been satisfied, upon the occurrence of either:

- (i) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the Performance Shares will be converted into that number of Shares that is equal to not more than 10% of the Shares on issue immediately following conversion under this paragraph. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(d) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Share under paragraph (a) or (c) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (General Prohibition) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:

- (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a

Performance Share will not result in any person being in contravention of the General Prohibition; and

- (ii) the Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (d)(i) within seven days if the Company considers that the conversion of a Performance Share may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

(e) **Automatic conversion where Milestone expires**

Each Performance Share shall expire on the date which is 12 months following the date of issue of the Performance Shares (**Expiry Date**). If the Milestone has not been achieved by the Expiry Date, then all Performance Shares held by the Holder will automatically convert into one Share. For the avoidance of doubt, a Performance Share will not lapse in the event the Milestone is met before the Expiry Date and the Shares the subject of a conversion are deferred in accordance with paragraph (d) above.

(f) **Issue of Shares**

The Company will issue the Share on conversion of a Performance Share within five (5) business days following the conversion or such other period required by the Listing Rules.

(g) **Holding statement**

The Company will issue the Holder with a new holding statement for any Shares issued upon conversion of a Performance Share within 10 business days following the issue of the Shares.

(h) **Ranking upon conversion**

The Share into which a Performance Share may convert will rank pari passu in all respects with existing Shares.

SCHEDULE 3 – TERMS AND CONDITIONS OF THE CONSULTANT OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of an Option will be as set out in the table below (**Exercise Price**).

Options	Exercise Price
8,000,000	\$0.235
8,000,000	\$0.27
8,000,000	\$0.30

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 11 January 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within fifteen Business Days after the Exercise Date, the Company will:

- (i) issue the number of shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy

section 708A(11) of the Corporations Act to ensure that an offer for sale of the shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are not transferable.

SCHEDULE 4 – TERMS AND CONDITIONS OF THE LENDER OPTIONS AND THE PLACEMENT OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.38 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 12 months after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws and any further direction by the Board.

SCHEDULE 5 – TERMS AND CONDITIONS OF EVERBLU OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.38 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three years after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being

ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are not transferable.

SCHEDULE 6 – TERMS AND CONDITIONS OF INCENTIVE PLAN

Eligibility	Participants in the Plan may be Directors (whether executive or non-executive), full or part time employees, or contractors of the Company or a related body corporate of the Company (each, a Group Company), to the extent permitted by the laws and regulations of the jurisdiction in which the person resides (Eligible Employee).
Operation of Plan	The Plan is administered by the Board. The Board may from time to time offer an Eligible Employee participation in the Plan and provide details of any conditions of vesting (Vesting Conditions). After accepting that offer by completing the Application Form, the Company may grant Securities to the Eligible Employee (the Plan Securities), resulting in the Eligible Employee becoming a Plan Participant.
Vesting Conditions	Vesting Conditions required to be satisfied before a Participant can exercise a Plan Security are to be determined by the Board and notified to Eligible Employees in the notice of offer.
Rank of Shares	Shares (issued on exercise or conversion of a Plan Security) rank equally with all existing Shares on and from the date on which the Board issues the Share to the Eligible Employee (Date of Issue) in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the Date of Issue.
Lapse of Plan Securities	<p>A Plan Security lapses on the earliest of:</p> <ul style="list-style-type: none"> (a) the date of exercise or conversion; (b) a change of control event occurring; (c) seven years from the date of grant or any earlier date determined by the Board and set out in the offer; (d) the date the Board determines that the Plan Security should lapse because the Plan Participant (in the Board's opinion): <ul style="list-style-type: none"> (i) is a bad leaver; (ii) has breached a material obligation under the Plan or any other staff equity participation arrangement; (iii) has breached any restraint of trade obligations binding on the Plan Participant in favour of a Group Company; (iv) has breached any obligation of confidence binding on the Plan Participant in favour of a Group Company; or (v) has done any act which brings a Group Company into disrepute; (e) the date the Board determines that the Plan Security is incapable of vesting; and (f) if the Plan Participant who ceases to be an Eligible Employee in circumstances where the Plan Participant is a good leaver, 180 days after the date the Plan Participant ceases to be employed or engaged by a member of the Group.
Loans	The Board may, from time to time in its absolute discretion, offer Plan Participants a loan for the purposes of paying the Exercise Price of any Plan Securities capable of exercise. The offer of such loan will be subject to compliance with the laws of the relevant jurisdiction in which the Plan Participant resides.
Restriction on Dealings	Plan Securities held by a Plan Participant are personal to the Plan Participant and may not be exercised by any other person without the consent of the Board (unless the dealing relates to a reorganisation or change in control of the Company).

Amendment

The Board may at any time amend the terms of the Plan, or waive or modify the application of the terms in relation to any Plan Participant, provided that:

- (a) to the extent that any other amendment of the terms of an Offer would trigger the requirement for Shareholder approval under the Corporations Act or the Listing Rules, the Company will use reasonable endeavours to obtain that Shareholder approval as promptly as possible, and the exercise of the discretion or other amendments will be conditional upon shareholder approval being obtained; and
- (b) if a proposed amendment to the Plan would adversely affect the rights of Plan Participants in respect of any Plan Securities and/or Plan Shares then held by them, the Board must obtain the consent of Plan Participants holding not less than 75% of the Plan Securities and/or Plan Shares (as the case may be) affected adversely by the proposed amendment (except in relation to compliance with law, correcting a mistake or addressing tax consequences for the Company).



Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **12.00pm (WST) on Tuesday, 22 June 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home>. Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

