

23 November 2020

Dear Shareholder.

### **Extraordinary General Meeting - Notice and Proxy Form**

Notice is hereby given that an Extraordinary General Meeting (**Meeting**) of Shareholders of Creso Pharma Limited (**Company**) will be held virtually through online meeting platform, 'Lumi' (**Virtual Meeting**), at 2:00pm (AEDT) on Wednesday, 23 December 2020.

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.3) 2020, the Company will not be dispatching physical copies of the Notice of Meeting (**Notice**). Instead, a copy of the Notice is available at <a href="https://www.cresopharma.com/investor-information">www.cresopharma.com/investor-information</a> and the ASX Company's Announcement Platform at 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 Virtual Meeting to be held on 23 December 2020 at 2:00pm (AEDT), per the details below;
- (b) voting their Shares prior to the Meeting by lodging a proxy form by no later than 2:00pm (AEDT) on 21 December 2020; and/or
- (c) lodging questions in advance of the Meeting by emailing the questions to Erlyn Dale, Joint Company Secretary at erlyn@azc.com.au, by no later than 18 December 2020.

### **VIRTUAL MEETING ACCESS DETAILS**

The Company invites shareholders to attend and participate in a Virtual Meeting where Shareholders will be able to watch, listen, submit written questions and vote online.

To access the Virtual Meeting:

- (a) Open your internet browser and go to **web.lumiagm.com/373050859.** Alternatively, the Lumi AGM app can be downloaded for free from Apple or Google Play stores.
- (b) Enter the Meeting ID: 373-050-859
- (c) Enter your **SRN** or **HIN**, and your registered **postcode or country code** when prompted.

Further information and support on how to use the Virtual Meeting platform is available on the Company's website.

Shareholders may access the Virtual Meeting from 1:30pm AEDT on 23 December 2020.

The Directors strongly encourage all Shareholders to either attend the online virtual meeting or lodge a directed proxy form prior to the Meeting.

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at <a href="https://www.cresopharma.com/investor-information">www.cresopharma.com/investor-information</a>.

ABN: 89 609 406 911



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, please contact Erlyn Dale, Joint Company Secretary at erlyn@azc.com.au.

This announcement has been authorised for release by Adam Blumenthal, Non-Executive Chairman.

For further information, please contact +61 8 9389 3180 or erlyn@azc.com.au.

Sincerely,

**Erlyn Dale** 

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: 2:00pm AEDT

**DATE**: Wednesday, 23 December 2020

**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 21 December 2020.

### BUSINESS OF THE MEETING

### **AGENDA**

### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF OCTOBER PLACEMENT SHARES

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 61,626,676 Shares to the October Placement Participants (or their nominees) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

### 2. RESOLUTION 2 -RATIFICATION OF PRIOR ISSUE OF OCTOBER PLACEMENT SHARES

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 41,209,433 Shares to the October Placement Participants (or their nominees) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

### 3. RESOLUTION 3 – APPROVAL TO ISSUE OPTIONS TO THE OCTOBER PLACEMENT 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 68,664,354 Options to the October Placement Participants (or their nominees) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

### 4. RESOLUTION 4 – ISSUE OF SHARES AND OPTIONS TO MR ADAM BLUMENTHAL UNDER THE OCTOBER 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 34,364,261 Shares and up to 8,591,066 Options to Mr Adam Blumenthal (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

# 5. RESOLUTION 5 - ISSUE OF SHARES AND OPTIONS TO EVERBLU CAPITAL IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE OCTOBER 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 8,992,530 Shares and up to 62,947,715 Options to EverBlu Capital (or its nominee/s) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

# 6. RESOLUTION 6 – ISSUE OF SHARES AND OPTIONS TO EVERBLU CAPITAL IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE LIND CONVERTIBLE SECURITIES AGREEMENT

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 833,333 Shares and 833,333 Options to EverBlu Capital (or its nominee/s) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

### 7. RESOLUTION 7 – ISSUE OF SHARES TO EVERBLU CAPITAL IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE JUNE 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 1,602,855 Shares to EverBlu Capital (or its nominee/s) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

### 8. RESOLUTION 8 - ISSUE OF SHARES TO EVERBLU CAPITAL - CORPORATE ADVISER APPOINTMENT

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."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

