



ASX Announcement

9 October 2020

Creso's Canadian subsidiary Mernova receives second Retail PO from Nova Scotia Liquor Corporation (NSLC)

- **Second purchase order ('PO') valued at C\$138,960 received from NSLC - highlights significant product demand in Canadian recreational market**
- **NSLC is operated by the government of Nova Scotia, and is the sole distributor of recreational cannabis in the province**
- **Second PO serves as confirmation of successful launch of *Ritual Green* recreational products into the rapidly growing recreational market**
- ***Ritual Green* recreational products now being sold through the NSLC's stores and e-commerce platform**
- **First PO of HPG13 and Lemon Haze strains very well received - strong sales generated with pleasing customer feedback**
- ***Ritual Green* Mimosa strain (figure one) also ready for recreational market launch**
- **Mernova ramping up production to meet increasing demands - additional PO's are expected in the near term**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that the Company's wholly-owned Canadian subsidiary, Mernova Medicinal Inc. ('Mernova') a licenced producer in Nova Scotia, has received and successfully delivered a second purchase order ('PO') valued at C\$138,960 from the Nova Scotia Liquor Corporation ('NSLC').

The NSLC is operated by the Nova Scotia Provincial government and is the sole distributor of retail recreational cannabis in Nova Scotia.

The second PO follows an initial order from the NSLC valued at C\$180,00 (refer ASX announcement: 21 September 2020) and is for two of Mernova's premium strains, HPG13 at 20-25% THC, < 1% CBD, and Lemon Haze at 20-25% THC, < 1% CBD, sold under the *Ritual Green* brand.

Mernova's *Ritual Green* products are now being sold to consumers through NSLC stores and e-commerce platform. Initial products have been well received, generating strong sales and pleasing customer feedback.

The Company believes that this second purchase order serves as early confirmation of the success of the *Ritual Green* brand of high-quality cannabis products in the rapidly growing Canadian retail recreational market.

Creso Pharma anticipates that additional orders will be received in the coming weeks for existing and new strains which will be added to the *Ritual Green* brand and that the NSLC will become an important, recurring revenue stream for the Company.



Management Commentary

Mernova Managing Director Jack Yu said: “The second purchase order in as many weeks from the NSLC reinforces the significant demand that we are witnessing for our retail product offerings, and further highlights Creso Pharma and Mernova’s potential as a supplier to a rapidly growing recreational market.

“Our products are seen as very high quality, and we are confident that the launch of initial strains under the *Ritual Green* brand will help position Mernova as a leader in the production of locally grown, artisanal cannabis products, and lead to recurring purchase orders from the NSLC.

“We will continue to ramp up production, and adjust our planning and grow scheduling, which will allow us to meet the supply chain demands of the NSLC and other provincial purchasers.

“Additional purchase orders and the launch of new strains are anticipated in the near term, and I look forward to updating shareholders upon these launches and additional sales.”



Figure 1: Ritual Green Mimosa, 15-20% THC, <1% CBD



Figure 2: Ritual Green HPG13, 20-25% THC, <1% CBD



Figure 3: Ritual Green Lemon Haze, 20-25% THC, <1% CBD



-Ends-

Authority and Contact Details

This announcement has been authorised for release by Adam Blumenthal, Non-Executive Chairman.

For further information, please contact:

Investor Enquiries

EverBlu Capital

E: info@everblucapital.com

P: +61 2 8249 0000

About Creso Pharma

Creso Pharma Limited (ASX:CPH) brings the best of cannabis to better the lives of people and animals. It brings pharmaceutical expertise and methodological rigor to the cannabis world and strives for the highest quality in its products. It develops cannabis and hemp derived therapeutic, nutraceutical, and life style products with wide patient and consumer reach for human and animal health.

Creso Pharma uses GMP (Good Manufacturing Practice) development and manufacturing standards for its products as a reference of quality excellence with initial product registrations in Switzerland. It has worldwide rights for a number of unique and proprietary innovative delivery technologies which enhance the bioavailability and absorption of cannabinoids. To learn more please visit: www.cresopharma.com

Forward Looking statements

This announcement contains forward-looking statements with respect to Creso and its respective operations, strategy, investments, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Creso could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition and government regulation.

The cautionary statements qualify all forward-looking statements attributable to Creso and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this announcement and Creso has no obligation to up-date such statements, except to the extent required by applicable laws.