



25 November 2022

Dear Shareholder,

General Meeting – Notice and Proxy Form

Notice is hereby given that a General Meeting ('Meeting') of Shareholders of Creso Pharma Limited ('Company') will be held by virtual meeting facility at 4:00pm (AEDT) on Thursday, 29 December 2022.

In accordance with section 110D of the Corporations Act 2001 (Cth) (as inserted by the Corporations Amendment (Meeting and documents) Act 2022 (Cth)), the Company will not be dispatching physical copies of the Notice of Meeting ('Notice') unless specifically requested to do so. Instead, a copy of the Notice is available at the Company's ASX Announcement Platform at www2.asx.com.au (ASX:CPH).

If you have elected to receive notices by email, a copy of your personalised proxy form will be emailed to you. If you have not elected to receive notices by email, a copy of your personalised proxy form will be posted to you, together with this letter for your convenience.

All shareholders will be able to participate in the Meeting by:

- (a) attending and voting their Shares at the Meeting to be held virtually at 4:00pm (AEDT) on 29 December 2022;
- (b) voting prior to the Meeting by lodging your proxy instructions by no later than 48 hours prior to the Meeting (by 4:00pm (AEDT) on 27 December 2022) either by **voting online** at <https://investor.automic.com.au/#/loginsah>, or lodging a proxy form, as follows:
 - **by post to:** Automic, GPO Box 5193, Sydney, NSW, 2001; or
 - **in person to:** Automic, Level 5, 126 Phillip Street, Sydney, NSW, 2000; or
 - **by email to:** meetings@automicgroup.com.au

Your proxy voting instruction must be received not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting;

- (c) lodging questions in advance of the Meeting by emailing the questions to Erlyn Dawson, Joint Company Secretary at erlyn@azc.com.au, by no later than 23 December 2022.

If you are a shareholder, please follow the below step-by-step process to be able to access, vote and ask questions at the meeting:

1. Open your internet browser and go to investor.automic.com.au.
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.**
3. After logging in, a banner will be displayed at the top once the meeting is open for registration, click on "**View**" when this appear.
4. Click on "**Register**" and follow the steps.
5. Click on the URL to join the virtual meeting facility where you can join and listen to the meeting.
6. Once the Chair of the Meeting has declared the poll open for voting click on "**Refresh**" to be taken to the voting screen.
7. Select your voting direction and click "**confirm**" to submit your vote. **Note that you cannot amend your vote after it has been submitted.**



The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

If you have any difficulties obtaining a copy of the Notice, or for any other relevant information please contact the Company Secretary on +61 8 9389 3180 or erlyn@azc.com.au.

Authorised for release by the Board of Creso Pharma Limited.

Sincerely,

A handwritten signature in black ink that reads 'Erlyn Dawson'.

Erlyn Dawson
Joint Company Secretary
Creso Pharma Limited

CRESO PHARMA LIMITED
ACN 609 406 911
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 4:00pm (AEDT)
DATE: 29 December 2022
PLACE: By Virtual Meeting Facility

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (AEDT) on 27 December 2022.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE OPTIONS TO BRUCE LINTON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Options to Bruce Linton (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – ISSUE OF SHARES TO BOAZ WACHTEL

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Shares to Mr Boaz Wachtel (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – ISSUE OF SHARES TO JAMES ELLINGFORD

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,000,000 Shares to Mr James Ellinford (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO MIRIAM HALPERIN WERNLI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 15,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 53,358,712 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 6 – APPROVAL TO ISSUE SECURITIES TO ADAM BLUMENTHAL UNDER THE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 4,612,320 Shares and up to 4,612,320 Options to Mr Adam Blumenthal (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

7. RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS TO EVERBLU CAPITAL IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 57,971,032 Options to EverBlu Capital (or its nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

8. RESOLUTION 8 – APPROVAL TO ISSUE SHARES TO EVERBLU CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Shares to EverBlu Capital (or its nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES TO AUGUST PARTICIPANTS – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 77,360,968 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

10. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF SHARES TO AUGUST PARTICIPANTS – LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 54,139,032 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

11. RESOLUTION 11 – APPROVAL TO ISSUE OPTIONS TO THE AUGUST PARTICIPANTS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 131,500,000 Options to the August Participants (or their nominees) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

12. RESOLUTION 12 – APPROVAL TO ISSUE SECURITIES TO ADAM BLUMENTHAL UNDER THE AUGUST PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 36,000,000 Shares and up to 36,000,000 Options to Mr Adam Blumenthal (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

13. RESOLUTION 13 – APPROVAL TO ISSUE SECURITIES TO WILLIAM LAY UNDER THE AUGUST PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,500,000 Shares and up to 2,500,000 Options to Mr William Lay (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

14. RESOLUTION 14 – APPROVAL TO ISSUE SECURITIES TO BRUCE LINTON UNDER THE AUGUST PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 5,000,000 Shares and up to 5,000,000 Options to Mr Bruce Linton (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

15. RESOLUTION 15 – APPROVAL TO ISSUE OPTIONS TO EVERBLU CAPITAL IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE AUGUST PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 175,000,000 Options to EverBlu Capital (or its nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

16. RESOLUTION 16 – APPROVAL TO ISSUE PERFORMANCE RIGHTS TO KOLBY TULLIER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 2,000,000 Performance Rights to Kolby Tullier (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

17. RESOLUTION 17 – APPROVAL TO ISSUE PERFORMANCE RIGHTS TO TROY VAN BIEZEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 2,000,000 Performance Rights to Troy Van Biezen (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

18. RESOLUTION 18 – RATIFICATION OF AGREEMENT TO ISSUE SHARES ON CONVERSION OF FIRST CONVERTIBLE NOTES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the agreement to issue up to 24,177,174 Shares upon conversion of the First Convertible Notes on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

19. RESOLUTION 19 – APPROVAL TO ISSUE SHARES ON CONVERSION OF FIRST CONVERTIBLE NOTES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 92,489,493 Shares upon conversion of the First Convertible Notes on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

20. RESOLUTION 20 – RATIFICATION OF AGREEMENT TO ISSUE FIRST OPTIONS TO OBSIDIAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the agreement to issue 22,000,000 Options on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

21. RESOLUTION 21 – RATIFICATION OF PRIOR ISSUE OF FIRST COLLATERAL SHARES TO OBSIDIAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 45,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

22. RESOLUTION 22 – APPROVAL TO ISSUE SHARES ON CONVERSION OF SECOND CONVERTIBLE NOTES TO OBSIDIAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 116,666,667 Shares upon conversion of the Second Convertible Notes on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

23. RESOLUTION 23 – APPROVAL TO ISSUE SECOND OPTIONS TO OBSIDIAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 22,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

24. RESOLUTION 24 – APPROVAL TO ISSUE BALANCE COLLATERAL SHARES TO OBSIDIAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 45,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

25. RESOLUTION 25 – APPROVAL TO ISSUE SHARES TO ZELIRA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will equal \$800,000 on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

Dated: 24 November 2022

By order of the Board



**Erlyn Dawson
Joint Company Secretary**

Voting Prohibition Statements

Resolution 1 – Approval to Issue Options to Bruce Linton

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 1 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 1 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (a) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 1 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 2 – Issue of Shares Boaz Wachtel

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 2 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 2 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 2 Excluded Party, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 3 – Issue of Shares to James Ellingford

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 3 Excluded Parties**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of Resolution 3 Excluded Parties.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 8 – Approval to Issue Securities to Adam Blumenthal under the Placement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 12 –
Approval to Issue
Securities to Adam
Blumenthal under the
August Placement**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 12 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 12 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 12 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 13 –
Approval to Issue
Securities to William
Lay under the August
Placement**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 13 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 13 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 13 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 14 – Approval to Issue Securities to Bruce Linton under the August Placement	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 14 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 14 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 14 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
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Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

Resolution 1 – Approval to Issue Options to Bruce Linton	Mr Bruce Linton (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 2 – Issue of Shares to Boaz Wachtel	Boaz Wachtel (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 3 – Issue of Shares to James Ellingford	James Ellingford (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 4 – Approval to issue Shares to Miriam Halperin Wernli	Dr Miriam Halperin Wernli (or her nominee/s) or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
Resolution 5 – Ratification of prior issue of Shares – Listing Rule 7.1A	The Placement Participants or any other person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 6 – Approval to Issue Securities to Adam Blumenthal under the Placement	Mr Adam Blumenthal (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

Resolution 7 – Approval to Issue Options to EverBlu Capital	EverBlu Capital (or its nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 8 – Approval to issue Shares to EverBlu Capital	EverBlu Capital (or its nominee/s) or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 9 – Ratification of prior issue of Shares to August Participants – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved (namely August Participants) or an associate of that person or those persons.
Resolution 10 – Ratification of prior issue of Shares to August Participants – Listing Rule 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved (namely the August Participants) or an associate of that person or those persons.
Resolution 11 – Approval to Issue Options to the August Participants	The August Participants or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
Resolution 12 – Approval to issue Securities to Adam Blumenthal under the August Placement	Mr Adam Blumenthal (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 13 – Approval to issue Securities to William Lay under the August Placement	Mr William Lay (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 14 – Approval to issue Securities to Bruce Linton under the August Placement	Mr Bruce Linton (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 15 – Approval to issue Shares to EverBlu Capital	EverBlu Capital (or its nominee/s) or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 16 – Approval to issue Performance Rights to Kolby Tullier	Kolby Tullier (or his nominee/s) or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 17 – Approval to issue Performance Rights to Troy Van Biezen	Troy Van Biezen (or his nominee/s) or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

Resolution 18 – Ratification of agreement to issue Shares on conversion of First Convertible Notes	A person who participated in the issue or is a counterparty to the agreement being approved (namely Obsidian) or an associate of that person or those persons.
Resolution 19 – Approval to issue Shares on conversion of First Convertible Notes	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Obsidian) or an associate of that person (or those persons).
Resolution 20 – Ratification of agreement to issue First Options to Obsidian	A person who participated in the issue or is a counterparty to the agreement being approved (namely Obsidian) or an associate of that person or those persons.
Resolution 21 – Ratification of prior issue of First Collateral Shares to Obsidian	A person who participated in the issue or is a counterparty to the agreement being approved (namely Obsidian) or an associate of that person or those persons.
Resolution 22 – Approval to issue Shares on conversion of Second Convertible Notes	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Obsidian) or an associate of that person (or those persons).
Resolution 23 – Approval to issue Second Options to Obsidian	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Obsidian) or an associate of that person (or those persons).
Resolution 24 – Approval to issue Balance Collateral Shares to Obsidian	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Obsidian) or an associate of that person (or those persons).
Resolution 25 – Approval to issue Shares to Zelira	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (Zelira) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

In accordance with the Company's Constitution, the Directors have elected to hold the Meeting virtually and therefore Shareholders will not be able to physically attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to either lodge a directed proxy form prior to the Meeting or attend and vote online at the Virtual Meeting.

Voting online via Virtual Meeting

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to **investor.automic.com.au**
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will be displayed at the top once the meeting is open for registration, click on "**View**" when this appears
3. Click on "**Register**" and follow the steps
4. Click on the URL to join the webcast where you can view and listen to the virtual meeting
5. Once the Chair of the Meeting has declared the poll open for voting click on "**Refresh**" to be taken to the voting screen
6. Select your voting direction and click "**confirm**" to submit your vote. **Note that you cannot amend your vote after it has been submitted**

You may still attend the meeting and vote at the Virtual Meeting even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance at the Virtual Meeting will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment will be deemed to be revoked with respect to voting on that resolution.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9389 3180.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – ISSUE OF OPTIONS TO RELATED PARTY - BRUCE LINTON

1.1 General

Resolution 1 seeks Shareholder approval for the issue of 10,000,000 Options to Mr Bruce Linton (or his nominees) on the terms and conditions set out below (**NED Options**).

Resolution 1 seeks Shareholder approval for the issue of the NED Options to Mr Bruce Linton under and for the purposes of Listing Rule 10.11.

1.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the NED Options to Mr Bruce Linton (or his nominees) constitutes giving a financial benefit and Mr Bruce Linton is a related party of the Company by virtue of being a Director.

The Directors (other than Bruce Linton, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of NED Options because the NED Options issued pursuant to the non-executive director appointment letter, was reached as part of the remuneration package for Mr Bruce Linton, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

1.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3;
or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the NED Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 1 seeks the required Shareholder approval for the issue of the NED Options under and for the purposes of Listing Rule 10.11.

1.4 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to proceed with the issue of the NED Options to Mr Bruce Linton (or his nominees) within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the NED Options (because approval is being obtained under Listing Rule 10.11), the issue of the NED Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the NED Options, and the Company will consider alternative means of remuneration for Mr Linton, which may include the payment of cash.

