



ASX Announcement

31 January 2019

Placement Update

Creso Pharma Limited (ASX:CPH, the “Company” or “Creso”) is pleased to advise that it has issued securities pursuant to the \$3,000,000 placement to institutional and sophisticated investors (“Placement”) as announced on 24 January 2019.

The Company has received \$2,725,000 in Placement funds to date and has issued 6,055,556 fully paid ordinary shares in the capital of the Company at \$0.45 per share, together with one free attaching listed (ASX:CPHO) option (\$0.80, 21 August 2020) for every 3 shares subscribed for under the Placement, as set out in the attached Appendix 3B. The Company expects to receive the remaining \$275,000 in the coming days to complete the Placement.

The funds raised will be used to accelerate sales and marketing efforts of its human and animal products in Europe and Canada, repay a portion of its debt and to fund the expenses of the Placement.

Secondary Trading Notice Pursuant to Section 708A(5)(e) of the Corporations Act

The Company gives this notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (“Corporations Act”).

The Securities issued today per the attached Appendix 3B are part of a class of securities quoted on ASX and may be subject to a subsequent offer for sale. The Company advises that the Securities were issued without disclosure to investors under Part 6D.2 of the Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) section 674 of the Corporations Act.

As at the date of this notice, other than as set out below, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

The Company notes that it is in negotiations on two possible material transactions. The first transaction involves the spin out of Creso’s nutraceutical and other CBD assets into a new company to be listed on ASX (“Newco”), coupled with a material investment into



Newco by, and the grant of a licence by Newco to, a third party large international distribution company.

The second transaction involves the acquisition by Creso of a European based health food and beverage business, with a possible subsequent listing on the NASDAQ.

Both of the above transactions are incomplete and confidential. Further, they remain subject to due diligence and execution of binding agreements. Given the preliminary nature of both transactions, Creso is unable to advise whether either transaction will proceed and cautions investors to not base an investment decision on the disclosure of these possible transactions.

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About Creso Pharma

www.cresopharma.com

Creso Pharma brings the best of cannabis to better the lives of people and animals. It brings pharmaceutical expertise and methodological rigor to the cannabis world and strives for the highest quality in its products. It develops cannabis and hemp de-rived therapeutic, nutraceutical, and life style products with wide patient and consumer reach for human and animal health. Creso uses GMP development and manufacturing standards for its products as a reference of quality excellence with initial product registrations in Switzerland. It has worldwide rights for a number of unique and proprietary innovative delivery technologies which enhance the bioavailability and absorption of cannabinoids.

Corporate Enquiries

EverBlu Capital

Level 39, Aurora Place

88 Phillip Street, Sydney NSW 2000

E: info@everblucapital.com

T: +61 (02) 8249 0000

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Creso Pharma Limited

ABN

89 609 406 911

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued	<p>1. Placement</p> <ul style="list-style-type: none">- Fully Paid Ordinary Shares- Listed CPHO Options (\$0.80; expiry 21/08/2020) <p>2. Supplier Fees</p> <ul style="list-style-type: none">- Fully Paid Ordinary Shares <p>3. Vesting of Performance Rights</p> <ul style="list-style-type: none">- Fully Paid Ordinary Shares
2 Number of +securities issued or to be issued (if known) or maximum number which may be issued	<p>1. Placement</p> <ul style="list-style-type: none">- 6,055,556 Fully Paid Ordinary Shares- 2,018,516 Listed CPHO Options (\$0.80; expiry 21/08/2020) <p>2. Supplier Fees</p> <ul style="list-style-type: none">- 195,556 Fully Paid Ordinary Shares <p>3. Vesting of Performance Rights</p> <ul style="list-style-type: none">- 2,000,000 Fully Paid Ordinary Shares

Appendix 3B

New issue announcement

- | | | |
|---|--|---|
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares
Listed CPHO Options (\$0.80; expiry 21/08/2020) |
| 4 | Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Yes |

+ See chapter 19 for defined terms.

<p>5 Issue price or consideration</p>	<p>1. Placement 6,055,556 Fully Paid Ordinary Shares were issued at \$0.45 each, together with one free attaching Listed CPHO Option for every three Fully Paid Ordinary Shares issued under the Placement.</p> <p>2. Supplier Fees 195,556 Fully Paid Ordinary Shares were issued in lieu of cash fees payable to a supplier to the Company at a deemed issue price of \$0.45 per Share.</p> <p>3. Vesting of Performance Rights 2,000,000 Fully Paid Ordinary Shares were issued upon the vesting of 2,000,000 CPHPERR19 Performance Rights (T12) for nil cash consideration.</p>
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<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1. Placement The Fully Paid Ordinary Shares and Listed CPHO Options were issued under a Placement to institutional and sophisticated investors. The funds raised under the Placement will be used to:</p> <ul style="list-style-type: none"> • Accelerate sales and marketing efforts of the Company’s human and animal products in Europe and Canada; • Repay a portion of the Company’s debt and • Fund the expenses of the Placement. <p>2. Supplier Fees The Fully Paid Ordinary Shares were issued in lieu of cash for settlement of outstanding invoices due to a supplier to the Company.</p> <p>3. Vesting of Performance Rights The Fully Paid Ordinary Shares were issued upon the vesting of 2,000,000 CPHPERR19 Performance Rights (T12).</p>
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<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
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Appendix 3B
New issue announcement

