



Announcement Summary

Entity name

CRESO PHARMA LIMITED

Announcement Type

New announcement

Date of this announcement

21/11/2022

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	4
New class-code to be confirmed	Options	4,000,000
CPH	ORDINARY FULLY PAID	38,095,238

Proposed +issue date

31/1/2023

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.

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

21/11/2022

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	31/12/2022	<input checked="" type="checkbox"/> Estimated	No

Comments

Subject to shareholder approval, Creso Pharma Limited ('Creso') intends to issue to Zelira Therapeutics Limited ("Zelira") that number of shares in the Company equal to 800,000 dollars divided by the Company's share price on the day prior to the shareholder meeting seeking approval for the shares. In addition, Creso intends to issue additional convertible notes under the Secured Convertible Notes Offer announced on 1 November 2022 to Celtic Capital Pty Ltd ('Celtic') in settlement of a 400,000 dollars debt. The date noted above is an estimate only.

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

38,095,238

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 shareholder approval, Creso Pharma Limited intends to issue to Zelira Therapeutics Limited ("Zelira") that number of shares equal to 800,000 dollars divided by the Company's share price on the day prior to the shareholder meeting seeking approval for the shares ("Settlement Sum"). The above number of shares to be issued is only an estimate based on the closing price of 2.1c as at 17 November 2022, which may differ at the issue date. Refer to the ASX announcement released on the same date as this form for further details.

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

800,000.000000

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)

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

Secured Convertible Notes

+Security type

+Convertible debt securities

Number of +securities proposed to be issued

4

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**

Creso intends to issue additional convertible notes under the Secured Convertible Notes Offer announced on 1 November 2022 to Celtic Capital Pty Ltd ('Celtic') in settlement of a 400,000 dollars debt. The conversion of the convertible notes will be subject to shareholders approval. Refer to ASX announcement released on the same date as this Appendix 3B for further information.

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

400,000.000000

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:**

Converting

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 9,200,000 shares and 2,300,000 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 releases dated 1 November 2022 and 4 August 2022. The maturity date is an estimate only and will be 6 months from the date of issue of the convertible notes.

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

Options

+Security type

Options

Number of +securities proposed to be issued

4,000,000

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

Subject to shareholder approval, the Company intends to issue 1 million options for each \$100,000 loaned 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	Exercise price	Expiry date
AUD - Australian Dollar	AUD 0.0800	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

4,000,000 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.

Part 7C - Timetable

7C.1 Proposed +issue date

31/1/2023

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

31/12/2022



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

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?

No

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

N/A. Refer to the ASX announcement released on the same date as this Appendix 3B for further details.

Part 7F - Further Information

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

Refer to the ASX announcement released on the same date as this form.

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

The above dates and number of shares to be issued are only estimates. The number of shares is based on the closing price of 2.1c as at 17 November 2022, which may differ at the issue date.

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)