1.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 1:

- (a) the NED Options will be issued to Mr Bruce Linton (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Linton is a related party of the Company by virtue of being a Director;
- (b) the maximum number of NED Options to be issued is 10,000,000;
- (c) the terms and conditions of the NED Options are set out in Schedule 1;
- (d) the NED Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the NED Options will occur on the same date;
- (e) the issue price of the NED Options will be nil. The Company will not receive any other consideration in respect of the issue of the NED Options (other than in respect of funds received on exercise of the NED Options);
- (f) the purpose of the issue of the NED Options is to provide a performance linked incentive component in the remuneration package for Mr Bruce Linton to motivate and reward his performance as a Director and to provide cost effective remuneration to Mr Bruce Linton, enabling the Company to spend a greater proportion of its cash reserves on its

operations than it would if alternative cash forms of remuneration were given to Mr Bruce Linton;

- (g) the current total remuneration package for Mr Bruce Linton is \$80,000, comprising of directors' fees of \$80,000. If the NED Options are issued, the total remuneration package of Mr Bruce Linton will increase by \$42,320 to \$122,320, being the value of the NED Options (based on the Black Scholes methodology);
- (h) the NED Options are being issued to Mr Bruce Linton pursuant to his non-executive director appointment letter which contain standard terms and conditions; and
- (i) a voting exclusion statement is included in Resolution 1 of the Notice.

2. BACKGROUND TO RESOLUTIONS 2 AND 3 – ISSUE OF SHARES TO BOAZ WACHTEL AND JAMES ELLINGFORD

Resolutions 2 and 3 seek Shareholder approval for issue of an aggregate of 6,000,000 Shares to Messers Boaz Wachtel and James Ellingford (or their nominee/s).

The Company is seeking to issue these Shares as bonus payments to Mr Boaz Wachtel and Dr James Ellingford for their services over the past year. During this period, the Directors have been involved in the growth of the business of the Company. This has included involvement in a capital raising in March 2022, investigation and evaluation of acquisition opportunities including the Impactive and Sierra Sage Acquisition, management changes within the Group and dealing with matters in relation to an ASIC investigation. The Company considers that the performance of Mr Wachtel and Mr Ellingford in their roles over the last 12 months should be rewarded accordingly. The Company considers that the issue of these Shares will also further align the interests of Mr Boaz Wachtel and Dr James Ellingford with those of Shareholders.

3. RESOLUTIONS 2 AND 3 – APPROVAL TO ISSUE SHARES TO RELATED PARTIES – BOAZ WACHTEL AND JAMES ELLINGFORD

3.1 General

A summary for the approval to issue Shares to Messers Boaz Wachtel and James Ellingford are set out at Section 2.

Resolutions 2 and 3 seek Shareholder approval for issue of an aggregate of 6,000,000 Shares to Messers Boaz Wachtel and James Ellingford, comprising of:

- (a) 2,000,000 Shares to Boaz Wachtel (or his nominee/s) pursuant to Resolution 2; and
- (b) 4,000,000 Shares to James Ellingford (or his nominee/s) pursuant to Resolution 3,

on the terms and conditions set out below.

3.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 1.2.

The issue of Shares to Messers Boaz Wachtel and James Ellingford constitutes giving a financial benefit and each Messers Boaz Wachtel and James Ellingford is a related party of the Company by virtue of being Directors.

The Directors (other than Messers Boaz Wachtel and James Ellingford who has a material personal interest in each respective Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Shares because the agreement to issue the Shares, reached as part of the remuneration package for Messers Boaz Wachtel and James Ellingford, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

3.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 1.3.

The issue of Shares falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 2 and 3 seek the required Shareholder approval for the issue of the Shares under and for the purposes of Listing Rule 10.11.

3.4 Technical information required by Listing Rule 14.1A

If Resolutions 2 and 3 are passed, the Company will be able to proceed with the issue of the Shares to Messers Boaz Wachtel and James Ellingford within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 2 and/or 3 are not passed, the Company will not be able to proceed with the issue of the Shares and the Company will consider alternative means of remuneration for the Directors, including the payment of cash.

3.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 2 and 3:

- (a) the Shares will be issued to the following persons:
 - (i) Boaz Wachtel (or his nominee/s) pursuant to Resolution 2; and
 - (ii) James Ellingford (or his nominee/s) pursuant to Resolution 3,each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Shares to be issued is 6,000,000 comprising of:
 - (i) 2,000,000 Shares to Boaz Wachtel (or his nominee/s) pursuant to Resolution 2; and
 - (ii) 4,000,000 Shares to James Ellingford (or his nominee/s) pursuant to Resolution 3,

- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (e) the issue price of the Shares will be nil. The Company will not receive any other consideration in respect of the issue of the Shares;
- (f) the purpose of the issue of the Shares is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of Messers Boaz Wachtel and James Ellingford with those of Shareholders, to motivate and reward the performance of Messers Boaz Wachtel and James Ellingford in their roles as Directors and to provide a cost effective way from the Company to remunerate Messers Boaz Wachtel and James Ellingford, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messers Boaz Wachtel and James Ellingford;
- (g) the total remuneration package for:
 - (i) Mr Boaz Wachtel is \$80,000, comprising of directors' fees of \$80,000. If the Shares are issued, the total remuneration package of Mr Boaz Wachtel will increase by \$42,000 (based on a closing price on the ASX on 18 November 2022) to \$122,000, being the value of the Shares; and
 - (ii) Mr James Ellingford is \$160,965, comprising of directors' fees of \$146,000, and a superannuation payment of \$14,965. If the Shares are issued, the total remuneration package of Mr James Ellingford will increase by \$84,000 (based on a closing price on the ASX on 18 November 2022) to \$244,965, being the value of the Shares;
- (h) the Shares are not being issued under an agreement; and
- (i) a voting exclusion statement is included in Resolutions 2 and 3.

4. RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO MIRIAM HALPERIN WERNLI

4.1 General

As announced on 6 September 2021, the Company entered into a strategic adviser agreement with founder and former director Dr Miriam Halperin Wernli, whereby the Company engaged Dr Miriam Halperin Wernli as a strategic adviser (**Strategic Adviser Agreement**). The material terms of the Strategic Adviser Agreement is summarised below.

Position	Strategic Adviser
Term	Commencing from 2 September 2021 and will continue until terminated by either party on twelve months' written notice.
Role	Dr Halperin Wernli's responsibilities include:

	<ul style="list-style-type: none"> (a) overseeing and providing input into the Company's existing medical cannabis, hemp related projects and the psychedelic products which are being researched and developed by Halucenex Life Sciences Inc ("Halucenex"), a wholly owned subsidiary of the Company; (b) reviewing and providing comments and input on all scientific documents related to the scientific, research and technological operations of the Company; (c) developing external relationships; (d) making recommendations, informing, and advising the Board on scientific and commercial opportunities; and (e) bringing independent judgment and advice to the Board.
Remuneration	<p>Subject to Shareholder approval, the Company has agreed to issue Dr Halperin Wernli 15,000,000 Shares, which will be subject to escrow for twelve months from the date of issue (Strategic Adviser Shares).</p> <p>The entitlement to receive the Strategic Adviser Shares will immediately lapse upon termination of Dr Halperin Wernli's appointment under the agreement prior to the end of the escrow period.</p>
Expenses	<p>Dr Halperin Wernli will also be entitled to be reimbursed for reasonable expenses incurred in performing their duties.</p>

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Strategic Adviser Shares.

4.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Strategic Adviser Shares does not fit within any of the exceptions set out in Listing Rule 7.2. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

4.3 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Strategic Adviser Shares. In addition, the issue of the Strategic Adviser Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the issue of the Strategic Adviser Shares can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

4.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Strategic Adviser Shares will be issued to Dr Halperin Wernli (or her nominee);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that Dr Halperin Wernli is not a:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Strategic Adviser Shares to be issued is 15,000,000, and will be on the same terms and conditions as the Company's existing Shares;
- (d) the Strategic Adviser Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Strategic Adviser Shares will occur on the same date;
- (e) the Strategic Adviser Shares will be issued at a nil issue price, in consideration for services provided by Dr Halperin Wernli;
- (f) the purpose of the issue of the Strategic Adviser Shares is to satisfy the Company's obligations under the Strategic Adviser Agreement;
- (g) the Strategic Adviser Shares are being issued to Dr Halperin Wernli under the Strategic Adviser Agreement, a summary of the material terms of which is set out in Section 4.1; and
- (h) the Strategic Adviser Shares are not being issued under, or to fund, a reverse takeover.

5. BACKGROUND TO RESOLUTIONS 5 TO 7

5.1 Overview

As announced on 25 February 2022, the Company secured firm commitments from institutional, professional and sophisticated investors to raise \$5 million (before costs) through the issue of approximately 72.4 million new fully paid ordinary shares at an issue price of \$0.069 per Share with one free attaching Option for every one new Share issued (**Placement**). The Placement includes a commitment for participation for approximately \$318,250 from former Non-Executive Director, Adam Blumenthal. Mr Blumenthal resigned as Non-Executive Director of the Company on 10 October 2022.

On 2 March 2022, the Company issued 67,851,467 Shares to participants in the Placement (**Placement Participants**) at an issue price of \$0.069 per Share to raise approximately \$4,681,751 (subject to rounding) (**Placement Shares**).

The Placement Shares were issued pursuant to the Company's capacity under its Listing Rule 7.1A mandate, which was previously approved by Shareholders at the annual general meeting held on 31 May 2022.

After the Company had issued the Placement Shares, it had come to the Company's attention that it had issued 14,492,755 Shares (**Suburban Shares**) to Suburban Holdings Pty Limited (ACN 106 824 471) (**Suburban**) without receiving Shareholder approval under Listing Rule 10.11. Suburban is considered a related party by virtue of being entity controlled by a parent of Adam Blumenthal (a former Non-Executive Director of the Company). As such, ASX have confirmed (in accordance with its policies) that only the 53,358,712 Placement Shares can be ratified pursuant to Listing Rule 7.4 and not the Suburban Shares. On 25 October 2022, it was announced that at the direction of ASX, Suburban has agreed to dispose of the Suburban Shares within six (6) weeks of the announcement. Any profit made on the disposal of the holding will be donated to an entity that is listed on the Australian Charities and Not-For-Profits Commission as a charity.

As announced on 25 February 2022, the Company agreed to issue the Placement Participants one Option for every Share subscribed for and issued under the Placement pursuant to its issue capacity under Listing Rule 7.1 (**Placement Options**). As of the date of this Notice, the Company has not issued the Placement Options. The Placement Options will be exercisable at \$0.14 each on or before the date that is 18 months after the date of issue. The Company intends to seek quotation of the Placement Options, subject to meeting certain Listing Rule requirements.

5.2 Lead Manager

EverBlu Capital Pty Ltd (ACN 612 793 683) (**EverBlu Capital**) was engaged to lead manage the Placement. In consideration for the provision of these services, the Company agreed to:

- (a) pay EverBlu Capital a capital raising and management fee of 6% of the funds raised under the Placement; and
- (b) subject to Shareholder approval being obtained, issue EverBlu Capital (or its nominee/s) up to 57,971,032 Options, being one Option for every one Option issued under the Placement on the same terms and conditions as the Placement.

5.3 Summary of Resolutions

Resolutions 5 to 7 seek:

- (a) Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares (Resolution 5);
- (b) Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Shares and Options under the Placement to a former Non-Executive Director, Mr Adam Blumenthal (Resolution 6); and
- (c) Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Options (Resolution 7).

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

6.1 General

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

6.2 Listing Rules 7.1 and 7.1A

A summary of Listing Rule 7.1 is set out in Section 4.2 above.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 31 May 2022.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Shares.

6.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution 5 is not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

6.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Placement Shares were issued to professional and sophisticated investors who are clients of EverBlu Capital. The Placement Participants

were identified through a bookbuild process, which involved EverBlu Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company.

- (b) In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 53,358,712 Placement Shares were issued to unrelated parties and the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares were issued on 2 March 2022;
- (e) the issue price was \$0.069 per Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) The funds raised from the Placement are intended to be applied in accordance with the table set out below:

	(\$)	%
Undertaking psychedelic clinical trials upon completion of the Halucenex Acquisition	\$56,000	1.20%
Advancing sales of nutraceutical products globally	\$236,000	5.04%
Increasing marketing of cannabis products through Canada	\$12,000	0.26%
Scaling-up operations at the Mernova Facility	\$32,000	0.68%
Operating costs associated with the Switzerland business and Mernova	\$1,131,000	24.16%
Penetration of market opportunities in the USA and evaluation of M&A opportunities	\$330,000	7.05%
Lead Manager Fees	\$226,000	4.83%
General working capital	\$1,988,750	42.48%
Funds on hand	\$670,000	14.31%
Total	\$4,681,750	100.00%

The above table is a statement of current intentions as of the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

- (g) the Placement Shares were not issued under an agreement.