### 9. RESOLUTION 9 – ISSUE OF SHARES AND OPTIONS TO MR ADAM BLUMENTHAL IN LIEU OF REPAYMENT OF LOAN FACILITY

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 103,092,784 Shares and up to 25,773,196 Options to Mr Adam Blumenthal (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

### 10. RESOLUTION 10 – ISSUE OF SHARES AND OPTIONS AND APPROVAL OF THE TERMS OF SETTLEMENT OF THE CONVERTIBLE NOTES HELD BY SUBURBAN HOLDINGS

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 42,955,327 Shares and up to 10,738,832 Options and to cancel and settle the 1,666,667 Convertible Notes held by Suburban Holdings Pty Limited (or its nominee/s) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

### 11. RESOLUTION 11 – APPROVAL TO ISSUE FUTURE PLACEMENT SHARES

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 which, when multiplied by the issue price, will raise up to \$6,000,000 on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

### 12. RESOLUTION 12 – ISSUE OF SHARES TO EVERBLU CAPITAL IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE FUTURE 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 4,000,000 Shares to EverBlu Capital (or its nominee/s) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

### 13. RESOLUTION 13 – APPROVAL TO ISSUE SHARES AND OPTIONS TO AZALEA CONSULTING

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 3,436,427 Shares and 13,745,708 Options to Azalea Consulting (or its nominee) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 6.

### 14. RESOLUTION 14 – APPROVAL TO ISSUE OPTIONS TO MR 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 7.1 and for all other purposes, approval is given for the Company to issue up to 30,000,000 Options to Mr Bruce Linton (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement applies to this Resolution. Please see page 7.

Dated: 20 November 2020

By order of the Board

**Erlyn Dale** 

**Joint Company Secretary** 

### **Voting Exclusion Statements**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the

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 — Ratification of prior issue of October Placement Shares	The October Placement Participants (or their nominees) or a person who participated in the issue or			
Resolution 2 – Ratification of prior issue of October Placement Shares	is a counterparty to the agreement being approved or an associate of that person or those persons.			
Resolution 3 – Approval to issue Options to the October Placement Participants	The October Placement Participants (or their nominees) or 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) or an associate of that person (or those persons).			
Resolution 4 – Issue of Shares and Options to Mr Adam Blumenthal under the October Placement	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 9 – Issue of Shares and Options to Mr Adam Blumenthal in lieu of repayment of loan facility				
Resolution 5 – Issue of Shares and Options to EverBlu Capital in consideration for services provided in connection with the October Placement	EverBlu Capital (or its nominee/s) and any other person who will obtain a material benefit as a result of the			
Resolution 6 – Issue of Shares and Options to EverBlu Capital in consideration for services provided in connection with the Lind Convertible Securities Agreement				
Resolution 7 – Issue of Shares to EverBlu Capital in consideration for services provided in connection with the June Placement	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 – Issue of Shares to EverBlu Capital – Corporate Adviser Appointment				
Resolution 12 – Issue of Shares and Options to EverBlu Capital in consideration for services provided in connection with the Future Placement				
Resolution 10 – Issue of Shares and Options and Approval of the Terms of Settlement and Cancellation of the Convertible Notes held by Suburban Holdings	Suburban Holdings (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.			
Posalution 11 - Approval to issue Future	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) or an associate of that person (or those persons).			
Resolution 11 — Approval to issue Future Placement Shares	Accordingly, the Company confirms that Shareholders who vote in favour of Resolution 11 will be excluded from participating in the Future Placement if Resolution 11 is passed.			

Resolution 13 – Approval to Shares and Options to Azalea Consulting

Azalea Consulting Pty Ltd (or its 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 14 – Approval to issue Options to Mr Bruce Linton

Bruce Linton (or his nominee) 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).

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. Alternatively, please use your computer or smartphone to appoint a proxy at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a>. Further information on how to lodge your vote online can be found 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 (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) 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 light of the status of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors have made a decision that 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

In light of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the time of this Notice of Meeting, the Company invites shareholders to attend and participate in a virtual Meeting through an online meeting platform, 'Lumi' (Virtual Meeting).

Shareholders who attend the Virtual Meeting will be able to watch, listen, submit written questions and participate in all poll votes put to the Meeting.

