Announcement Summary

Entity name

CRESO PHARMA LIMITED

Announcement Type

New announcement

Date of this announcement

Monday March 15, 2021

The Proposed issue is:

☑ A placement or other type of issue

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

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Performance Shares	17,551,077
СРН	ORDINARY FULLY PAID	29,251,795

Proposed +issue date

Friday April 30, 2021

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

CRESO PHARMA LIMITED

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

1.2 Registered Number Type

Registration Number

ABN

89609406911

1.3 ASX issuer code

CPH

1.4 The announcement is

☑ New announcement

1.5 Date of this announcement

Monday March 15, 2021

1.6 The Proposed issue is:

☑ A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

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

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

Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or	** Approval
+Security holder approval	Friday April 30, 2021	actual?	received/condition met?
			No

Comments

The Company intends to seek shareholder approval for the issue of the Consideration Shares and Consideration Performance Shares at the Company's upcoming annual general meeting expected to be held in April 2021. Refer to the ASX announcements released on 15 March 2021 for further information.

Part 7B - Issue details

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

Existing class

Will the proposed issue of this +security include an offer of attaching +securities? ☑ No

Details of +securities proposed to be issued

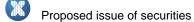
ASX +security code and description

CPH: ORDINARY FULLY PAID

Number of +securities proposed to be issued

29,251,795

Offer price details



Are the +securities proposed to be issued being issued for a cash consideration? ☑ No.

Please describe the consideration being provided for the +securities

Subject to condition precedents and shareholder approval, the Company agreed to issue 29,251,795 Shares as part consideration for the acquisition of Halucenex Life Sciences Inc. ("Halucenex"). These Shares will be subject to voluntary escrow for 6 months following settlement. Refer to the ASX announcements released on 15 March 2021 for further information.

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

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

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

Will the proposed issue of this +security include an offer of attaching +securities? ☑ No

Details of +securities proposed to be issued

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

☑ No

ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1? ✓ No

Have you received confirmation from Will the entity be seeking quotation of the 'new' class of +securities on ASX?

ASX +security code

+Security description

New class-code to be confirmed

Performance Shares

+Security type

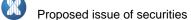
Performance shares/units

Number of +securities proposed to be issued

17,551,077

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration? ☑ No



Please describe the consideration being provided for the +securities

Subject to condition precedents and shareholder approval, the Company agreed to issue 17,551,077 Performance Shares as part consideration for the acquisition of Halucenex. The Performance Shares and any shares issued on conversion of the Performance Shares will be subject to voluntary escrow for 6 months following settlement. Refer to the ASX announcements released on 15 March 2021 for further information.

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

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

☑ Yes

Performance shares/units details

+Security currency

AUD - Australian Dollar

Will there be CDIs issued over the +securities?

⊗ No

Is it a partly paid class of +security?

☑ No

Is it a stapled +security?

☑ No

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

Refer to the ASX announcement entitled "Agreement to acquire established Canadian psychedelics company Halucenex Life Sciences Inc" as released on 15 March 2021.

The Company intends to seek shareholder approval for the issue of the Performance Shares at the Company's upcoming annual general meeting expected to be held in April 2021. Full terms of the Performance Shares will be included in the relevant notice of meeting.

Part 7C - Timetable

7C.1 Proposed +issue date

Friday April 30, 2021

Part 7D - Listing Rule requirements

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

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

Friday April 30, 2021

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue? $\ensuremath{\mathfrak{C}}$ No

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

⊗ No

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

✓ Yes

7D.4a Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow

29,251,795 Shares, 17,551,077 Performance Shares and any Creso shares issued on conversion of the 17,551,077 Performance Shares will be subject to voluntary escrow for 6 months following settlement of the Halucenex Acquisition.

Part 7E - Fees and expenses

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

⊗ No

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

⊗ No

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

No.

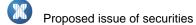
Part 7F - Further Information

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

Issue of 29,251,795 Shares and 17,551,077 Performance Shares as part consideration for the acquisition of Halucenex. Refer to the ASX announcements released on 15 March 2021 for further information.

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

☑ No



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