6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	<p>1. Placement</p> <ul style="list-style-type: none"> - 6,055,556 Fully Paid Ordinary Shares - 2,018,516 Listed CPHO Options <p>2. Supplier Fees</p> <ul style="list-style-type: none"> - 195,556 Fully Paid Ordinary Shares
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	<p>3. Vesting of Performance Rights</p> <p>2,000,000 Fully Paid Ordinary Shares</p>
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A

+ See chapter 19 for defined terms.

6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 – 5,608,521 7.1A – N/A
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7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	30 January 2019
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	Number	+Class				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%;"> <tr> <td style="width: 15%;">132,438,777</td> <td>Ordinary fully paid shares (CPH) *</td> </tr> <tr> <td>57,161,226</td> <td>Listed CPHO Options (\$0.80; expiry 21/08/2020)</td> </tr> </table> <p>*Includes the following securities which are subject to voluntary escrow restrictions; 2,053,025 FPO Shares (escrowed to 19/03/19) 2,053,026 FPO Shares (escrowed to 19/06/19) 2,053,027 FPO Shares (escrowed to 19/09/19) 2,053,043 FPO Shares (escrowed to 19/12/19)</p>	132,438,777	Ordinary fully paid shares (CPH) *	57,161,226	Listed CPHO Options (\$0.80; expiry 21/08/2020)
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9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%;"> <tr> <td colspan="2"><u>Options</u></td> </tr> <tr> <td>600,000</td> <td>CPHOPT2 Options (\$0.40, 27/06/2020)*</td> </tr> <tr> <td>2,886,250</td> <td>CPHOPT3 Options (\$0.20, 13/10/2020)*</td> </tr> <tr> <td>2,500,000</td> <td>CPHOPT4 Options (\$0.20, 13/10/2019)</td> </tr> <tr> <td>300,000</td> <td>CPHOPT5 Options (\$0.50, 23/01/2021)*</td> </tr> <tr> <td>140,000</td> <td>CPHOPT10 Options (\$0.40, 27/07/2021)*</td> </tr> <tr> <td>250,000</td> <td>CPHOPT11 Options (\$0.30, 27/07/2019)*</td> </tr> <tr> <td>100,000</td> <td>CPHOPT12 Options (\$0.60, 27/07/2020)</td> </tr> <tr> <td>250,000</td> <td>CPHOPT13 Options (\$0.80, 13/04/2019)</td> </tr> <tr> <td>150,000</td> <td>CPHOPT14 Options (\$0.80, 13/07/2021)*</td> </tr> <tr> <td>200,000</td> <td>CPHOPT16 Options (\$0.535, 27/07/2021)</td> </tr> <tr> <td>200,000</td> <td>CPHOPT17 Options (\$0.80, 27/07/2022)</td> </tr> <tr> <td>200,000</td> <td>CPHOPT18 Options (\$0.55, 21/08/2021)</td> </tr> <tr> <td>400,000</td> <td>CPHOPT19 Options (\$0.80, 15/09/2022)</td> </tr> <tr> <td colspan="2"><u>Performance Shares</u></td> </tr> <tr> <td>1,000,000</td> <td>CPHPERSA Performance Shares*</td> </tr> <tr> <td>303,027</td> <td>CPHPERSB Performance Shares (esc to 19/03/19)*</td> </tr> </table>	<u>Options</u>		600,000	CPHOPT2 Options (\$0.40, 27/06/2020)*	2,886,250	CPHOPT3 Options (\$0.20, 13/10/2020)*	2,500,000	CPHOPT4 Options (\$0.20, 13/10/2019)	300,000	CPHOPT5 Options (\$0.50, 23/01/2021)*	140,000	CPHOPT10 Options (\$0.40, 27/07/2021)*	250,000	CPHOPT11 Options (\$0.30, 27/07/2019)*	100,000	CPHOPT12 Options (\$0.60, 27/07/2020)	250,000	CPHOPT13 Options (\$0.80, 13/04/2019)	150,000	CPHOPT14 Options (\$0.80, 13/07/2021)*	200,000	CPHOPT16 Options (\$0.535, 27/07/2021)	200,000	CPHOPT17 Options (\$0.80, 27/07/2022)	200,000	CPHOPT18 Options (\$0.55, 21/08/2021)	400,000	CPHOPT19 Options (\$0.80, 15/09/2022)	<u>Performance Shares</u>		1,000,000	CPHPERSA Performance Shares*	303,027	CPHPERSB Performance Shares (esc to 19/03/19)*
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Appendix 3B
New issue announcement