To vote online at the Virtual Meeting, attend the Virtual Meeting at the date and time set out in this Notice, being 2:00pm AEDT on 23 December 2020, and following the instructions below:

- 1. Open your internet browser and go to **web.lumiagm.com/373-050-859.**Alternatively, the Lumi AGM app can be downloaded for free from Apple or Google Play stores.
- 2. Enter the Meeting ID: **373-050-859**.
- 3. Enter your SRN or HIN, and your registered postcode when prompted.

Further information and support on how to use the Virtual Meeting platform is available on the Company's website.

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 Joint Company Secretaries 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. BACKGROUND TO RESOLUTIONS 1 TO 5

#### 1.1 General

As announced on 7 October 2020, the Company secured commitments for up to \$8.992 million through the issue of 309,021,675 Shares to sophisticated and professional investors (October Placement Participants) at an issue price of \$0.0291 per Share (October Placement).

On 12 October 2020, the Company completing the first tranche of the October Placement, by issuing an aggregate of 274,657,414 Shares, comprising:

- (a) 61,626,676 Shares which were pursuant to its capacity under Listing Rule 7.1 (being the subject of Resolution 1);
- (b) 41,209,433 Shares pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 16 June 2020 (being the subject of Resolution 2); and
- (a) 171,821,305 Shares which were issued in accordance with Shareholder approval obtained at the Shareholder meeting held on 2 October 2020.

The Company is also seeking Shareholder approval pursuant to Resolution 3 to issue the October Placement Participants one free Option for every four Shares subscribed for and issued. The Options will be exercisable at \$0.05 each on or before the date that is two years from the date of issue.

The second tranche of the October Placement, which will be completed subject to the Company obtaining Shareholder approval under Resolution 4, comprises of the issue of 34,364,261 Shares and 8,591,066 Options to Chairman, Adam Blumenthal (or his nominee/s).

### 1.2 Lead Manager

EverBlu Capital Pty Ltd (ACN 612 793 683) (**EverBlu Capital**) was engaged to manage the October Placement. The following fees will be paid to EverBlu Capital (or its nominee/s) in respect of the October Placement

- (a) a capital raising fee of 4% of the gross proceeds raised under the October Placement (being a fee of \$359,701);
- (b) a management fee of 2% of the gross proceeds raised under the October Placement (being a fee of \$179,851); and
- (c) subject to Shareholder approval being obtained, the issue of 8,992,530 Shares and 62,947,715 Options (being one Share for every \$1 raised and seven Options for every \$1 raised under the October Placement). The Options will be exercisable at \$0.05 each on or before the date that is two years from the date of issue.

The fees stated above include the payment of a capital raising fee of \$40,000 and a management fee of \$20,000 and subject to Shareholder approval being obtained under Resolutions 4 and 5, the issue of 1,000,000 Shares and 7,000,000 Options to EverBlu Capital (or its nominee/s) in respect of Mr Blumenthal's participation in the October Placement.

If Resolution 4 is not approved, the Company will only be required to pay EverBlu Capital (or its nominee/s) a capital raising fee of \$319,701 and a management fee of \$158,851 and, subject to Shareholder approval being obtained under Resolution 5, issue EverBlu Capital (or its nominee/s) 7,992,531 Shares and 55,947,716 Options.

#### 1.3 Use of Funds

The funds raised under the October Placement have been applied as follows:

	Minimum <sup>1</sup>	Maximum²
October Placement Capital Raising fees	\$479,552	\$539,552
Repayment of Secured Lenders	\$2,350,580	\$2,350,580
Repayment of outstanding creditors	\$1,823,429	\$1,823,429
Operational and administrative expenses including for business units in Switzerland and Canada	\$3,338,970	\$3,338,970
Working capital	-	\$940,000
Total	\$7,992,531	\$8,992,531

#### Notes:

- Assumes that Shareholders do not approve participation of Mr Adam Blumenthal under Resolution 4.
- 2. Assumes that Resolution 4 is approved, and the Company raises a further \$1,000,000 from the issue of Shares and Options to Mr Adam Blumenthal (or his nominee/s) on the same terms as the issue of Securities to the October Placement Participants.

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.

### 1.4 Summary of October Placement Resolutions

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of an aggregate of 102,836,109 Shares pursuant to the Company's capacity under Listing Rules 7.1 and 7.1A.