7. RESOLUTION 6 – APPROVAL TO ISSUE SECURITIES TO ADAM BLUMENTHAL UNDER THE PLACEMENT

7.1 General

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of 4,612,320 Shares and 4,612,320 Options to Mr Adam Blumenthal (or his nominee/s) (**Participation Securities**) in respect of his participation in the Placement.

The Participation Securities will be issued to Mr Blumenthal on the same terms as the Shares and Options issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

Further details in respect of the Placement are set out in Section 5.1 above.

7.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 1.2.

Mr Adam Blumenthal resigned as a director of the Company effective 10 October 2022. Accordingly, the issue of the Participation Securities constitutes giving a financial benefit and Adam Blumenthal is a related party of the Company by virtue of being a Director during the previous six months.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Participation Securities because the Participation Securities will be issued to Mr Blumenthal on the same terms as the Shares and Options issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

7.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 1.3.

The issue of the Participation Securities falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 6 seeks the required Shareholder approval for the issue of the Participation Securities under and for the purposes of Listing Rule 10.11.

7.4 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Participation Securities within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 7.5(g). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Securities (because approval is being obtained under Listing Rule 10.11), the issue of the Securities will not use up any of the Company's 15% annual placement capacity.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Securities and the Company may be required to repay Mr Blumenthal the funds which will be advanced in respect of the Placement. As at the date of this Notice the Company confirms that Mr Blumenthal has not advanced the funds.

7.5 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the Participation Securities will be issued to Mr Adam Blumenthal (or his nominee/s), who falls within the category set out in Listing Rule 10.11.1, by virtue of being a Director during the previous six months;
- (b) the maximum number of Participation Securities to be issued is 4,612,320 Shares and 4,612,320 free attaching Options;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options will be issued on the terms and conditions set out in Schedule 2;
- (e) the Participation Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Securities will be issued on the same date;
- (f) the issue price will be \$0.069 per Share, being the same issue price as Shares issued to other participants under the Placement. The Options will be issued for nil cash consideration (on the basis of one Option for every one Share subscribed for and issued). The Company will not receive any other consideration for the issue of the Shares or Options;
- (g) the purpose of the issue of the Participation Securities is to raise capital, which will be deployed towards the US expansion, general working capital, product development initiatives and other opportunities;
- (h) the issue of the Participation Securities is not intended to remunerate or incentivise the Director;
- (i) the Participation Securities are not being issued under an agreement; and
- (j) a voting exclusion statement is included in Resolution 6 of the Notice.

8. RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS TO EVERBLU CAPITAL IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE PLACEMENT

8.1 General

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 57,971,032 Options to EverBlu Capital (or its nominee/s) in part consideration for services provided in connection with the Placement. Adam Blumenthal is a former Non-Executive Director of the Company and controls EverBlu Capital. Refer to Section 5.2 for further details.

8.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 1.2.

The issue of the Options constitutes giving a financial benefit and EverBlu Capital is a related party of the Company by virtue of being controlled by a former Non-Executive Director Mr Adam Blumenthal.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options because the agreement to grant the Options was negotiated on an arm's length basis.

8.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 1.3.

The issue of the Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 7 seeks the required Shareholder approval for the issue of the Options under and for the purposes of Listing Rule 10.11.

8.4 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Options within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Options as part of the payment for services provided and will be required to re-negotiate a revised fee with EverBlu Capital which may require cash payments and affect the Company's available cash position. The Company considers that a failure to comply with the obligations under such agreement may hinder the Company's ability to raise further capital, as EverBlu Capital may elect to cease providing further capital raising services to the Company and, given the current market, there can be no assurance that the Company would be able to engage an alternative lead manager to assist the Company to raise money on terms any more favourable than those agreed with EverBlu Capital.

8.5 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 7:

- (a) the Options will be issued to EverBlu Capital (or its nominee/s), who falls within the category set out in Listing Rule 10.11.1, by virtue of being controlled by a former Non-Executive Director, Mr Adam Blumenthal. Mr Blumenthal is the Chairman of EverBlu Capital and a major shareholder and controller of EverBlu Capital;
- (b) the maximum number of Options to be issued is 57,971,032;
- (c) the Options will be issued on the terms and conditions set out in Schedule 2;
- (d) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or

modification of the Listing Rules) and it is anticipated the Options will be issued on the same date;

- (e) the Options will be issued for nil cash consideration; accordingly, no funds will be raised (other than in respect of funds received on exercise of the Options);
- (f) the purpose of the issue of the Options is to satisfy the Company's obligations under the mandate with EverBlu Capital (as summarised in Section 5.2);
- (g) the issue of the Options is not intended to remunerate or incentivise the Director;
- (h) the Options are being issued under a mandate between the Company and EverBlu Capital, a summary of which is set out in Schedule 3; and
- (i) a voting exclusion statement is included in Resolution 7 of the Notice.

9. RESOLUTION 8 – APPROVAL TO ISSUE SHARES TO EVERBLU CAPITAL

9.1 General

As announced on 21 January 2020, the Company entered into new corporate advisory and transactional mandates with its corporate advisers, EverBlu Capital (**Corporate Advisory Mandate**). Under the terms of the Corporate Advisory Mandate, subject to obtaining Shareholder approval, the Company agreed to issue up to 6,000,000 Shares and 8,000,000 Options to EverBlu Capital (or its nominee) in part consideration for corporate advisory services.

The Company has previously issued a total of 4,000,000 Shares to EverBlu Capital (or its nominee/s) on 28 May 2020 and 23 December 2020 (pursuant to the Appendix 2As lodged on the same dates and in accordance with Shareholder approval obtained on 18 May 2020 and 23 December 2020, respectively) in respect of services under the New Mandates.

Resolution 8 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of 2,000,000 Shares to EverBlu Capital (or its nominee/s) for the period ending June 2022.

9.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 1.2.

The issue of the EverBlu Shares constitutes giving a financial benefit and EverBlu Capital is a related party of the Company by virtue of being controlled by a former Non-Executive Director, Adam Blumenthal.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Securities because the agreement to grant the EverBlu Shares was negotiated on an arm's length basis.

9.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 1.3.

The issue of the EverBlu Shares falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 8 seeks the required Shareholder approval for the issue of the EverBlu Shares under and for the purposes of Listing Rule 10.11.

9.4 Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the EverBlu Shares within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the EverBlu Shares (because approval is being obtained under Listing Rule 10.11), the issue of the EverBlu Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the EverBlu Shares as part of the payment for services provided and will be required to re-negotiate a revised fee with EverBlu Capital which may require cash payments and affect the Company's available cash position. The Company considers that a failure to comply with the obligations under such agreement may hinder the Company's ability to raise further capital, as EverBlu Capital may elect to cease providing further capital raising services to the Company and, given the current market, there can be no assurance that the Company would be able to engage an alternative lead manager to assist the Company to raise money on terms any more favourable than those agreed with EverBlu Capital.

9.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 8:

- (a) the EverBlu Shares will be issued to EverBlu Capital (or its nominee), who falls within the category set out in Listing Rule 10.11.1, as Mr Adam Blumenthal, who has served as a Director of the Company in the previous six months, is the Chairman of EverBlu Capital and a major shareholder and controller of EverBlu Capital;
- (b) the maximum number of Shares to be issued to EverBlu Capital (or its nominee) is 2,000,000;
- (c) the EverBlu Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the EverBlu Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the EverBlu Shares will be issued on the same date;
- (e) the EverBlu Shares will be issued at a nil issue price, in consideration for corporate advisory services provided by EverBlu Capital;
- (f) the purpose of the issue of EverBlu Shares is to satisfy the Company's obligations under its agreement with EverBlu Capital;

- (g) the Shares are being issued under a mandate between the Company and EverBlu Capital, a summary of which is set out in Schedule 3; and
- (h) a voting exclusion statement is included in Resolution 8 of the Notice.

10. BACKGROUND TO RESOLUTIONS 9 TO 14

10.1 Overview

As announced on 4 August 2022, the Company secured firm commitments from institutional, professional and sophisticated investors to raise \$7 million (before costs) through the issue of 175,000,000 Shares at an issue price of \$0.04 per Share (**August Placement**).

The August Placement includes commitments from the following related parties:

- (a) \$1,440,000 from former Non-Executive Director, Mr Adam Blumenthal (subject of Resolution 12);
- (b) \$200,000 from Non-Executive Director Bruce Linton (subject of Resolution 13); and
- (c) \$100,000 from Chief Executive Officer and Managing Director, William Lay (subject of Resolution 14).

77,360,968 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 9) and 54,139,032 Shares were issued pursuant to the Company's 7.1A mandate to unrelated participants in the August Placement (**August Participants**). The Company's 7.1A mandate was approved by the Shareholders at the annual general meeting held on 31 May 2022 (being, the subject of Resolution 10).

The Company agreed, subject to receiving Shareholder approval, to issue the August Participants with one (1) free attaching Option for every Share subscribed for and issued under the August Placement. The Options will be exercisable at \$0.08 each on or before the date that is four (4) years after the date of issue. The Company intends to seek quotation of the Options, subject to meeting Listing Rule requirements.

10.2 Lead manager

EverBlu Capital was engaged to lead manage the August Placement. In consideration of these services, the Company agreed to:

- (a) pay EverBlu Capital a capital raising and management fee of 6% of the funds raised under the August Placement; and
- (b) subject to Shareholder approval being obtained, issue EverBlu Capital (or its nominee/s) up to 175,000,000 Options, being one Option for every one Option issued under the August Placement on the same terms and conditions as the August Placement.

10.3 Summary of Resolutions

Resolutions 9 to 14 seek:

- (a) **Resolutions 9 and 10** – Shareholder ratification of the Shares under the August Placement;

- (b) **Resolution 11** – Shareholder approval for the issue of the Options to the August Participants;
- (c) **Resolution 12** – Shareholder approval for the issue of the Share and Options under the August Placement to Mr Adam Blumenthal;
- (d) **Resolution 13** – Shareholder approval for the issue of the Shares and Options under the August Placement to Mr William Lay; and
- (e) **Resolution 14** – Shareholder approval for the issue of the Shares and Options under the August Placement to Mr Bruce Linton.

11. RESOLUTIONS 9 AND 10 – RATIFICATION OF PRIOR ISSUE OF SHARES TO AUGUST PARTICIPANTS - LISTING RULES 7.1 AND 7.1A

11.1 General

Resolutions 9 and 10 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares pursuant to the August Placement. Refer to Section 10.1 for further details.

11.2 Listing Rules 7.1 and 7.1A

A summary of Listing Rule 7.1 is set out in Section 4.2 above.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 31 May 2022.

The issue of the Shares do not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Shares.

11.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares.

11.4 Technical information required by Listing Rule 14.1A

If Resolutions 9 and 10 are passed, the Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolutions 9 and/or 10 are not passed, the Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

11.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 9 and 10:

- (a) the Shares were issued to the August Participants who are clients of EverBlu Capital. The recipients were identified through a bookbuild process, which involved EverBlu Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 131,500,000 Shares were issued on the following basis:
 - (i) 77,360,968 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 9); and
 - (ii) 54,139,032 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 10);
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares were issued on the following dates:
 - (i) 47,185,968 Shares on 8 August 2022 and 30,175,000 Shares on 15 August 2022 pursuant to Listing Rule 7.1; and
 - (ii) 54,139,032 Shares on 8 August pursuant to Listing Rule 7.1A;
- (f) the issue price was \$0.04 per Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Shares;
- (g) the purpose of the issue of the Shares was to raise \$5,260,000, which was applied towards expanding the Company's expansion into the United States of America via the acquisition of Sierra Sage Herbs LLC. Additional funds will be deployed for marketing, promotion and product development; and
- (h) the Shares were not issued under an agreement.

12. RESOLUTION 11 – APPROVAL TO ISSUE OPTIONS TO AUGUST PARTICIPANTS

12.1 General

Resolution 11 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of up to 131,500,000 Options. Refer to Section 10.1 for further details.

A summary of Listing Rule 7.1 is set out in Section 4.2 above.

The proposed issue of the Options falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

12.2 Technical information required by Listing Rule 14.1A

If Resolution 11 is passed, the Company will be able to proceed with the issue of the Options. In addition, the issue of the Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 11 is not passed, the Company will not be able to proceed with the issue of the Options. Resolution 11 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Options.

Resolution 11 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Options.

