



Announcement Summary

Entity name

CRESO PHARMA LIMITED

Announcement Type

New announcement

Date of this announcement

Tuesday June 2, 2020

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
n/a	CPHCON4 Convertible Notes	2,500,000
n/a	CPHOPT28 Options	36,764,706

Proposed +issue date

Tuesday June 2, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

CRESO PHARMA LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

89609406911

1.3 ASX issuer code

CPH

1.4 The announcement is

New announcement

1.5 Date of this announcement

Tuesday June 2, 2020

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

 Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Monday May 18, 2020	<input checked="" type="checkbox"/> Actual	Yes

Comments

The Company obtained approval for the issue of the securities the subject of this Appendix 3B at the Company's General Meeting held on 18 May 2020.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

 New class

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

 No

Details of +securities proposed to be issued

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

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

 No

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

 No**ASX +Security Code**

New class-code to be confirmed

+Security Description

CPHCON4 Convertible Notes

**+Security Type**

Convertible Debt Securities

Maximum Number of +securities proposed to be issued

2,500,000

Purpose of the issue

The Company has agreed to issue 2,500,000 Convertible Notes, each with a face value of \$1.00 and a deemed subscription price of \$0.90, to L1 Capital under the New Convertible Securities Agreement between the Company and L1 Capital ("New Convertible Securities Agreement") in respect of funds of \$2.25 million drawn down to date. The Convertible Notes will be issued on 2 June 2020. For further information, please refer to resolutions 5 & 6 of the Notice of General Meeting.

Offer price details for retail security holders**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.90000

Will all the +securities issued in this class rank equally in all respects from their issue date? Yes**Oversubscription & Scale back details****May a scale back be applied to this event?** No

Convertible Debt +Securities details

These securities are:

Convertible

Type of security

Convertible Bond

+Security Currency

AUD - Australian Dollar

Face Value

AUD 1.0000

Interest Rate Type

Fixed rate

Frequency of Coupon/Interest Payments Per Year

Semi Annual

First Payment Date

Tuesday August 4, 2020

Interest Rate (p.a.)

4.00000 %

Is Interest Rate (p.a) estimated at this time? No



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

Not applicable

Is the security Perpetual (ie. No maturity)?

No

Maturity Date

Friday July 2, 2021

Is the Security Subordinated?

No

Is the Security Secured?

Yes

Select other features applicable to the security

Redeemable

Is a First Trigger Date on which conversion, redemption, call or put can occur (whichever is first) applicable?

Yes

If Yes, then provide First Trigger Date

Thursday July 2, 2020

Details of the existing class of +security that will be issued upon exercise or conversion of this new class of +security

CPH : ORDINARY FULLY PAID

Please provide any further information relating to the principal terms of the +securities

Refer to Annexure A and Schedule 1 of the Notice of Meeting.

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

New class

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

No

Details of +securities proposed to be issued

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

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

No

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

No

ASX +Security Code

New class-code to be confirmed

+Security Description

CPHOPT28 Options

+Security Type

Options

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

36,764,706

Purpose of the issue

Under the New Convertible Securities Agreement, the Company has agreed to issue that number of Options calculated in accordance with section 7.4 of the Notice of Meeting. The number of options set out above is based on the funds drawn down of \$2.25 million as at 2 June 2020. For further information, please refer to resolutions 5 & 6 of the Notice of Meeting. The Options will be issued for nil cash consideration, with a deemed value of \$0.024 per Option based on a Black Scholes valuation.

Offer price details for retail security holders**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.02400

Will all the +securities issued in this class rank equally in all respects from their issue date? Yes**Oversubscription & Scale back details****May a scale back be applied to this event?** No

Options details

+Security Currency

AUD - Australian Dollar

Exercise Price

AUD 0.1700

Expiry date

Friday June 2, 2023

Details of the existing class of +security that will be issued upon exercise or conversion of this new class of company option

CPH : ORDINARY FULLY PAID

Please provide any further information relating to the principal terms of the +securities

Refer to Schedule 2 of the Notice of Meeting.

Part 7C - Timetable

7C.1 Proposed +issue date

Tuesday June 2, 2020



Part 7D - Listing Rule requirements

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

Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

Monday May 18, 2020

7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?

No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

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

No

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Whilst no fees are payable to a lead manager or broker for the issue of securities the subject of this Appendix 3B, the issues form part of capital raising transactions between the Company and L1 Capital. For further information regarding fees payable to EverBlu Capital Pty Ltd under the capital raising transaction, please refer to the ASX releases titled "Creso Pharma Secures Further Funding" dated 5 February 2020 and "Funding Update" dated 20 April 2020.

Part 7F - Further Information

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue