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 68,664,354 Options to unrelated October Placement Participants.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.11 for the participation by Adam Blumenthal in the October Placement, which will result in the issue of 34,364,261 Shares and 8,591,066 Options.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 8,992,530 Shares and 62,947,715 Options to EverBlu Capital in part consideration for the services provided in connection with the October Placement.

# 2. A SUMMARY OF THE DILUTIONARY IMPACT OF THE SECURITIES TO BE ISSUED UNDER RESOLUTIONS 2-5 AND ALL OTHER SECURITIES PROPOSED TO BE ISSUED PURSUANT TO THIS NOTICE OF MEETING IS SET OUT SECTION 15. RESOLUTIONS 1 AND 2 - RATIFICATION OF PRIOR ISSUE OF OCTOBER PLACEMENT SHARES

### 2.1 General

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 102,836,109 Shares under the October Placement pursuant to the Company's capacity under Listing Rules 7.1 and 7.1A. Further information in respect of the October Placement is set out in Section 1.

### 2.2 Listing Rules 7.1 and 7.1A

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 securities it had on issue at the start of that 12 month period.

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 16 June 2020.

The issue of these 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 and 7.1A for the 12 month period following the date of issue of these Shares.

### 2.3 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.

### 2.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 and 2 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 1 and 2 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.

### 2.5 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 1 and 2:

- (a) the Shares were issued to professional and sophisticated investors 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. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that, other than Jamber Investments Pty Limited <The Amber Schwarz Fam A/C> (a substantial holder of the Company who was issued 33,757,976 Shares) and S3 Consortium Pty Ltd (an adviser of the Company who was issued 8,609,301 Shares), 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;
- (b) 102,836,109 Shares were issued on the following basis:
  - (i) 61,626,676 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
  - (ii) 41,209,433 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (c) 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;
- (d) the Shares were issued on 12 October 2020;
- (e) the issue price was \$0.0291 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;
- (f) the purpose of the issue of the Shares was to raise \$7.992 million, which will be applied as set out in Section 1.3; and
- (g) the Shares were not issued under an agreement.

### 3. RESOLUTION 3 - APPROVAL TO ISSUE OPTIONS TO THE OCTOBER PLACEMENT PARTICIPANTS

### 3.1 General

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of up to 68,664,354 Options to the October Placement Participants (or their nominees), on the basis of one Option for every four Shares subscribed for and issued (**Placement Options**).

A summary of Listing Rule 7.1 is set out in Section 2.2 above.

The proposed issue of the Placement Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### 3.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Placement Options. In addition, the issue of the Placement 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 3 is not passed, the Company will not be able to proceed with the issue of the Placement Options.

### 3.3 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 3:

- (a) the Placement Options will be issued to the October Placement Participants (or their nominees). 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;
- (b) the maximum number of Placement Options to be issued is 68,664,354. The terms and conditions of the Placement Options are set out in Schedule 1;
- (c) the Placement 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 Placement Options will occur on the same date;
- (d) the Placement Options will be issued at a nil issue price, as they will be issued free attaching with the Shares issued pursuant to the October Placement (on the basis of one Placement Option for every four Shares subscribed for and issued). Accordingly, no funds will be raised from the issue of the Placement Options;
- (e) the purpose of the issue of the Placement Options is to satisfy the Company's obligations under the October Placement;
- (f) the Placement Options are not being issued under an agreement; and
- (g) the Placement Options are not being issued under, or to fund, a reverse takeover.

### 4. RESOLUTION 4 – ISSUE OF SHARES AND OPTIONS TO MR ADAM BLUMENTHAL UNDER THE OCTOBER PLACEMENT

#### 4.1 General

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of 34,364,261 Shares and 8,591,066 Options to Adam Blumenthal (or his nominee/s) in respect of his participation in the October Placement. Further details in respect of the October Placement are set out in Section 1.1 above. Mr Blumenthal has advanced the Company \$1,000,000 in respect of his subscription under the October Placement.

### 4.2 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 Shares and Options constitutes giving a financial benefit and Adam Blumenthal is a related party of the Company by virtue of being a Director.

The Directors (other than Adam Blumenthal 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 issue of the Securities because the Securities will be issued to Mr Blumenthal on the same terms as Securities issued to non-related party participants in the October Placement and as such the giving of the financial benefit is on arm's length terms.