12.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 11:

- (a) the Options will be issued to the August Participants (or their nominees);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients are:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Options to be issued is 131,500,000. The Company intends to seek quotation of the Options, subject to meeting certain Listing Rule requirements. The terms and conditions of the Options are set out in Schedule 4;
- (d) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (e) the Options will be issued at a nil issue price, as they will be issued as free attaching to the Shares issued pursuant to the August Placement (on the basis of one (1) August Option for every Share subscribed for and issued). Accordingly, no funds will be raised from the issue of the Options;

- (f) the purpose for the issue of the Options is to satisfy the Company's obligations under the August Placement;
- (g) the Options are not being issued under an agreement; and
- (h) the Options are not being issued under, or to fund, a reverse takeover.

13. RESOLUTION 12, 13 AND 14– APPROVAL TO ISSUE SECURITIES TO RELATED PARTIES UNDER THE AUGUST PLACEMENT

13.1 General

As set out in Section 10, Messrs William Lay and Bruce Linton, being Directors of the Company, and Mr Adam Blumenthal, being a former Director of the Company in the last six months, (**Related Parties**) wish to participate in the August Placement on the same terms as unrelated participants in the August Placement.

Accordingly, Resolutions 12, 13 and 14 seek Shareholder approval for issue of an aggregate of 43,500,000 Shares at an issue price of \$0.04 per Share with one (1) free attaching Option for every one (1) Share subscribed for and issued (43,500,000 Options) to raise up to \$1,740,000, comprising of:

- (a) 36,000,000 Shares with 36,000,000 free attaching Options to Mr Adam Blumenthal (or his nominee/s) pursuant to Resolution 12;
- (b) 2,500,000 Shares with 2,500,000 free attaching Options to William Lay (or his nominee/s) pursuant to Resolution 13; and
- (c) 5,000,000 Shares with 5,000,000 free attaching Options to Bruce Linton (or his nominee/s) pursuant to Resolution 14,

on the terms and conditions set out below.

13.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 1.2.

The issue of the Securities to Related Parties constitutes giving a financial benefit. Messrs William Lay and Bruce Linton are each a related party of the Company by virtue of being Directors and Mr Adam Blumenthal is a related party by virtue of being a Director during the previous six months.

The Directors (other than the Messrs William Lay and Bruce Linton who have a material personal interest in the Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Securities will be issued to the Related Parties (or their nominee) on the same terms as Securities issued to non-related party participants in the August Placement and as such the giving of the financial benefit is on arm's length terms.

13.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in 1.3 above.

The issue of Securities falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 12, 13 and 14 seek the required Shareholder approval for the issue of the Securities under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

13.4 Technical information required by Listing Rule 14.1A

If Resolutions 12, 13 and 14 are passed, the Company will be able to proceed with the issue of the Securities to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Securities (because approval is being obtained under Listing Rule 10.11), the issue of the Securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 12, 13 and/or 14 are not passed, the Company will not be able to proceed with the issue of the Securities and no further funds will be raised under the August Placement.

13.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 12, 13 and 14:

- (a) the Securities will be issued to the following persons:
 - (i) Adam Blumenthal (or his nominee/s) pursuant to Resolution 12, who falls within the category set out in Listing Rule 10.11.1, as Mr Adam Blumenthal served as a Director during the previous six months;
 - (ii) William Lay (or his nominee/s) pursuant to Resolution 13, who falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director; and
 - (iii) Bruce Linton (or his nominee/s) pursuant to Resolution 14, who falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Shares to be issued (being the nature of the financial benefit proposed to be given) is 43,500,000 and the maximum number of Options to be issued is 43,500,000 as the Options will be issued free attaching with the Shares on a one (1) for one (1) basis, comprising of:
 - (i) 36,000,000 Shares with 36,000,000 free attaching Options to Adam Blumenthal (or his nominee/s) pursuant to Resolution 12;
 - (ii) 2,500,000 Shares with 2,500,000 free attaching Options to William Lay (or his nominee/s) pursuant to Resolution 13; and
 - (iii) 5,000,000 Shares with 5,000,000 free attaching Options to Bruce Linton (or his nominee/s) pursuant to Resolution 14;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Options will be issued on the terms and conditions set out in Schedule 4;
- (e) the Shares and free attaching Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (f) the issue price of the Shares will be \$0.04 per Share (being the issue price of the Shares issued to the August Participants) and nil per Option as the Options will be free attaching with the Shares on a one (1) for one (1) basis. The Company will not receive any other consideration in respect of the issue of the Shares and Options (other than in respect of funds received on exercise of the Options);
- (g) the purpose of the issue of the Securities is to allow the Related Parties to participate in the August Placement and raise \$1,740,000. The Company intends to apply the funds raised from the issue towards continued funding of Halucenex's phase 2 clinical trials, further investments into penetration in the United States, and general corporate expenses and working capital;
- (h) the Shares and Options issued under the August Placement are not intended to remunerate or incentivise the Director;
- (i) the Securities are not being issued under an agreement; and
- (j) a voting exclusion statement is included in Resolution 12 to 14 to the Notice.

14. RESOLUTION 15 – APPROVAL TO ISSUE OPTIONS TO EVERBLU CAPITAL

14.1 General

Resolution 15 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 175,000,000 Options to EverBlu Capital (or its nominee/s) in part consideration for services provided in connection with the August Placement. Adam Blumenthal is a former Non-Executive Director of the Company and controls EverBlu Capital. Refer to Section 5.2 for further details.

14.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 1.2.

The issue of the Options constitutes giving a financial benefit and EverBlu Capital is a related party of the Company by virtue of being controlled by a former Non-Executive Director Mr Adam Blumenthal.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options because the agreement to grant the Options was negotiated on an arm's length basis.

14.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 1.3.

The issue of the Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 15 seeks the required Shareholder approval for the issue of the Options under and for the purposes of Listing Rule 10.11.

14.4 Technical information required by Listing Rule 14.1A

If Resolution 15 is passed, the Company will be able to proceed with the issue of the Options within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 15 is not passed, the Company will not be able to proceed with the issue of the Options as part of the payment for services provided and will be required to re-negotiate a revised fee with EverBlu Capital which may require cash payments and affect the Company's available cash position. The Company considers that a failure to comply with the obligations under such agreement may hinder the Company's ability to raise further capital, as EverBlu Capital may elect to cease providing further capital raising services to the Company and, given the current market, there can be no assurance that the Company would be able to engage an alternative lead manager to assist the Company to raise money on terms any more favourable than those agreed with EverBlu Capital.

14.5 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 15:

- (a) the Options will be issued to EverBlu Capital (or its nominee/s), who falls within the category set out in Listing Rule 10.11.1, by virtue of being controlled by Mr Adam Blumenthal, who served as a Director of the Company in the previous six month. Mr Blumenthal is the Chairman of EverBlu Capital and a major shareholder and controller of EverBlu Capital;
- (b) the maximum number of Options to be issued is 175,000,000;
- (c) the Options will be issued on the terms and conditions set out in Schedule 4;
- (d) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Options will be issued on the same date;
- (e) the Options will be issued for nil cash consideration; accordingly, no funds will be raised (other than in respect of funds received on exercise of the Options);
- (f) the purpose of the issue of the Options is to satisfy the Company's obligations under the mandate with EverBlu Capital (as summarised in Section 5.2);
- (g) the issue of the Securities is not intended to remunerate or incentivise the Director;

- (H) the Options are being issued under a mandate between the Company and EverBlu Capital, a summary of which is set out in Section 5.2; and
- (I) a voting exclusion statement is included in Resolution 15 of the Notice.

15. BACKGROUND TO RESOLUTIONS 16 TO 17

15.1 General

The Company announced that it that entered into ambassador agreements with Troy Van Biezen on 14 July 2022 and Kolby Tullier on 15 August 2022 to work with the Company's marketing team in order to create a library of uniquely branded content including videos, photographs, social media post templates, and sponsored content for its ImpACTIVE products, through its subsidiary Creso ImpACTIVE Ltd (**Ambassador Agreement**). The Ambassador Agreement also stipulate that the ambassadors will continue to be provided product for both personal and professional use. A summary of the material terms of the Employment Agreements is set out in Section 15.2.

15.2 Ambassador Agreements

	Kolby Tullier	Troy Van Biezen
Position	Brand Ambassador	
Initial Term	12 months from 27 July 2022	12 months from 14 July 2022
Rewewal Term	The Initial Term will automatically renew for additional and successive one (1) year periods, unless a party delivers a written notice of non-renewal to the other party not less than 30 days prior to the expiry of the Initial term or then current Renewal Term.	
Base Salary	USD\$40,000 per annum.	USD\$25,000 per annum.
Incentive Remuneration	(a) 100,000 Shares (issued to Mr Tullier on 29 August 2022 and to Mr Van Biezen on 14 July 2022) as part consideration for the services under the Ambassador Agreement; and (b) Subject to ASX and Shareholder approval, 2,000,000 Performance Rights on the terms and conditions set out in Schedule 5.	
Other Terms	The Ambassador Agreements otherwise contains provisions considered standard for an agreement of this nature (including representations and warranties and confidentiality provisions).	

15.3 Summary of Resolutions

Pursuant to this Notice, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Performance Rights pursuant to Resolutions 16 and 17.

16. RESOLUTIONS 16 AND 17 – APPROVAL TO ISSUE PERFORMANCE RIGHTS

16.1 General

Resolutions 16 and 17 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Performance Rights.

16.2 Listing Rules 7.1 and 7.1A

A summary of Listing Rules 7.1 and 7.1A is set out in Section 6.2 above.

The proposed issue of the Performance Rights falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

16.3 Technical information required by Listing Rule 14.1A

If Resolutions 16 and 17 are passed, the Company will be able to proceed with the issue of the Performance Rights. In addition, the issue of the Performance Rights will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 16 and 17 are not passed, the Company will not be able to proceed with the issue of the Performance Rights and the Company may need to negotiate alternative means of compensation for the services provided by Troy Van Biezen and Kolby Tullier.

16.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolutions 16 and 17:

- (a) the Performance Rights will be issued to Troy Van Biezen and Kolby Tullier (or their nominee/s);
- (b) the maximum number of Performance Rights to be issued is 4,000,000, comprising of 2,000,000 Performance Rights to Troy Van Biezen and 2,000,000 Performance Rights to Kolby Tullier. The terms and conditions of the Performance Rights are set out in Schedule 5;
- (c) the Performance Rights will be issued no later than three (3) months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Performance Rights will occur on the same date;
- (d) the Performance Rights will be issued at a nil issue price, in part consideration for the services provided under the Ambassador Agreement;
- (e) the purpose of the issue of the Performance Rights is to satisfy the Company's obligations under the Ambassador Agreement;
- (f) the Performance Rights are being issued to Troy Van Biezen and Kolby Tullier under the Ambassador Agreement. A summary of the material terms of the Ambassador Agreement is set out in Section 15.2; and
- (g) the Performance Rights are not being issued under, or to fund, a reverse takeover.

17. BACKGROUND TO RESOLUTIONS 18 TO 24

17.1 General

As announced on 1 November 2022, the Company has entered into a convertible securities agreement with Obsidian Global GP, LLC (**Obsidian**) dated 27 October 2022 (**Obsidian Agreement**). Pursuant to the Obsidian Agreement the Company has agreed to issue and Obsidian has agreed to subscribe for convertible notes with an aggregate purchase price of up to A\$5,000,000 on the terms and conditions set out in the Obsidian Agreement (**Convertible Notes**). The funds raised will be used to support marketing and sales of the Company's existing products in Canada, Europe, and the US, further advancement of Halucenex's Phase II clinical trial, review and completion of potential M&A opportunities, and general working capital. Please refer to the Company's Quarterly Activities Report (dated 31 October 2022) for a summary of the Company's current operations and growth opportunities.

A summary of the material terms and conditions of the Obsidian Agreement is set out in Schedule 6.

Pursuant to the Obsidian Agreement, the Convertible Notes will be issued to Obsidian as follows:

- (a) A\$1,750,000 worth of Convertible Notes to occur 5 business days after the execution date of the Obsidian Agreement subject to certain conditions being satisfied (**First Convertible Notes**);
- (b) A\$1,750,000 worth of Convertible Notes to occur after the Company obtains Shareholder approval for the issue (**Second Convertible Notes**); and
- (c) A\$1,500,000 worth of Convertible Notes upon mutual agreement of the Company and Obsidian (**Third Convertible Notes**).

In consideration of Obsidian entering into the Obsidian Agreement, the Company has also agreed to issue Obsidian:

- (a) 22,000,000 listed Options in the Company, trading on ASX under the code 'CPHO' (exercisable at \$0.25 on or before 2 November 2024) (**CPHO Options**) (**First Options**); and
- (b) 22,000,000 CPHO Options upon receiving Shareholder approval (**Second Options**).

The Company has also agreed to issue up to 90,000,000 Shares, comprising:

- (a) 45,000,000 Shares within five (5) days of execution of the Obsidian Agreement (**First Collateral Shares**); and
- (b) up to 45,000,000 Shares subject to the Company obtaining Shareholder approval for their issue (**Balance Collateral Shares**).