303,027	CPHPERSC Performance Shares (esc to 19/06/19)*
303,027	CPHPERSD Performance Shares (esc to 19/09/19)*
303,039	CPHPERSE Performance Shares (esc to 19/12/19)*
<u>Performance Rights</u>	
5,000,000	CPHPERR4 Performance Rights*
800,000	CPHPERR6 Performance Rights (T1)*
800,000	CPHPERR7 Performance Rights (T2)*
1,250,000	CPHPERR8 Performance Rights (T3)*
1,250,000	CPHPERR9 Performance Rights (T4)*
100,000	CPHPERR13 Performance Rights (T8)*
150,000	CPHPERR14 Performance Rights (T9)*
100,000	CPHPERR15 Performance Rights (T16)*
100,000	CPHPERR16 Performance Rights (T17)*
<u>Employee Performance Rights (Under Plan)</u>	
50,000	CPHPERR21 Employee Performance Rights*
132,000	CPHPERR22 Employee Performance Rights*
132,000	CPHPERR23 Employee Performance Rights*
132,000	CPHPERR24 Employee Performance Rights*
200,000	CPHPERR27 Employee Performance Rights*
100,000	CPHPERR28 Employee Performance Rights*
300,000	CPHPERR29 Employee Performance Rights*
300,000	CPHPERR30 Employee Performance Rights*
300,000	CPHPERR31 Employee Performance Rights*
100,000	CPHPERR32 Employee Performance Rights*
150,000	CPHPERR33 Employee Performance Rights*
150,000	CPHPERR34 Employee Performance Rights*
500,000	CPHPERR35 Employee Performance Rights*
400,000	CPHPERR36 Employee Performance Rights*
400,000	CPHPERR37 Employee Performance Rights*
<i>*Subject to performance milestones and/or vesting conditions.</i>	

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

Part 2 - Pro rata issue

11 Is security holder approval required?

N/A

12 Is the issue renounceable or non-renounceable?

N/A

+ See chapter 19 for defined terms.

13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A

Appendix 3B New issue announcement

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

+ See chapter 19 for defined terms.

- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

N/A

39 +Class of +securities for which quotation is sought

N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	

Appendix 3B
New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 30 January 2019

Erlyn Dale
Joint Company Secretary

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital															
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated															
Insert number of fully paid ⁺ ordinary securities on issue 12 months before the ⁺ issue date or date of agreement to issue	109,505,544														
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2 <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-left: 20px;">23/07/2018</td> <td style="text-align: right;">70,000 shares</td> </tr> <tr> <td style="padding-left: 20px;">23/07/2018</td> <td style="text-align: right;">3,500,000 shares</td> </tr> </table> • Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-left: 20px;">25/07/2018</td> <td style="text-align: right;">2,000,000 shares</td> </tr> <tr> <td style="padding-left: 20px;">27/07/2018</td> <td style="text-align: right;">650,000 shares</td> </tr> <tr> <td style="padding-left: 20px;">18/10/2018</td> <td style="text-align: right;">250,000 shares</td> </tr> </table> • Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-left: 20px;">19/12/2018</td> <td style="text-align: right;">8,212,121 shares</td> </tr> <tr> <td style="padding-left: 20px;">30/01/2019</td> <td style="text-align: right;">2,000,000 shares</td> </tr> </table> <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	23/07/2018	70,000 shares	23/07/2018	3,500,000 shares	25/07/2018	2,000,000 shares	27/07/2018	650,000 shares	18/10/2018	250,000 shares	19/12/2018	8,212,121 shares	30/01/2019	2,000,000 shares	
23/07/2018	70,000 shares														
23/07/2018	3,500,000 shares														
25/07/2018	2,000,000 shares														
27/07/2018	650,000 shares														
18/10/2018	250,000 shares														
19/12/2018	8,212,121 shares														
30/01/2019	2,000,000 shares														
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	Nil														
“A”	126,187,665														
Step 2: Calculate 15% of “A”															
“B”	0.15 <i>[Note: this value cannot be changed]</i>														

Appendix 3B
New issue announcement

<i>Multiply</i> "A" by 0.15	18,928,149
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Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used

<p><i>Insert</i> number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	16/07/2018	150,000 options
	27/07/2018	400,000 options
	21/08/2018	200,000 options
	11/09/2018	400,000 options
	17/12/2018	3,900,000 options
	30/01/2019	6,055,556 shares
	30/01/2019	2,018,516 options
30/01/2019	195,556 shares	
"C"	13,319,628	

Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1

<p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	18,928,149
<p>Subtract "C"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	13,319,628
<p>Total ["A" x 0.15] – "C"</p>	<p>5,608,521</p> <p><i>this is the remaining placement capacity under rule 7.1</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	N/A
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	N/A
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	N/A <i>Note: this is the remaining placement capacity under rule 7.1A</i>