### 4.3 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 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.

### 4.4 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 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 1.3 above. 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 4 is not passed, the Company will not be able to proceed with the issue of the Securities and the Company will be required to repay Mr Blumenthal the funds which have been advanced in respect of the October Placement.

### 4.5 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 4:

- (a) the Shares will be issued to 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;
- (b) the maximum number of Securities to be issued is 34,364,261 Shares and 8,591,066 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 1;
- (e) the 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 \$0.0291 per Share, being the same issue price as Shares issued to other participants in the October Placement. The Options will be issued for nil cash consideration (on the basis of one Option for every four Shares subscribed for and issued). The Company will not receive any other consideration for the issue of the Shares;
- (g) the purpose of the issue of the Securities is to raise capital, which the Company intends to use in the manner set out in Section 1.3 above;
- (h) the issue of the Securities is not intended to remunerate or incentivise the Director; and

# 5. RESOLUTION 5 - ISSUE OF SHARES AND OPTIONS TO EVERBLU CAPITAL IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE OCTOBER PLACEMENT

### 5.1 General

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of 8,992,530 Shares and 62,947,715 Options to EverBlu Capital (or its nominee/s) in part consideration for services provided in connection with the October Placement.

This assumes that Resolution 4 is approved and the Company issues 34,364,261 Shares and 8,591,066 Options to Adam Blumenthal within one month of the date of the Meeting. If Resolution 4 is not approved, the maximum number of Shares and Options that may be issued to EverBlu Capital are 7,992,530 Shares and 55,947,710 Options.

Further details in respect of the agreement between the Company and EverBlu Capital in respect of the October Placement are set out in Section 1.2 above,

### 5.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and Listing Rule 10.11 is set out in Sections 4.2 and 4.3 above.

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

The Directors (other than Adam Blumenthal 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 issue of the Securities because the agreement to grant the Securities was negotiated on an arm's length basis.

The issue of the 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.

### 5.3 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the 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). 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 5 is not passed, the Company will not be able to proceed with the issue of the Securities 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.

### 5.4 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 5:

- (a) the Shares 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 Director, Adam Blumenthal. Mr Blumenthal is the Chairman of EverBlu Capital and a major shareholder and controller of EverBlu Capital;
- (b) the maximum number of Securities to be issued is 8,992,530 Shares and 62,947,715 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 1;
- (e) the 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 Securities will be issued for nil cash consideration; accordingly, no funds will be raised:
- (g) the purpose of the issue of the Securities is to satisfy the Company's obligations under its agreement with EverBlu Capital (as summarised in Section 1.2);
- (h) the issue of the Securities is not intended to remunerate or incentivise the Director; and
- (i) the Securities are being issued under a mandate between the Company and EverBlu Capital, a summary of which is set out in Section 1.2.

# 6. RESOLUTION 6 - ISSUE OF SHARES AND OPTIONS TO EVERBLU CAPITAL IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE LIND CONVERTIBLE SECURITIES AGREEMENT

### 6.1 General

As announced on 20 April 2020, the Company acted as lead manager in respect of the entry into the convertible securities agreement with Lind Global Macro Fund, LP. In accordance with the terms of that appointment, the Company has agreed:

(a) to pay EverBlu Capital a cash fee of \$66,667; and

(b) subject to the receipt of Shareholder approval, issue 833,333 Shares and 833,333 Options (exercisable at \$0.20 each on or before the date that is three years from the date of issue) to EverBlu Capital.

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of 833,333 Shares and 833,333 Options to EverBlu Capital (or its nominee/s).

### 6.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and Listing Rule 10.11 is set out in Sections 4.2 and 4.3 above.

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

The Directors (other than Adam Blumenthal 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 issue of the Securities because the agreement to grant the Securities was negotiated on an arm's length basis.

The issue of the 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.

### 6.3 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 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). 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 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.

### 6.4 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 Shares 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 Director, Adam Blumenthal. Mr Blumenthal is the Chairman of EverBlu Capital and a major shareholder and controller of EverBlu Capital;

- (b) the maximum number of Securities to be issued is 833,333 Shares and 833,333 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 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 Securities will be issued for nil cash consideration; accordingly, no funds will be raised;
- (g) the purpose of the issue of the Securities is to satisfy the Company's obligations under its agreement with EverBlu Capital (as summarised in Section 6.1);
- (h) the issue of the Securities is not intended to remunerate or incentivise the Director; and
- (i) the Securities are being issued under a mandate between the Company and EverBlu Capital, a summary of which is set out in Section 6.1.