The First Collateral Shares were issued on 3 November 2022.

17.2 Summary of Resolutions

Accordingly, the Company is seeking Shareholder approval in relation to the Obsidian Agreement as follows:

- (a) Shareholder ratification pursuant to Listing Rule 7.4 for the agreement to issue Shares on conversion of the First Convertible Notes (Resolution 18);
- (b) Shareholder approval pursuant to Listing rule 7.1 for the issue of the Shares on conversion of First Convertible Notes (Resolution 19);
- (c) Shareholder ratification pursuant to Listing Rule 7.4 for the agreement to issue the First Options (Resolution 20);
- (d) Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the First Collateral Shares (Resolution 21);
- (e) Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Shares on conversion of Second Convertible Notes (Resolution 22);
- (f) Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Second Options (Resolution 23); and
- (g) Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Balance Collateral Shares (Resolution 24).

17.3 Change in the Company's capital structure

The capital structure of the Company as at the date of this Notice and following the Company receiving Shareholder approval under Resolutions 18, 19, 20, 21, 22, 23 and 24, is anticipated to be as follows:

Shares

	Number
Shares currently on issue ¹	1,835,957,156
Shares to be issued pursuant to Resolutions 19, 18, 22 and 24	278,333,334
Total Shares on issue after the Meeting	2,114,290,490

Notes:

- Includes 268,210,650 Shares which are subject to voluntary escrow restrictions.

Options

	Number
Listed Options currently on issue	
CPHO (exercisable at \$0.25 on or before 2 November 2024)	400,941,788
CPHOA (exercisable at \$0.05 on or before 22 January 2023)	63,958,997
Unlisted Options currently on issue	
CPHAT (exercisable at \$0.35 on or before 12 February 2023)	2,128,387
CPHAS (exercisable at \$0.40 on or before 12 February 2023)	6,847,725
CPHAAB (exercisable at \$0.1386 on or before 25 June 2023)	5,752,688
CPHAY (exercisable at \$0.17 on or before 2 June 2023)	27,764,706
CPHAZ (exercisable at \$0.25 on or before 2 June 2023)	4,000,000
CPHAAA (exercisable at \$0.20 on or before 2 June 2023)	8,000,000
CPHAAG (exercisable at \$0.20 on or before 23 December 2023)	833,333
CPHAAH (exercisable at \$0.039 on or before 23 December 2025)	30,000,000

	Number
CPHAAC (exercisable at \$0.235 on or before 11 January 2023)	8,000,000
CPHAAD (exercisable at \$0.27 on or before 11 January 2023)	8,000,000
CPHAAE (exercisable at \$0.30 on or before 11 January 2023)	8,000,000
CPHAAF (exercisable at \$0.40 on or before 11 January 2023)	2,800,000
CPHAAI (exercisable at \$0.38 on or before 14 July 2024)	12,000,000
CPHAAK (exercisable at \$0.15 on or before 1 August 2024)	12,000,000
CPHAAL (exercisable at \$0.18 on or before 1 August 2024)	12,000,000
CPHAAN (exercisable at \$0.25 on or before 6 September 2024) ¹	10,000,000
CPHAAM (exercisable at \$0.18 on or before 6 September 2024)	10,000,000
CPHAAP (exercisable at \$0.1375 on or before 25 October 2024) ²	1,000,000
Total Options on issue as at the date of this Notice	634,027,624
Options to be issued pursuant to Resolutions 20 and 23 ³	44,000,000
Total Options on issue after the Meeting	678,027,624

Notes:

- 10,000,000 CPHAAN Options will vest on 17 March 2023, subject to the consultant remaining engaged by the Company.
- 333,334 CPHAAP have vested. 666,666 CPHAAP are subject to retention conditions and will vest in equal parts over 25 October 2023 and 25 October 2024.
- Exercisable at \$0.25 on or before 2 November 2024

Performance Rights

	Number
Performance Rights currently on issue	
CPHAAO: Performance Rights ¹	10,000,000
CPHAM: Performance Rights ²	549,000
Performance Rights to be issued pursuant to this Notice	Nil
Total Performance Rights on issue after the Meeting	10,549,000

Notes:

- Which are subject to the following vesting conditions:
 - 5,000,000 CPHAAO will vest on 17 September 2023, subject to Mr Lay being engaged by the Company; and
 - 5,000,000 CPHAAO will vest upon the earlier to occur: (a) the Company has recorded a revenue of \$5,000,000 between 17 September 2021 (**Effective Date**) and the date that is 24 months after the Effective Date (**Relevant Period**), which revenue is earned through supply agreements entered into with parties introduced by the Mr Lay; and (b) the Company recording a revenue of \$10,000,000 during the Relevant Period, which revenue is earned through acquisitions which are introduced by the Mr Lay.
- 500,000 Performance Rights are subject the following vesting conditions:
 - 300,000 CPHAM will vest subject to the lodgement of the Company's audited 2022 annual report; and
 - 200,000 CPHAM will vest on 26 April 2023, subject to the holder remaining an eligible participant under the Company's employee incentive plan.

Performance Shares¹

	Number
Performance Shares currently on issue	6,000,000

	Number
Performance Shares to be issued pursuant to this Notice	Nil
Total Performance Shares on issue after the Meeting	6,000,000

Notes:

1. Which will vest upon achievement of the following milestones:
 - (a) 3,000,000 Performance Shares upon Creso ImpACTIVE reach C\$20,000,000 in audited gross sales based on US GAAP definition gross sales (**First Milestone**) at or prior to 25 October 2025; and
 - (b) 3,000,000 Performance Shares upon Creso ImpACTIVE achieving the First Milestone and upon Creso ImpACTIVE reaching an additional C\$20,000,000 in audited gross sales (being an aggregate amount of C\$40,000,000 in audited gross sales between 25 October 2021 and 25 October 2026) based on the US GAAP definition of gross sales at or prior to 25 October 2026.

Set out below is a worked example of the number of Securities that may be held by Obsidian upon issue of the Shares pursuant to Resolutions 18, 19, 22 and 24; and issued the Options pursuant to Resolutions 20 and 23.

	Shares	Options ²
Obsidian ¹	37,575,661	Nil
Obsidian	315,908,995	44,000,000

Notes:

1. As at the date of this Notice.
2. Exercisable at \$0.25 on or before 2 November 2024.

18. RESOLUTION 18 – RATIFICATION OF AGREEMENT TO ISSUE SHARES ON CONVERSION OF FIRST CONVERTIBLE NOTES

18.1 General

As set out in Section 17.1 above, the Company has agreed to issue the First Convertible Notes to Obsidian pursuant to the Obsidian Agreement.

Notwithstanding any other provision in the Obsidian Agreement, the aggregate maximum number of Shares that the Company may or is required to issue on one or more conversions or redemptions of First Convertible Notes without receiving Shareholder approval is 24,177,174 Shares (**First Conversion A Shares**), being the maximum number available under Company's 7.1 placement capacity.

Accordingly, Resolution 18 seeks Shareholder approval to ratify the agreement to issue the First Conversion A Shares.

18.2 Listing Rules 7.1 and 7.1A

A summary of Listing Rule 7.1 is set out in Section 4.2 above.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 31 May 2022.

The agreement to issue the First Conversion A Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the combined 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities

without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the First Conversion A Shares.

18.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue, or agreement to issue, is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the agreement to issue the First Conversion A Shares.

Resolution 18 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the agreement to issue of the First Conversion A Shares.

18.4 Technical information required by Listing Rule 14.1A

If Resolution 18 is passed, the First Conversion A Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the First Conversion A Shares.

If Resolution 18 is not passed, the First Conversion A Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the First Conversion A Shares.

18.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 18:

- (a) on conversion of the First Convertible Notes, Obsidian will receive Shares in the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients are:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of First Conversion A Shares to be issued is 24,177,174;
- (d) once converted, the First Conversion A Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (e) the First Conversion A Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the First Conversion A Shares will occur progressively;
- (f) the First Convertible Notes will convert into First Conversion A Shares at an issue price no less than \$0.015 per Share;
- (g) the purpose of the issue of the First Conversion A Shares is to satisfy the Company's obligations under the Obsidian Agreement; and
- (h) the First Conversion A Shares will be issued to Obsidian under the Obsidian Agreement. A summary of the material terms of the Obsidian Agreement is set out in Schedule 6.

19. RESOLUTION 19 – APPROVAL TO ISSUE SHARES ON CONVERSION OF FIRST CONVERTIBLE NOTES

19.1 General

As set out in Section 17.1 above, the Company has agreed to issue the First Convertible Notes to Obsidian pursuant to the Obsidian Agreement.

As set out in Section 18.1 above, the First Conversion A Shares will be issued under the Company's available 7.1 placement capacity. The remaining Shares that the Company may or is required to issue on one or more conversion or redemptions of the First Convertible Notes is 92,489,493 Shares (**First Conversion B Shares**).

Accordingly, Resolution 19 seeks Shareholder approval for the First Conversion B Shares.

19.2 Listing Rules 7.1 and 7.1A

As summarised in Section 4.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the First Conversion B Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

19.3 Technical information required by Listing Rule 14.1A

If Resolution 19 is passed, the Company will be able to proceed with the issue of the First Conversion B Shares. In addition, the issue of the First Conversion B Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 19 is not passed, the Company will not be able to proceed with the issue of the First Conversion B Shares and be required to repay the greater of the Parity Value and the Redemption Amount of that Amount Outstanding the subject of this Resolution 19.

Resolution 19 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the First Conversion B Shares.

19.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 19:

- (a) on conversion of the First Convertible Notes, Obsidian will receive Shares in the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients are:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of First Conversion B Shares to be issued is 92,489,493;
- (d) once converted, the First Conversion B Shares issued will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the First Conversion B Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the First Conversion B Shares will occur progressively;
- (f) the First Convertible Notes will convert into First Conversion B Shares at an issue price no less than \$0.015 per Share;
- (g) the purpose of the issue of the First Conversion B Shares is to satisfy the Company's obligations under the Obsidian Agreement; and
- (h) the First Conversion B Shares will be issued to Obsidian under the Obsidian Agreement. A summary of the material terms of the Obsidian Agreement is set out in Schedule 6; and
- (i) the First Conversion B Shares are not being issued under, or to fund, a reverse takeover.

20. RESOLUTION 20 – RATIFICATION OF AGREEMENT TO ISSUE FIRST OPTIONS

20.1 General

As set out in Section 17.1 above, the Company has agreed to issue the First Options to Obsidian pursuant to the Obsidian Agreement.

Resolution 20 seeks Shareholder approval to ratify the agreement to issue of the First Options.

20.2 Listing Rules 7.1 and 7.1A

A summary of Listing Rule 7.1 is set out in Section 4.2 above.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 31 May 2022.

The agreement to issue the First Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the combined 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the First Options.

20.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue, or agreement to issue, is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the agreement to issue the First Options.

Resolution 20 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the agreement to issue of the First Options.

20.4 Technical information required by Listing Rule 14.1A

If Resolution 20 is passed, the First Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the First Options.

If Resolution 20 is not passed, the First Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the First Options.

20.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 20:

- (a) the First Options will be issued to Obsidian;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients are:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;

- (c) the maximum number of First Options to be issued is 22,000,000. The terms and conditions of the First Options are set out in Schedule 7;
- (d) the First Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the First Options will occur in November 2022;
- (e) the First Options will be issued at a nil issue price, in consideration for Obsidian's entry into the Obsidian Agreement;
- (f) the purpose of the issue of the First Options is to satisfy the Company's obligations under the Obsidian Agreement; and
- (g) the First Options will be issued to Obsidian under the Obsidian Agreement. A summary of the material terms of the Obsidian Agreement is set out in Schedule 6.

21. RESOLUTION 21 – RATIFICATION OF ISSUE OF FIRST COLLATERAL SHARES

21.1 General

On 3 November 2022, the Company issued the First Collateral Shares as collateral for Obsidian agreeing to advance funds to the Company pursuant to the Obsidian Agreement as set out in Section 17.1 above.

21.2 Listing Rules 7.1 and 7.1A

A summary of Listing Rule 7.1 is set out in Section 4.2 above.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 31 May 2022.

The issue of the First Collateral Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the First Collateral Shares.

21.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the First Collateral Shares.

Resolution 21 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the First Collateral Shares.

21.4 Technical information required by Listing Rule 14.1A

If Resolution 21 is passed, the First Collateral Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the First Collateral Shares.

If Resolution 21 is not passed, the First Collateral Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the First Collateral Shares.

