



## Announcement Summary

**Entity name**

CRESO PHARMA LIMITED

**Announcement Type**

New announcement

**Date of this announcement**

1/11/2022

**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
New class-code to be confirmed	Secured Convertible Notes	26
New class-code to be confirmed	Broker Options	304,000,000
New class-code to be confirmed	Investor Options	26,000,000
New class-code to be confirmed	Obsidian Convertible Notes	2,750,000
CPH	ORDINARY FULLY PAID	90,000,000
CPHO	OPTION EXPIRING 02-NOV-2024	44,000,000

**Proposed +issue date**

20/1/2023

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

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**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.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

**1.2 Registered Number Type**

ABN

**Registration Number**

89609406911

**1.3 ASX issuer code**

CPH

**1.4 The announcement is**

New announcement

**1.5 Date of this announcement**

1/11/2022

**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 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?**

Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	20/1/2022	<input checked="" type="checkbox"/> Estimated	No

**Comments**

The Company intends to seek shareholder approval for the following potential issues: potential conversion of the proposed 26 secured convertible notes into a maximum of 59,800,000 shares and 14,950,000 conversion options ; issue of 26 million investor options under the proposed secured convertible notes; issue of 45 million collateral shares, 22 million CPHO options and the potential conversion of 2,750,000 convertible notes into a maximum of 333,333,333 shares per a convertibles securities agreement with Obsidian; up to 304 million options to Everblu Capital Corporate Pty Ltd (or their nominees) as part consideration for lead managing the Company's capital raising announced on 1 November 2022.

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)?**

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)**

**Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**

No

**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**

No

**ASX +security code**

New class-code to be confirmed

**+Security description**

Secured Convertible Notes

**+Security type**

+Convertible debt securities

**Number of +securities proposed to be issued**

26

**Offer price details****Are the +securities proposed to be issued being issued for a cash consideration?** Yes**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

**What is the issue price per +security?**

AUD 1.00000

**Will all the +securities issued in this class rank equally in all respects from their issue date?** Yes**+Convertible debt securities details****These securities are:**

Convertible

**Type of security**

Convertible note or bond

**+Security currency**

AUD - Australian Dollar

**Face value**

AUD 100,000.0000

**Interest rate type**

Fixed rate

**Frequency of coupon/interest payments per year**

Semi-annual

**First interest payment date**

20/1/2023

**Interest rate per annum**

30.00000 %

**Is the interest rate per annum estimated at this time?** No**s128F of the Income Tax Assessment Act status applicable to the +security**

s128F exemption status unknown

**Is the +security perpetual (ie. no**



maturity date)?

No

**Maturity date**

11/5/2023

**Select other features applicable to the +security**

Secured

**Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?**

No

**Details of the type of +security that will be issued if the securities are converted, transformed or exchanged**

CPH : ORDINARY FULLY PAID

**Number of +securities that will be issued if the +securities are converted, transformed or exchanged (including, if applicable, any interest)**

Maximum of 59,800,000 shares and 14,950,000 options (\$0.08, same expiry date as august 2022 placement options).

**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 release dated 1 November 2022.

**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**

90,000,000

**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**

45,000,000 first collateral shares under LR7.1 and 45,000,000 second collateral shares subject to shareholder approval to Obsidian Global LP, LLC in consideration pursuant to the convertible securities agreement with the company.



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)?

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**

CPHO : OPTION EXPIRING 02-NOV-2024

**Number of +securities proposed to be issued**

44,000,000

**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**

22,000,000 first options under LR7.1 and 22,000,000 second options subject to shareholder approval to Obsidian Global LP, LLC in consideration pursuant to the convertible securities agreement with the company.

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)

Will the proposed issue of this +security include an offer of attaching +securities?

No



or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

New class

Details of +securities proposed to be issued

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

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

Yes

**ASX +security code**

New class-code to be confirmed

**+Security description**

Broker Options

**+Security type**

Options

**Number of +securities proposed to be issued**

304,000,000

**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**

EverBlu Capital Corporate Pty Ltd ('Everblu') acted as lead manager on both convertible note raisings. Subject to shareholder approval, Everblu, or its nominees, will receive 100 million broker options per \$2.5 million of funds raised.

**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

Options details

**+Security currency**

AUD - Australian Dollar

**Exercise price**

AUD 0.0800

**Expiry date**

20/1/2027

**Details of the type of +security that will be issued if the option is exercised**

CPH : ORDINARY FULLY PAID



**Number of securities that will be issued if the option is exercised**

304,000,000 Shares.

**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 ASX release dated 1 November 2022.

**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)**

**Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**

No

**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**

Yes

**ASX +security code**

New class-code to be confirmed

**+Security description**

Investor Options

**+Security type**

Options

**Number of +securities proposed to be issued**

26,000,000

**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**

Issue of 1 million investor options for each \$100,000 invested in the company's secured convertible notes offer.

**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

## Options details

**+Security currency**

AUD - Australian Dollar

**Exercise price**

AUD 0.0800

**Expiry date**

20/1/2027

**Details of the type of +security that will be issued if the option is exercised**

CPH : ORDINARY FULLY PAID

**Number of securities that will be issued if the option is exercised**

26,000,000 shares.

**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 releases dated 1 November 2022 and 4 August 2022. The expiry date above is an estimate only and will be the same as the expiry date of the placement options agreed to be issued on 4 August 2022.

**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)**

**Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**

 Yes

**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**

 No**ASX +security code**

New class-code to be confirmed

**+Security description**

Obsidian Convertible Notes

**+Security type**

+Convertible debt securities

**Number of +securities proposed to be issued**

2,750,000

**Offer price details****Are the +securities proposed to be issued being issued for a cash consideration?** Yes**In what currency is the cash consideration being paid?**

US\$ - US Dollar (Same day)

**What is the issue price per +security?**

US\$ 1.15000

**AUD equivalent to issue price amount per +security**

1.800000

**FX rate (in format AUD 1.00 / primary currency rate):**

AUD 1.00

**FX rate (in format AUD rate/primary currency rate) Primary Currency rate**

US\$ 0.63250000

**Will all the +securities issued in this class rank equally in all respects from their issue date?** Yes**+Convertible debt securities details**

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**These securities are:**

Convertible

**Type of security**

Convertible note or bond

**+Security currency**

US\$ - US Dollar (Same day)

**Face value**

US\$ 1.1500

**Interest rate type**

Zero coupon/no interest

**Frequency of coupon/interest payments per year**

No coupon/interest payments

**s128F of the Income Tax Assessment Act status applicable to the +security**

s128F exemption status unknown

**Is the +security perpetual (ie. no maturity date)?** No**Maturity date**

2/2/2024

**Select other features applicable to the +security** Redeemable**Is there a first trigger date on which a**



**right of conversion, redemption, call or put can be exercised (whichever is first)?**

No

**Details of the type of +security that will be issued if the securities are converted, transformed or exchanged**

CPH : ORDINARY FULLY PAID

**Number of +securities that will be issued if the +securities are converted, transformed or exchanged (including, if applicable, any interest)**

Maximum of 333,333,333 shares based on floor price of \$0.015 (subject to variables).

**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 release dated 1 November 2022.

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## Part 7C - Timetable

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### 7C.1 Proposed +issue date

20/1/2023

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## Part 7D - Listing Rule requirements

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

No

**7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

Yes

**7D.1b ( i ) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

Issue of 45,000,000 first collateral shares, 22,000,000 CPHO Options and agreement to issue up to 24,177,174 shares (Maximum Share Number, being the company's current LR7.1 capacity) under the convertible securities agreement with Obsidian Global LP, LLC.

**7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?**

No

**7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?**

Yes

**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?**

No

Part 7E - Fees and expenses

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

Yes

**7E.1a Who is the lead manager/broker?**

Everblu Capital Corporate Pty Ltd was the lead manager of the current capital raisings. CPS Capital Group Pty Ltd was a broker to the Company's Secured Convertible Note Offer.

**7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?**

Everblu or its nominees, will earn a 6% cash fee (up to \$456,000). Subject to shareholder approval, Everblu, or its nominees, will also receive 100 million broker options per \$2.5 million of funds raised. The options will contain an A\$0.08 strike price and will expire 4 years from the date of issue.

**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**

N/A

Part 7F - Further Information

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

Refer to the ASX announcement dated 1 November 2022.

**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**

Refer to the ASX announcement dated 1 November 2022. Subject to shareholder approval, Mr Blumenthal, a related party of the Company has committed to participate into the secured convertible note offer for \$500,000. The Company expects to issue some of the convertible notes, 45 million shares and 22 million CPHO options shortly. Dates and details set out above are estimates only and will depend on purchase price or issue date of the convertible notes.

**7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:**

The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)