### 6.5 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 6 and all other Securities proposed to be issued pursuant to this Notice of Meeting is set out Section 15.

### 7. RESOLUTION 7 – ISSUE OF SHARES TO EVERBLU CAPITAL IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE JUNE PLACEMENT

### 7.1 General

As announced on 1 June 2020, the Company secured firm commitments from new and existing sophisticated and professional investors to raise approximately \$2.137 million through the issue of 35,619,007 Shares at an issue price of \$0.06 per Share (June Placement).

The June Placement was settled in three tranches, with:

- (a) 20,780,936 Shares issued pursuant to the Company's available placement capacity under Listing Rule 7.1A;
- (b) 13,171,405 Shares issued pursuant to the Company's available placement capacity under Listing Rule 7.1; and
- (c) 1,666,666 Shares being issued to the Directors of the Company on 12 October 2020, following receipt of Shareholder approval.

EverBlu Capital was appointed as lead manager to the June Placement. The Company agreed to pay the following fees to EverBlu Capital in respect of the June Placement:

- (a) a capital raising fee of 4% of the gross proceeds raised under the June Placement (being a fee of \$85,486);
- (b) a management fee of 2% of the gross proceeds raised under the June Placement (being a fee of \$42,743); and
- (c) subject to Shareholder approval being obtained, the issue of three Shares for every \$4 raised under the June Placement (being up to 1,602,855 Shares.

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 1,602,855 Shares to EverBlu Capital (or its nominee/s).

### 7.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and Listing Rule 10.11 is set out in Sections 4.2 and 4.3 above.

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

The Directors (other than Adam Blumenthal 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 issue of the Shares because the agreement to grant the Shares was negotiated on an arm's length basis.

The issue of the 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.

### 7.3 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 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 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 Resolution 7 is not passed, the Company will not be able to proceed with the issue of the 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.

### 7.4 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 Shares 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 Director, Adam Blumenthal. Mr Blumenthal is the Chairman of EverBlu Capital and a major shareholder and controller of EverBlu Capital;
- (b) the maximum number of Securities to be issued is 1,602,855 Shares;
- (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 anticipated the Shares will be issued on the same date;
- (e) the Shares will be issued for nil cash consideration; accordingly, no funds will be raised;
- (f) the purpose of the issue of the Shares is to satisfy the Company's obligations under its agreement with EverBlu Capital (as summarised in Section 7.1);
- (g) the issue of the Shares is not intended to remunerate or incentivise the Director; and
- (h) the Shares are being issued under a mandate between the Company and EverBlu Capital, a summary of which is set out in Section 7.1.

### 7.5 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 7 and all other Securities proposed to be issued pursuant to this Notice of Meeting is set out Section 15.

### 8. RESOLUTION 8 - ISSUE OF SHARES TO EVERBLU CAPITAL - CORPORATE ADVISER APPOINTMENT

### 8.1 General

As announced on 21 January 2020, the Company has entered new corporate advisory and transactional mandates with its corporate advisers, EverBlu Capital (**New Mandates**). Under the terms of the New Mandates, 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 issued 2,000,000 Shares and 8,000,000 Options to EverBlu Capital (or its nominee/s) on 2 June 2020 (in accordance with Shareholder approval obtained on 18 May 2020) in respect of services provided over the 6-month period to July 2020.

Resolution 8 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of 2,000,000 Shares to EverBlu Capital for the period to December 2020.

### 8.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and Listing Rule 10.11 is set out in Sections 4.2 and 4.3 above.

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

The Directors (other than Adam Blumenthal 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 issue of the Shares because the agreement to grant the Shares was negotiated on an arm's length basis.

The issue of the 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.

### 8.3 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 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 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 Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Shares as part of the agreed for services provided by EverBlu. Accordingly, the Company will need 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.