21.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 21:

- (a) the First Collateral Shares were issued to Obsidian;
- (b) 45,000,000 First Collateral Shares were issued and the First Collateral Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the First Collateral Shares were issued on 3 November 2022;
- (d) the First Collateral Shares were issued at a nil issue price as collateral for Obsidian advancing funds to the Company pursuant to the Obsidian Agreement. The Company has not and will not receive any other consideration for the issue of the First Collateral Shares;
- (e) the purpose of the issue of the First Collateral Shares was to satisfy the Company's obligations under the Obsidian Agreement; and
- (f) the First Collateral Shares were issued to Obsidian under the Obsidian Agreement. A summary of the material terms of the Obsidian Agreement is set out in Schedule 6.

22. RESOLUTION 22 – APPROVAL TO ISSUE SHARES ON CONVERSION OF SECOND CONVERTIBLE NOTES TO OBSIDIAN

22.1 General

As set out in Section 17.1 above, the Company has agreed to issue the Second Convertible Notes to Obsidian pursuant to the Obsidian Agreement, subject to the approval of Shareholders.

Accordingly, Resolution 22 seeks Shareholder approval for the Shares issued on conversion of the Second Convertible Notes (**Second Conversion Shares**).

22.2 Listing Rule 7.1

As summarised in Section 4.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Second Conversion Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

22.3 Technical information required by Listing Rule 14.1A

If Resolution 22 is passed, the Company will be able to proceed with the issue of the Second Conversion Shares. In addition, the issue of the Second Conversion Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 22 is not passed, the Company will not be able to proceed with the issue of the Second Conversion Shares and the Company will not receive the A\$1,750,000 from Obsidian pursuant to the Second Purchase.

Resolution 22 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Second Conversion Shares.

22.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 22:

- (a) on conversion of the Second Convertible Notes, Obsidian will receive Shares in the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients are:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Second Conversion Shares to be issued is 116,666,667;
- (d) once converted, the Second Conversion Shares issued will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Second Conversion Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Second Convertible Notes will occur progressively;
- (f) the Second Convertible Notes will convert into Second Conversion Shares at an issue price no less than \$0.015 per Share;
- (g) the purpose of the issue of the Second Conversion Shares is to satisfy the Company's obligations under the Obsidian Agreement;
- (h) the Second Conversion Shares are being issued to Obsidian under the Obsidian Agreement. A summary of the material terms of the Obsidian Agreement is set out in Schedule 6; and

- (i) the Second Conversion Shares are not being issued under, or to fund, a reverse takeover.

23. RESOLUTION 23 – APPROVAL TO ISSUE SECOND OPTIONS

23.1 General

As set out in Section 17.1 above, the Company has agreed to issue the Second Options to Obsidian pursuant to the Obsidian Agreement, subject to the approval of Shareholders.

Accordingly, Resolution 23 seeks Shareholder approval for the issue of the Second Options.

23.2 Listing Rule 7.1

As summarised in Section 4.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Second Options falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

23.3 Technical information required by Listing Rule 14.1A

If Resolution 23 is passed, the Company will be able to proceed with the issue of the Second Options. In addition, the issue of the Second Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 23 is not passed, the Company will not be able to proceed with the issue of the Second Options. The issue of the Second Options is a condition precedent to Obsidian advancing the funds under the Second Purchase under the Obsidian Agreement. Accordingly, if Resolution 23 is not passed, the Company will not receive the A\$1,750,000 from Obsidian pursuant to the Second Purchase.

Resolution 23 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Second Options.

23.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 23:

- (a) the Second Options will be issued to Obsidian;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients are:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;

- (c) the maximum number of Second Options to be issued is 22,000,000. The terms and conditions of the Second Options are set out in Schedule 7;
- (d) the Second Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Second Options will occur on the same date;
- (e) the Second Options will be issued at a nil issue price, in consideration for Obsidian's entry into the Obsidian Agreement;
- (f) the purpose of the issue of the Second Options is to satisfy the Company's obligations under the Obsidian Agreement;
- (g) the Second Options are being issued to Obsidian under the Obsidian Agreement. A summary of the material terms of the Obsidian Agreement is set out in Schedule 6; and
- (h) the Second Options are not being issued under, or to fund, a reverse takeover.

24. RESOLUTION 24 – APPROVAL TO ISSUE BALANCE COLLATERAL SHARES

24.1 General

As set out in Section 17.1 above, the Company has agreed to issue the Balance Collateral Shares to Obsidian pursuant to the Obsidian Agreement, subject to the approval of Shareholders.

Accordingly, Resolution 24 seeks Shareholder approval for the issue of the Balance Collateral Shares.

24.2 Listing Rule 7.1

As summarised in Section 4.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Balance Collateral Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

24.3 Technical information required by Listing Rule 14.1A

If Resolution 24 is passed, the Company will be able to proceed with the issue of the Balance Collateral Shares. In addition, the issue of the Balance Collateral Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 24 is not passed, the Company will not be able to proceed with the issue of the Balance Collateral Shares. The issue of the Balance Collateral Shares is a condition precedent to Obsidian advancing funds under the Second Purchase under the Obsidian Agreement. Accordingly, if Resolution 24 is not passed, the Company will not receive the A\$1,750,000 from Obsidian pursuant to the Second Purchase.

Resolution 24 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Balance Collateral Shares.

24.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 24:

- (a) the Balance Collateral Shares will be issued to Obsidian;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients are:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Balance Collateral Shares to be issued is 45,000,000. The Balance Collateral Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Balance Collateral Shares will occur on the same date;
- (e) the Balance Collateral Shares will be issued at a nil issue price as collateral for Obsidian advancing funds to the Company pursuant to the Obsidian Agreement;
- (f) the purpose of the issue of the Balance Collateral Shares is to satisfy the Company's obligations under the Obsidian Agreement;
- (g) the Balance Collateral Shares are being issued to Obsidian under the Obsidian Agreement. A summary of the material terms of the Obsidian Agreement is set out in Schedule 6; and
- (h) the Balance Collateral Shares are not being issued under, or to fund, a reverse takeover.

25. RESOLUTION 25 – APPROVAL TO ISSUE SHARES TO ZELIRA

25.1 Background

On 21 November 2022, the Company announced that it had entered into a Scheme Implementation Deed (**Scheme**) to acquire 100% of the issued capital of Health House through the issue of Shares in the Company, based on a price of \$0.043 per Share and a total value of up to approximately \$4,600,000.

As part of the Scheme, the Company has entered into a facility agreement (**Facility Agreement**) with Health House to a facility limit of up to \$3,400,000 (**Facility**) to be repaid on or before 31 March 2023. As well, the Company will absorb Health House's existing debt and provide a \$550,000 cash payment to Zelira Therapeutics Limited, as well as a \$800,000 equity issuance to the group

(subject to shareholder approval), in order to satisfy Health House's obligation to Zelira, details of which are summarised below. The result is that Health House will come into the Company essentially debt free.

25.2 Facility Agreement

Under the Facility Agreement, Health House may not draw down on the Facility in amounts less than \$100,000. Health House may make minimum \$100,000 repayments at any time without penalty by giving the Company 5 business days (or such shorter period as agreed by the Company) prior written notice.

The Facility are to be applied as follows:

- (a) \$750,000 – towards working capital and an agreed budget, which amount has been drawn down as at 21 November 2022;
- (b) \$550,000 – which will be deemed to have been drawn down by Health House when the Company advances this amount direct to Zelira in cash (in partial settlement of a debt owing by House Health to Zelira);
- (c) \$800,000 – will be deemed to have been drawn down by Health House when the Company issues \$800,000 worth of Shares to Zelira in partial satisfaction of a debt owing by Health House to Zelira (the subject of Resolution 25);
- (d) \$400,000 – which will be deemed to be advanced to Health House when the Company assumes a debt obligation of Health House to Celtic Capital Pty Ltd; and
- (e) up to \$900,000 – additional funding to be advanced by the Company to Health House against a budget to be agreed with the Company.

Health House must prepare and submit a budget to the Company on the final day of each month, commencing on 30 September 2022 for approval for the duration of the Facility Agreement. The Company may convene a meeting to discuss the budget prior to providing its approval.

Under the Facility Agreement, Health House must pay the Company interest on any outstanding monies under the loan, which accrues daily at an interest rate of 12% per annum. Additionally, Health House must pay additional interest on any unpaid outstanding monies due and payable and interest payable at an interest rate of 18% per annum.

If an event of default occurs, the Company may provide written notice to Health House to declare that the outstanding monies is due and payable to the Company. If Health House announce a change of control, other than the non-binding term sheet between the parties mentioned above, the Company may declare the outstanding monies to be immediately due and payable within 60 days.

Health House is not entitled to assign any of its rights or obligations under the Facility Agreement without prior written consent from the Company. The Company may at any time assign any of its rights under the Facility Agreement to any person.

25.3 Deed of settlement and release

The Company, Health House and Zelira entered into the Settlement Deed on 20 November 2022, which provides that the Company will resolve Health Houses' default in its repayment to Zelira under the short term funding facility deed between Health House and Zelira.

Pursuant to the Settlement Deed, the Company will pay Zelira \$550,000 (which is anticipated to be paid on or around 21 November 2022) and will issue to Zelira (or its nominee), that number of Shares equal to \$800,000 divided by the Company's Share price on the day prior to the shareholder meeting (together, **Settlement Sum**). Upon payment of the Settlement Sum, Zelira will release and discharge Health House from all future obligations and claims in relation to the loan.

The Company has sourced the funds for the cash payment of \$550,000 from new and existing professional investors via the issue of the secured convertible notes as announced on 1 November 2022.

25.4 Listing Rules 7.1 and 7.1A

As summarised in Section 4.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

25.5 Technical information required by Listing Rule 14.1A

If Resolution 25 is passed, the Company will be able to proceed with the issue of the Shares. In addition, the issue of the Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 25 is not passed, the Company will not be able to proceed with the issue of the Shares. Health House will remain liable to Zelira for the outstanding amount under the short term facility deed.

Resolution 25 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Shares.

25.6 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 25:

- (a) the Shares will be issued to Zelira;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;

- (c) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$800,000. The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the issue price of the Shares will be equal to closing price of the Company's Shares as traded on ASX the day prior to the date of issue of the Share, which anticipated to occur on the same date as Shareholder approval is received. The Company will not receive any consideration for the issue of the Shares as they will be issued, in part, to satisfy a liability of Health House to Zelira;
- (e) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (f) the purpose of the issue of the Shares is set out in Section **Error! Reference source not found.**;
- (g) the Shares are being issued to Zelira under the Settlement Deed. A summary of the material terms of the Settlement Deed is set out in Section **Error! Reference source not found.**; and
- (h) the Shares are being issued to satisfy Health House's debt obligations to Zelira and allowing the Company to acquire Health House debt free. Further details are set out in Sections 25.1, 25.2 and 25.3.

25.7 Number of Shares

Set out below is a worked example of the number of Shares that may be issued under Resolution 25 based on an assumed issue prices of \$0.027, \$0.0135 and \$0.0405 per Shares, being equal to closing price of the Company's Shares as traded on ASX the day prior to the date of issue of the Shares, and the closing prices which are 50% higher and 50% lower than that price.

Assumed issue price	Maximum number of Shares which may be issued ²
\$0.0135 50% decrease	59,259,259
\$0.027 ¹	29,629,630
\$0.0405 50% increase	19,753,086

Notes:

3. Assuming \$0.027, is the closing price of the Company's Shares as traded on the ASX the day prior to the date of issue of Shares.
4. Rounded to the nearest whole number.
5. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to differ.

GLOSSARY

\$ means Australian dollars.

AEST means Eastern Standard Time as observed in Sydney, New South Wales.

Amount Outstanding means, at any time, the aggregate total of the face value of the outstanding Convertible Notes and all other amounts payable by the Company to Obsidian in relation to the outstanding Convertible Notes.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Balance Collateral Shares has the meaning given in Section 17.1.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

CAD\$ means Canadian dollars currency.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Creso Pharma Limited (ACN 609 406 911).

Constitution means the Company's constitution.

Convertible Notes has the meaning given in Section 17.1.

Obsidian Agreement has the meaning given in Section 17.1.

Corporate Advisory Mandate has the meaning set out in Section 9.1.

Corporations Act means the *Corporations Act 2001* (Cth).

CPHO Options has the meaning given in Section 17.1.

Directors means the current directors of the Company.

EverBlu Capital means EverBlu Capital Pty Ltd (ACN 612 793 683).

EverBlu Shares has the meaning set out in Section 9.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

First Collateral Shares has the meaning given in Section 17.1.

First Conversion A Shares has the meaning given in Section 18.1.

First Conversion B Shares has the meaning given in Section 19.1.

First Convertible Notes has the meaning given in Section 17.1.

First Options has the meaning given in Section 17.1.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Managing Director means the managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office.

