

# CRONOS

A U S T R A L I A

20 September 2021

Ms. Melissa Kostopoulos  
Compliance Adviser, Listings Compliance (Melbourne),  
ASX Compliance Pty Ltd,  
Level 4, North Tower,  
525 Collins Street,  
Melbourne Vic. 3000

Dear Ms. Kostopoulos,

## RESPONSE TO PRICE AND VOLUME QUERY

We refer to your letter dated 17 September 2021 entitled *Price - Query* and provide the following responses to the questions raised in the letter. We have responded to your questions as numbered in your letter.

1. We confirm that Cronos Australia Limited (the "Company") is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.
2. Not applicable.
3. While the Company is not aware of any further information that needs to be announced to the market as at the date of this letter, we note that on Tuesday, 14 September 2021 the Company released a 156-page announcement regarding a planned merger between the Company and CDA Health Pty Ltd ("CDA") ("Merger").

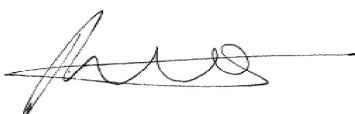
As stated in the above announcement, the Company believes that the Merger, if completed, will "provide a material increase in both size and scale of its operations and a route to early profitability for the integrated group. The prominent position already held by CDA in the Australian medicinal cannabis industry, when added to the Company's existing operations and strategic opportunities, should deliver synergistic benefits for the integrated group where the combined value exceeds the sum of its parts."

We believe the potential benefits to the Company from completing the Merger may have contributed to the recent increase in the Company's share price and trading volumes.

4. We confirm that the Company is in compliance with the Australian Securities Exchange Listing Rules and, in particular, Listing Rule 3.1.
5. We confirm that the responses contained in this letter have been authorised and approved under the Company's published continuous disclosure policy by a duly-authorised officer of the Company.

We trust that the above is satisfactory. However, should you have any further questions, please do not hesitate to contact us.

Yours sincerely,



Rodney D. Cocks  
Chief Executive Officer



17 September 2021

Reference: 39815

Mr Thomas Howitt  
Company Secretary  
Cronos Australia Limited  
Suite 8, Level 3  
299 Toorak Road  
South Yarra Vic 3141

By email: tom@cronosaustralia.com

Dear Mr Howitt

**Cronos Australia Limited ('CAU'): Price - Query**

ASX refers to the following:

- A. The change in the price of CAU's securities from a low of \$0.150 at close of trading yesterday to a high of \$0.195 today.
- B. The significant increase in the volume of CAU's securities traded yesterday and today.

**Request for information**

In light of this, ASX asks CAU to respond separately to each of the following questions and requests for information:

- 1. Is CAU aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
- 2. If the answer to question 1 is "yes".
  - (a) Is CAU relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in CAU's securities would suggest to ASX that such information may have ceased to be confidential and therefore CAU may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
  - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
  - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
- 3. If the answer to question 1 is "no", is there any other explanation that CAU may have for the recent trading in its securities?
- 4. Please confirm that CAU is complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 5. Please confirm that CAU's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CAU with delegated authority from the board to respond to ASX on disclosure matters.

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### When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEST Monday, 20 September 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CAU's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CAU to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceMelbourne@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in CAU's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CAU's securities under Listing Rule 17.3.

### Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CAU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CAU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

### Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

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Regards

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**Melissa Kostopoulos**

Compliance Adviser, Listings Compliance (Melbourne)