



Announcement Summary

Entity name

CRESO PHARMA LIMITED

Announcement Type

New announcement

Date of this announcement

Monday June 1, 2020

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
CPH	ORDINARY FULLY PAID	37,221,863

Proposed +issue date

Friday May 29, 2020

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

ABN

Registration Number

89609406911

1.3 ASX issuer code

CPH

1.4 The announcement is

New announcement

1.5 Date of this announcement

Monday June 1, 2020

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 actual?	** Approval received/condition met?
+Security holder approval	Friday July 31, 2020	<input checked="" type="checkbox"/> Estimated	No

Comments

Subject to shareholder approval, a further 1,602,855 Shares are proposed to be issued to Everblu Capital Pty Ltd ("Everblu") in connection with the Placement. Refer to the ASX announcement dated 1 June 2020 for further details.

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

Maximum Number of +securities proposed to be issued

35,619,008



Purpose of the issue

Up 35,619,008 Shares to be issued under a Placement to professional and sophisticated investors. The Placement is to be issued in three tranches, being 20,780,936 Shares which were issued on 29 May 2020, 13,171,405 Shares to be issued on or around 2 June 2020, and 1,666,667 Shares to be issued subject to shareholder approval.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.06000

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

Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

No

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

Maximum Number of +securities proposed to be issued

1,602,855

Purpose of the issue

Subject to shareholder approval and the consent of the Company's secured lenders, up to 1,602,855 Shares will be issued to Everblu for nil cash consideration for lead manager services provided in respect of the Placement. The issue price quoted below is a deemed issue price, based on the issue price under the Placement.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.06000



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

Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

No

Part 7C - Timetable

7C.1 Proposed +issue date

Friday May 29, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the 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?

13,171,405 Shares to be issued pursuant to the Placement.

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)?

Yes

7D.1c (i) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?

20,780,936 Shares were issued on 29 May 2020 pursuant to the Placement.

7D.1c (ii) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate

The Company elected to undertake a Placement to sophisticated and professional investors as this was considered to be the most expedient mechanism for raising funds in a timely manner.

7D.2 Is a party referred to in listing rule 10.11.1 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

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 Pty Ltd ("EverBlu Capital") acted as lead manager to the Placement.

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

EverBlu Capital will be entitled to a cash fee of up to 6% (plus GST) on the gross amount raised under the Placement. Subject to shareholder approval and the consent of Creso Pharma's secured lenders, EverBlu Capital will also receive 3 Shares for every \$4 raised under the Placement.

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

Part 7F - 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