NED Options has the meaning set out in Section 1.1.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Obsidian means Obsidian Global GP, LLC.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Participation Securities has the meaning set out in Section 9.1.

Parity Value means respect of an unpaid payment means the amount in US\$, determined using the Exchange Rate, which is determined in accordance with the formula:

(a) $PV = P/CP \times MV$, Where:

(i) PV = the Parity Value;

(ii) P = the amount of the payment required to be made under the Obsidian Agreement (which has not been paid);

(iii) CP = the price that applied to the conversion, or (in the case of an unpaid payment) 95% of the lowest daily VWAP during the period starting on the

date upon which payment was required to be made and ending on the date upon which payment of the Parity Value is made; and

- (iv) MV = the highest average VWAP of any period of 3 consecutive trading days during the period commencing on the date on which the event of default occurred or payment was required to be made and ending on the day immediately prior to the date upon which payment of the Parity Value is made.

Performance Rights means a right to acquire a Share, subject to satisfaction of any vesting conditions.

Placement has the meaning set out in Section 5.1.

Placement Options has the meaning set out in Section 5.1.

Placement Participants has the meaning set out in Section 5.1.

Placement Shares has the meaning set out in Section 5.1.

Proxy Form means the proxy form accompanying the Notice.

Redemption Amount means 110% of the Amount Outstanding in respect of the Convertible Notes.

Related Body Corporate means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Second Conversion Shares has the meaning given in Section 22.117.1.

Second Convertible Notes has the meaning given in Section 17.1.

Second Options has the meaning given in Section 17.1.

Second Purchase has the meaning given in Schedule 6.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Strategic Adviser Agreement has the meaning set out in Section 4.1.

Strategic Adviser Shares has the meaning set out in Section 4.1.

Third Convertible Notes has the meaning given in Section 17.1.

SCHEDULE 1 – TERMS AND CONDITIONS OF NED OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.09 (**Exercise Price**).

(c) **Vesting Conditions**

The Options will vest and become exercisable on 17 July 2022 (**Vesting Date**).

(d) **Automatic Lapse**

If Mr Linton ceases to be a director of the Company prior to the Vesting Date, all unvested Options will immediately lapse.

(e) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is two years following the commencement date, being 17 January 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(f) **Exercise Period**

The Options are exercisable at any time on and from the Vesting Date until the Expiry Date (**Exercise Period**).

(g) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(h) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(i) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy

section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (i)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(j) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) **Transferability**

The Options are not transferable.

SCHEDULE 2 – TERMS AND CONDITIONS OF THE OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.14 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the dates set out below:

(i) Options the subject of Resolution 6: the date that is 18 months from the date of issue of the Placement Options (**Placement Expiry Date**); and

(ii) Options the subject of Resolution 7: the Placement Expiry Date,

(together, the **Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5) (e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(

l l) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (g) (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investor

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Options**

The Company intends to seek quotation of the Options in accordance with the Listing Rules and Corporations Act, subject to the satisfaction of the quotation conditions of the ASX Listing rules.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercise.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws and any further direction by the Board.

SCHEDULE 3 – SUMMARY OF CORPORATE ADVISORY MANDATE

Date	21 January 2020 (Effective Date)
Term	42 months from the Effective Date with an automatic extension for a further 12 months, unless a party notifies the other party within 15 months of the Effective Date that it does not wish to extend the term or the Corporate Advisory Mandate is terminated.
Corporate Advisory Fee	The Company has agreed to pay \$40,000 (plus GST) per month to EverBlu (or EverBlu's nominees) for corporate advisory services until the end of the engagement, regardless of whether any capital raising is proposed or has occurred.
Capital Raising Fee	The Company has agreed to pay to EverBlu (or EverBlu's nominees) 6% (plus GST) of the gross proceeds, being the gross amount raised under each ongoing corporate advisory, equity capital raising, debt capital raising and hybrid capital raising initiative.
Bonus Shares	<p>Subject to prior approval of Company shareholders (which approval must be sought by the Company at a general meeting held within 90 days of the Effective Date unless otherwise agreed by EverBlu), issue to EverBlu or EverBlu's nominees:</p> <p>(a) 2,000,000 Shares for every 6 month term that EverBlu is engaged to provide Services under the Corporate Advisory Mandate up to a maximum of 6,000,000 Shares (Bonus Shares); and</p> <p>(b) 8,000,000 unlisted options to acquire Shares, each having an exercise price of \$0.20 each and an expiry date 3 years from their date of issue (Bonus Options).</p> <p>If such shareholder approval is not obtained within that period, the Company and EverBlu will negotiate in good faith an alternate fee structure with a view to ensuring that EverBlu is remunerated on terms commensurate with the terms set out above. The parties agree that further securities in the Company may be issued to EverBlu (or EverBlu's nominees) as and when negotiated between the parties (subject to approval of the Company's shareholders).</p> <p>If there is a public announcement or release of a proposed or actual change in control, sale by the Company (or by any subsidiary of the Company) of all or a majority of its assets or sale by the Company (or by any subsidiary of the Company) of any one or more of its significant assets or businesses the parties agree that EverBlu's entitlement to all of the Bonus Shares shall immediately vest.</p>
Reimbursement	The Company to reimburse EverBlu for its reasonable expenses, including the fees and disbursements of EverBlu's lawyers (subject to the Company's approval to the extent those legal fees exceed \$5,000 per month) in connection with any matter referred to in the Corporate Advisory Mandate.
Termination	<p>The Corporate Advisory Mandate may be terminated:</p> <p>(a) with or without cause by EverBlu by written notice to the Company, with immediate effect;</p> <p>(b) by the Company if EverBlu commits a material breach of the Corporate Advisory Mandate which, if capable of remedy, is not remedied within seven days after receipt by EverBlu of written notice to that effect from the Company; or</p> <p>(c) by the Company without cause effective 6 months from the date of receipt by EverBlu of written notice to that effect.</p>

Right of First Refusal

The Company agrees that it will not pursue a capital raising, or obtain services from another firm that are the same or similar to the services being provided by EverBlu for a period of 6 months from the date that the engagement of EverBlu ends or is otherwise terminated (**End Date**), without first giving EverBlu:

- (f) notice of its intention to enter into such transaction; and
- (g) the opportunity to provide the proposed services on terms substantially similar to the terms set out in the Corporate Advisory Mandate.

This right of first refusal will not apply in circumstances where EverBlu has terminated the Corporate Advisory Mandate without cause or where the Company has terminated the Corporate Advisory Mandate for cause.

Subsequent Capital Raisings

The Company will be liable to pay EverBlu all applicable fees and expenses (as set out above) in respect to any transaction or capital raising entered into by the Company within 6 months of the End Date with a counterparty who was introduced to the Company by EverBlu. This will not apply in circumstances where EverBlu has terminated the Corporate Advisory Mandate without cause or where the Company has terminated the Corporate Advisory Mandate for cause.

SCHEDULE 4 – TERMS AND CONDITIONS OF THE OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.08 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the dates set out below:

(i) Options subject of Resolution 11: the date that is four (4) years after the date of issue (**August Expiry Date**);

(ii) Options subject of Resolutions 12, 13 and 14: the August Expiry Date,

(together, the **Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5) (e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(

l l) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (g) (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investor

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Options**

The Company intends to seek quotation of the Options in accordance with the Listing Rules and Corporations Act, subject to the satisfaction of the quotation conditions of the ASX Listing rules.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercise.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws and any further direction by the Board.

SCHEDULE 5 - TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

A summary of the terms and conditions of the Performance Rights is set out below:

(a) **(Milestones)** The Performance Rights will vest as follows:

(i) **Tranche 1 Performance Rights:**

All of the Tranche 1 Performance Rights will vest upon the achievement of at least \$5 million in audited gross sales revenue in Creso Pharma ImpACTIVE Inc. based on the US GAAP definition of gross sales at or prior to 36 months following the date of the execution of the respective Brand Ambassador and Strategic Advisory Agreement between Creso Pharma ImpACTIVE Inc. and the respective holder (the "**Tranche 1 Milestone**");

(ii) **Tranche 2 Performance Rights:**

All of the Tranche 2 Performance Rights will vest upon the achievement of at least \$10 million in audited gross sales revenue based on the US GAAP definition of gross sales in Creso Pharma ImpACTIVE Inc. at or prior to 48 months following the date of the execution of the respective Brand Ambassador and Strategic Advisory Agreement between Creso Pharma ImpACTIVE Inc. and the respective holder (the "**Tranche 2 Milestone**"); and

(iii) **Tranche 3 Performance Rights:**

All of the Tranche 3 Performance Rights will vest upon the achievement of at least \$20 million in audited gross sales revenue based on the US GAAP definition of gross sales in Creso Pharma ImpACTIVE Inc. at or prior to 60 months following the date of the execution of the respective Brand Ambassador and Strategic Advisory Agreement between Creso Pharma ImpACTIVE Inc. and the respective holder (the "**Tranche 3 Milestone**"),

(each a **Milestone**).

(b) **(Expiry Date)**: Each Performance Right will expire at 5:00 pm (WST) on each of the following dates:

(i) Tranche 1 Milestone: the date that is 36 months following the date of execution of the respective Brand Ambassador and Strategic Advisory Agreement between Creso Pharma ImpACTIVE Inc. and the respective holder;

(ii) Tranche 2 Milestone: the date that is 48 months following the date of execution of the respective Brand Ambassador and Strategic Advisory Agreement between Creso Pharma ImpACTIVE Inc. and the respective holder; and

(iii) Tranche 3 Milestone: the date that is 60 months following the date of execution of the respective Brand Ambassador and Strategic Advisory Agreement between Creso Pharma ImpACTIVE Inc. and the respective holder,

(Expiry Date). A Performance Right that has not vested on or before the Expiry Date will automatically lapse on the Expiry Date.

- (c) **(Notification to holder)** The Company shall notify the holder in writing when the relevant Milestone has been satisfied **(Notification)**.
 - (d) **(Conversion)** Subject to paragraph (o), upon confirmation of vesting, each Performance Right will automatically convert into one Share.
 - (e) **(Lapse of a Performance Right)**: If a Milestone attached to the relevant Performance Right has not been satisfied within the relevant time period set out in paragraph (b), the relevant Performance Rights will automatically lapse.
 - (f) **(Consideration)** The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.
 - (g) **(Share ranking)** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
 - (h) **(Application to ASX)** The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
 - (i) **(Issue of Shares on Conversion)** Within 5 Business Days after the date that the Performance Shares are converted, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.
 - (j) **(Transfer of Performance Rights)** The Performance Rights are not transferrable.
 - (k) **(Participation in new issues)** A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
 - (l) **(Reorganisation of capital)** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.
 - (m) **(Dividend and voting rights)** The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
 - (n) **(Change in control)** Subject to paragraph (o), upon:
 - (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
-

- (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the Performance Rights will automatically convert into Shares on a one-for-one basis.

- (o) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)** If the conversion of a Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
 - (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (o)(i) within seven (7) days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (p) **(No rights to return of capital)** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (q) **(Rights on winding up)** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (r) **(No other rights)** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (s) **(ASX Listing Rule Compliance)** The Board reserves the right to amend any term of the Performance Rights to ensure compliance with the ASX Listing Rules.
- (t) **(Tax)** Subdivision 83A-C of the *Income Tax Assessment Act 1997*, which enables tax deferral on performance rights, will apply (subject to the conditions in that Act), to the Performance Rights.
- (u) **(Definitions)** The following terms have the below meanings:
- (i) **Board** means the board of directors of the Company.
-

- (ii) **Ambassador Agreement** has the meaning in Section 15.1.
 - (iii) **Company** means Creso Pharma Limited.
 - (iv) **Milestone** means the Tranche 1 Milestone, Tranche 2 Milestone and/or Tranche 3 Milestone.
 - (v) **Performance Rights** means a performance right to acquire a Share.
 - (vi) **Share** means a fully paid ordinary share in the capital of the Company.
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SCHEDULE 6 – SUMMARY OF OBSIDIAN AGREEMENT

Set out below are the material terms and conditions of the Obsidian Agreement between the Company and Obsidian dated 27 October 2022.

