



23 March 2021

Halucenex Life Sciences Inc. secures additional pharmaceutical grade psilocybin from Canadian manufacturing partner

Creso to dual list on US OTC

Highlights

- **Additional 700mg of synthetic psilocybin secured – takes Halucenex’s total inventory to 12.3g of synthetic psilocybin providing ample runway for Halucenex to progress research initiatives**
- **Creso Pharma to pursue US OTC listing following growing interest shown by North American investors. Listing expected to go live in Q2 CY2021.**
- **US OTC listing provides additional growth platform for Creso Pharma ahead of potential federal cannabis legislation reform**
- **Listing expected to unlock significant value for shareholder by allowing easier access to North American capital markets where interest in cannabis and psychedelics companies continues to grow, resulting in strong market valuations for many companies in that space.**
- **Listing allows straightforward valuation comparisons to US and Canadian listed peers.**

Creso Pharma Limited (ASX:CPH, FRA:1X8) (‘Creso Pharma’ or ‘the Company’) is pleased to advise that its target acquisition company, Halucenex Life Sciences (“Halucenex”), has secured an additional supply of 700 mg of pharmaceutical grade psilocybin from its manufacturing partner and Canada’s only pharmaceutical grade synthetic psilocybin manufacturer, for use in its upcoming clinical trial program, adding to the 11.6g previously secured.

Halucenex, which is set to become part of the Creso Pharma Group (refer ASX announcement: 15 March 2021) is a life sciences development company focused on researching, developing and licencing novel psychedelic molecules for the global pharmaceutical and nutraceutical markets.



Image: Synthetic psilocybin from Halucenex’s supplier



This is a major development for Halucenex and builds on the company's existing supply agreement with Canada's only synthetic psilocybin manufacturer. The additional stock will take Halucenex's total accessible volume of synthetic psilocybin to 12.3g, allowing Halucenex to increase the number of clinical trial participants in Phase II of its trial, should it elect to do so, whilst also ensuring the participants in its Phase II and Phase III trials are treated with the same, consistent GMP batch of synthetic psilocybin for tracking and traceability.

Importantly, the additional supply provided is GMP certified, which will allow Halucenex to conduct GMP formulations in future delivery mechanisms such as capsules, micro doses, nasal and IV solution – with the stability and validation of the delivery being critical for any clinical trial. The GMP certification also means the Company does not have to have its supply further certified with regulators.

There is currently a growing interest in psychedelic inspired medicines and a bottleneck in the supply chain for synthetic psilocybin as more companies enter the research domain. Halucenex is only one of 11 companies to secure supply in Canada, with its relationship with manufacturing partners reducing risks to its clinical trial timelines.

Proposed OTC listing:

Creso Pharma is also pleased to advise that it is progressing an application to dual list on the OTCQB ("OTC") market in the USA.

The decision to advance the dual listing initiative follows growing interest from North American investors, and is part of Creso Pharma's strategy to raise global awareness of the Company's operations in the cannabis and psychedelics medicines space. The recent acquisition of Halucenex, as well as the Company's planned expansion into the US cannabis market (subject to federal legalisation) is of interest to many North American investors.

This dual listing will allow easier access for North American Investors to trade in Creso Pharma's share listed on the Australian Stock Exchange (ASX), with one of the key advantages being that North American investors are able to trade and settle in US Dollars (USD) during normal US trading hours.

The OTCQB listing aims to provide existing and potential North American investors in the Company with appropriate accessibility and liquidity to invest. The listing provides Creso Pharma with access to one of the largest investment markets in the world at nominal cost.

In addition, Creso Pharma will maintain regular disclosure that is in line with the reporting requirements of the Company's primary market, the ASX, where the Company's ordinary shares will continue to trade under the symbol "CPH".

The Company expects the OTC listing to unlock considerable value for existing shareholders by assisting North American investors to participate in the Creso Pharma story, and allowing easier comparisons to US and Canadian listed peers operating in the cannabis and psychedelic medicine sectors. This is especially as Creso Pharma continues to expand its global footprint, progress prospective opportunities in the US cannabis sector ahead of potential federal cannabis legislation reform, and extend its business to the development of psychedelic medicines via its acquisition of Halucenex.

The Company anticipates the listing to go live during Q2 CY2021 and will update the market when timing is confirmed and the trading ticker has been allocated.

**Commentary:**

Non-executive Chairman Adam Blumenthal said: *“Securing an additional supply of psilocybin is a very pleasing development and highlights the strength of Halucenex’s relationship with Canada’s only manufacturer. We are very excited to progress the upcoming clinical trial program and are confident that the initiative will add to the growing body of evidence for the use of psychedelic medicines as a much needed alternative.”*

“The Company is also very excited about its proposed OTC listing. Creso Pharma has a growing global footprint and the OTC will provide a platform for the Company to boost its visibility to a broad base of US investors, particularly as cannabis moves towards legalisation. We look forward to updating shareholders on the listing process in due course.”

Halucenex Founder & CEO Bill Fleming said: *“This additional batch of synthetic psilocybin reduces risks to our clinical trial schedule. The substance is currently gaining significant popularity with researchers and other companies and having an ample supply will ensure Halucenex is best placed to progress its research initiatives.”*

“Halucenex continues to make steps forward in the commencement of its Phase II Clinical Trial and we are very excited to share these developments in the next few months.”

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Authority and Contact Details

This announcement has been authorised for release by the Board of Creso Pharma Limited.

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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



About Halucenex Life Science:

Halucenex is a life sciences development company with a focus on researching novel psychedelic compounds, developing and licensing psychedelic compounds for the pharmaceutical and nutraceutical markets, and conducting clinical trials on the medical benefits of psychedelic medicine. Halucenex operates a 6000 sq. ft. medical facility in Windsor, Nova Scotia with 6 treatment rooms and a secure laboratory dedicated to performing psychedelic-assisted psychotherapy and clinical research. Halucenex intends to maintain control over all aspects of the product development process – mycological research, extraction technology, and synthetic formulation as well as drug delivery technologies, psychedelic-assisted psychotherapy and regulatory affairs.

www.halucenex.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.