Issue of Convertible Notes	The Company may create and issue convertible notes under the Convertible Securities Agreement (Convertible Notes) and Obsidian agrees to subscribe for the Convertible Notes in accordance with the Convertible Securities Agreement.
Purchase	<p>On each Purchase Date (set out below) Obsidian must pay the Company the relevant Purchase Price (set out below) and in consideration the Company must issue the relevant number of Convertible Notes.</p> <ul style="list-style-type: none">• First Purchase: A\$1,750,000 (First Purchase Price), 5 business days after the execution date of the Convertible Securities Agreement (First Purchase Date).• Second Purchase: A\$1,750,000 (Second Purchase Price), 5 business days after the Company obtains Shareholder approval for the issue of the Convertible Notes comprising the Second Purchase (Second Purchase Date).• Third purchase: A\$1,500,000 (Third Purchase Price) on a date to be agreed between the Company and Obsidian (Third Purchase Date).
Conditions to First Purchase	<p>Obsidian has no obligation in respect of the First Purchase unless and until the following conditions are satisfied:</p> <ul style="list-style-type: none">• the Company has delivered to Obsidian a duly passed board resolution entering into the Convertible Securities Agreement, an executed CEO certificate and an executed purchase statement;• the Company has issued the First Options to Obsidian;• the Company has issued the First Collateral Shares (defined below) to Obsidian;• the Company's market capitalization on the First Purchase Date is at or above A\$45,000,000, no event of default under the Convertible Securities Agreement has occurred, and the price of Shares has not been at or lower than A\$0.0225 during the 10 trading days prior to the First Purchase Date; and• the Company has obtained all relevant regulatory approvals needed to issue the Convertible Notes the subject of the First Purchase.
Conditions to Second Purchase	<p>Obsidian has no obligation in respect of the First Purchase unless and until the following conditions are satisfied:</p> <ul style="list-style-type: none">• the Company has issued the Second Options to Obsidian;• the Company's market capitalization on the Second Purchase Date is at or above A\$45,000,000, no event of default under the Convertible Securities Agreement has occurred, and the price of Shares has not been at or lower than A\$0.0225 during the 10 trading days prior to the Second Purchase Date;• the price of Shares over the 20 trading day period prior to the Second Purchase Date is greater than A\$100,000;• the Company has obtained all relevant regulatory approvals needed to issue the Convertible Notes the subject of the Second Purchase; and• the Company has obtained Shareholder approval to issue the

	<p>Convertible Notes the subject of the Second Purchase, the Second Options and the Balance Collateral Shares (defined below) prior to the date that is 80 days after the execution date of the Convertible Securities Agreement, which remains valid at the time of the Second Purchase.</p>
<p>Conditions to Third Purchase</p>	<p>Obsidian has no obligation in respect of the Third Purchase unless and until the following conditions are satisfied:</p> <ul style="list-style-type: none"> • the Second Purchase has occurred; • the Company and Obsidian have agreed that the Third Purchase should occur and what date it shall occur; • the Company's market capitalization on the Third Purchase Date is at or above A\$45,000,000, no event of default under the Convertible Securities Agreement has occurred, and the price of Shares has not been at or lower than A\$0.0225 during the 10 trading days prior to the Third Purchase Date; • the price of Shares over the 20 trading day period prior to the Third Purchase Date is greater than A\$100,000; and • the Company has obtained all relevant regulatory approvals needed to issue the Convertible Notes the subject of the Third Purchase; and • the Company has obtained Shareholder approval to issue the Convertible Notes the subject of the Third Purchase, which remains valid at the time of the Third Purchase.
<p>Options</p>	<p>In consideration for Obsidian entering into the Convertible Securities Agreement the Company has agreed to issue Obsidian:</p> <ul style="list-style-type: none"> • 22,000,000 listed Options in the Company, ranking pari passu to the options trading on ASX under the code 'CPHO' (exercisable at \$0.25 on or before 2 November 2024) (CPHO Options) on or before the First Purchase (First Options); and • 22,000,000 CPHO Options on or before the Second Purchase, subject to obtaining Shareholder approval (Second Options).
<p>Terms of Convertible Notes</p>	<p>The Convertible Notes are agreed to be issued on the following terms:</p> <ul style="list-style-type: none"> • Face Value: each Convertible Security has a face value of US\$1.15; • Maturity Date: the Convertible Notes mature on the date which is 15 months after the purchase date of the first purchase; • Interest: no interest is payable on the Convertible Notes except in an event of default under the Convertible Securities Agreement (including a failure to pay) interest at a rate of 10% per annum accruing daily and compounded monthly is payable.
<p>Conversion of Convertible Notes</p>	<p>Obsidian can convert one or more Convertible Notes on issue to them at any time at a fixed conversion price of 130% of the volume weighted average price (VWAP) for the five (5) trading days immediately prior to the execution date of the Convertible Securities Agreement (Fixed Conversion Price) by providing the Company with a conversion notice.</p>
<p>Monthly Redemptions</p>	<p>Beginning on 20 January 2023, and every month thereafter, Obsidian must issue the Company a redemption notice (Redemption Notice) and the Company must redeem 1/12 of the outstanding balance of the Convertible Notes by paying 105% of the Face Value of the relevant Convertible Notes to Obsidian or issuing Shares to Obsidian at the Redemption Price (defined below).</p> <p>The Redemption Price is equal to the lesser of:</p>

	<ul style="list-style-type: none"> the average of the lowest 5 daily VWAPs during the 15 trading days prior to the relevant date a Redemption Notice was received by the Company; and the Fixed Conversion Price, provided that the Redemption Price cannot be less A\$0.015 (Floor Price). <p>As well as satisfying a redemption in through the issue of Shares, the Company also has the option, at its sole discretion, to satisfy any Obsidian redemption in cash (other than on an acceleration) by paying 105% of the redemption amount.</p>
Acceleration	Following an event of default under the Convertible Securities Agreement, or after the day which is 45 days after the First Purchase of Convertible Notes, Obsidian can, by written notice to the Company, require the Company to redeem a specified number of Convertible Notes in the same manner as a monthly redemption, except that the Company must satisfy the redemption by the issue of Shares.
Early Redemption by Obsidian	<p>Obsidian may at any time by notice to the Company, require where:</p> <ul style="list-style-type: none"> the Company raises funds in aggregate of less than A\$6,000,000 that the Company apply 20% of the proceeds of the funds raised; or the Company raises funds in aggregate over A\$6,000,000 that the Company apply 50% of the proceeds of the funds raised, <p>to the redemption of outstanding Convertible Notes, by written notice to the Company.</p> <p>Obsidian may at any time, where the daily VWAP is less than or equal to the Floor Price for any 20 consecutive trading days, redeem some or all of the Convertible Notes by written notice to the Company.</p>
Early Redemption by Company	The Company may, at any time prior to the Maturity Date, redeem some or all of the Convertible Notes at any time by giving notice to Obsidian and paying Obsidian 110% of the amount outstanding in respect of the relevant Convertible Notes.
Redemption on Maturity	On the Maturity Date the Company must redeem all outstanding Convertible Notes by paying Obsidian 110% of the amount outstanding in respect of the relevant Convertible Notes.
Maximum Number of Shares issued under First Purchase	Notwithstanding any other provision in the Convertible Securities Agreement, the aggregate maximum number of Shares that the Company may or is required to issue on one or more conversions or redemptions of Convertible Notes issued at the First Purchase without the Company first obtaining Shareholder approval for the relevant issue of Shares is 24,177,174 Shares.
Collateral Shares	<p>The Company has agreed to issue up to 90,000,000 Shares as collateral for Obsidian advancing funds to the Company pursuant to the Convertible Securities Agreement comprising:</p> <ul style="list-style-type: none"> 45,000,000 Shares which the Company must issue to Obsidian within five (5) business days of the execution date of the Convertible Securities Agreement; and up to 45,000,000 Shares to be issued at the request of Obsidian from time to time, subject to Shareholder approval.
Terms of the Collateral Shares	Where at any time the Company is required to issue Shares to Obsidian under the Convertible Securities Agreement, then Obsidian may, by written notice to the Company, elect to partially or wholly satisfy the Company's obligation to issue those Shares to Obsidian by reducing the number of Collateral Shares initially agreed to be issued (Collateral Shareholding Number) by the corresponding number of Shares. If Obsidian does so, then:

	<ul style="list-style-type: none"> • the Collateral Shareholding Number will be reduced by that number of Collateral Shares specified in Obsidian's notice; and • the Company's obligation to issue Shares to Obsidian will be satisfied to the same extent. <p>If:</p> <ul style="list-style-type: none"> • the Convertible Securities Agreement terminates or expires; • there is no Amount Outstanding; • the Collateral Shareholding Number is greater than zero; and • no event of default has occurred, <p>then on the written election of the Company Obsidian must, within ten (10) days of the Company making the election, either:</p> <ul style="list-style-type: none"> • sell the Collateral Shareholding Number of Shares on-market and pay 95% of the net sale proceeds to the Company; • transfer the Collateral Shareholding Number of Shares to the Company's nominee for \$1; or • pay the Company that amount determined by multiplying the Collateral Shareholding Number of Shares by the lesser of the Fixed Conversion Price and the Redemption Price. <p>If after:</p> <ul style="list-style-type: none"> • the Convertible Securities Agreement terminates or expires; • there is no Amount Outstanding under the Convertible Securities Agreement; • the Collateral Shareholding Number is greater than zero; and • no event of default has occurred, <p>the Shares are not able to be traded on-market (whether because of trading halt or suspension or otherwise) then:</p> <ul style="list-style-type: none"> • Obsidian's obligations in respect of the Collateral Shares will be suspended for the period while the Shares are not able to be traded on-market; and • if the Shares are not able to be traded on-market for a continuous period of 60 days, then the Collateral Shareholding Number will be reduced to zero and the Obsidian will have no further obligations in respect of the Collateral Shares.
<p>Sale Restrictions</p>	<p>Obsidian agreed not to sell any Shares issued on conversion of any Convertible Notes in excess of the greater of:</p> <ul style="list-style-type: none"> • 20% of the daily trading volume on that trading day on ASX and Chi-X (as reported by Bloomberg); and • A\$50,000. <p>The above restriction ceases to apply in an event of default under the Convertible Securities Agreement or the daily VWAP is less than or equal to A\$0.0175 for any 10 consecutive trading days.</p>

The Convertible Securities Agreement is otherwise on terms considered customary for an agreement of this type.

SCHEDULE 7 – TERMS AND CONDITIONS OF CPHO OPTIONS

The following are the terms and conditions of the Options:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire by 5:00pm (AWST) on 2 November 2024 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
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If a notice delivered under (g)(i) for any reasons is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Quotation of Options**

The Company will seek quotation of the Options in accordance with the Listing Rules and Corporation Act, subject to satisfaction of the quotation conditions of the ASX Listing Rules. In the event that quotation of the Options cannot be obtained, the Options will remain unquoted.

(i) **Shares issued on exercise**

Shares allotted or issued pursuant to the exercise of the Options rank equally with the then issued Shares of the Company.

(j) **Reconstruction of capital**

In the event of any reconstruction (including consolidation, subdivision, reduction or returns) of the issued capital of the Company, the number of Options or Exercise Price or both shall be reconstructed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **4.00pm (AEDT) on Tuesday, 27 December 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1 - How to vote

APPOINT A PROXY:

I/we being a Shareholder entitled to attend and vote at the General Meeting of Creso Pharma Limited, to be held virtually at **4.00pm (AEDT) on Thursday, 29 December 2022** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

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The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 - 3, 8 and 12 - 14 (except where I/we have indicated a different voting intention below) even though Resolutions 1 - 3, 8 and 12 - 14 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

VIRTUAL PARTICIPATION AT THE AGM:

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to investor.automic.com.au
2. Login with your username and password or click "register" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**

Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.

STEP 2 – Your voting direction

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1. Approval to Issue Options to Bruce Linton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Approval to Issue Securities to Bruce Linton Under the August Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Issue of Shares to Boaz Wachtel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. Approval to Issue Options to Everblu Capital In Consideration For Services Provided In Connection With The August Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Issue of Shares to James Ellingford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16. Approval to Issue Performance Rights to Kotby Tullier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval to Issue Shares to Miriam Halperin Wernli	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17. Approval to Issue Performance Rights to Troy Van Biezen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of Prior Issue of Shares – Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18. Ratification of Agreement to Issue Shares on Conversion of First Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval to Issue Securities to Adam Blumenthal Under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. Approval to Issue Shares on Conversion of First Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval to Issue Options to Everblu Capital in Consideration for Services Provided in Connection with the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20. Ratification of Agreement to Issue First Options to Obsidian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approval to Issue Shares to Everblu Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21. Ratification of Prior Issue of First Collateral Shares to Obsidian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Ratification of Prior Issue of Shares to August Participants – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22. Approval to Issue Shares on Conversion of Second Convertible Notes to Obsidian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Ratification of Prior Issue of Shares to August Participants – Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23. Approval to Issue Second Options to Obsidian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Approval to Issue Options to the August Participants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24. Approval to Issue Balance Collateral Shares to Obsidian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Approval to Issue Securities to Adam Blumenthal Under the August Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25. Approval to Issue Shares to Zelira	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Approval to Issue Securities to William Lay Under the August Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll</i>			

STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:		
Email Address:		
Contact Daytime Telephone	Date (DD/MM/YY)	
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).		