### 8.4 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 Shares 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 Director, Adam Blumenthal. Mr Blumenthal is the Chairman of EverBlu Capital and a major shareholder and controller of EverBlu Capital;
- (b) the maximum number of Shares to be issued is 2,000,000 Shares;
- (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 anticipated the Shares will be issued on the same date;
- (e) the Shares will be issued for nil cash consideration; accordingly, no funds will be raised;
- (f) the purpose of the issue of the Shares is to satisfy the Company's obligations under its agreement with EverBlu Capital;
- (g) the issue of the Shares is not intended to remunerate or incentivise the Director; and
- (h) further details of the agreement with EverBlu Capital for the issue of the Shares are set out in the ASX announcement released on 21 January 2020.

#### 8.5 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 8 and all other Securities proposed to be issued pursuant to this Notice of Meeting is set out Section 15.

### 9. RESOLUTION 9 – ISSUE OF SHARES AND OPTIONS TO MR ADAM BLUMENTHAL IN LIEU OF REPAYMENT OF LOAN FACILITY

#### 9.1 General

Director, Adam Blumenthal has agreed to extend a short-term loan facility to the Company, whereby, subject to mutual agreement, the Company may draw down up to \$3,000,000 on an unsecured, interest free basis (**Loan Facility**). If any funds are drawn down under the Loan Facility, Mr Blumenthal may elect, subject to the Company obtaining Shareholder approval, to convert these funds into Shares and Options on the same terms as the October Placement.

Resolution 9 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 103,092,784 Shares and 25,773,196 Options to Mr Adam Blumenthal (or his nominee/s).

### 9.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and Listing Rule 10.11 is set out in Sections 4.2 and 4.3 above.

The issue of the Shares and Options constitutes giving a financial benefit and Adam Blumenthal is a related party of the Company by virtue of being a Director.

The Directors (other than Adam Blumenthal 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 issue of the Securities because the agreement to grant the Securities was negotiated on an arm's length basis.

The issue of the 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.

### 9.3 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 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). 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 8 is not passed, the Company will not be able to proceed with the issue of the Securities and will be required to repay any funds loaned by Adam Blumenthal under the Loan Facility in cash within six months from the date that the funds are advanced. This will reduce the Company's cash position and may impede its ability to achieve its operational outcomes.

### 9.4 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 Securities will be issued to 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;
- (b) the maximum number of Securities to be issued is 103,092,784 Shares and 25,773,196 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 1:
- (e) the 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 Shares will be issued at a deemed issue price of \$0.0291 per Share. The Options will be issued on the basis of one Option for every four Shares subscribed for and issued:
- (g) the purpose of the issue of the Securities is to enable the Company to repay any funds drawn down under the Loan Facility through an equity issue rather than a cash payment;
- (h) the issue of the Securities is not intended to remunerate or incentivise the Director; and
- (i) the Securities are being issued under the Loan Facility, a summary of which is set out in Section 9.1.

### 9.5 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 9 and all other Securities proposed to be issued pursuant to this Notice of Meeting is set out Section 15.

#### 10. RESOLUTION 10 – ISSUE OF SHARES AND OPTIONS TO SUBURBAN HOLDINGS

### 10.1 General

The Company and Suburban Holdings Pty Limited (**Suburban Holdings**). entered into a convertible securities agreement on 27 November 2019 (**Convertible Securities Agreement**).

In accordance with the terms of the Convertible Securities Agreement, the Company issued Suburban Holdings:

- (a) 1,666,667 convertible notes, each with a face value of \$1 (Convertible Notes);
- (b) 261,780 Shares as part of the draw down fee;
- (c) 3,333,334 Shares as collateral; and
- (d) 2,727,272 Options which are exercisable at \$0.40 each on or before 12 December 2023.

The Company has subsequently issued Suburban Holdings additional Shares as collateral, such that Suburban Holdings currently holds 18,333,334 Shares as collateral (**Collateral Shares**).

As announced on 7 October 2020, Suburban Holdings has agreed to the early settlement and cancellation of its Convertible Notes, which subject to Shareholder approval will be achieved through:

- (a) the payment of \$250,000 in cash from the proceeds of the October Placement;
- (b) Suburban Holdings agreeing to purchase a reduction in the number of Collateral Shares that they hold (being 18,333,334 Collateral Shares); and
- (c) the grant of the right for Suburban Holdings to elect to either:
  - (i) be repaid the outstanding amount owed to Suburban Holdings (being a payment of \$1,250,000) from funds raised from a future capital raising or,
  - subject to Shareholder approval being obtained, to convert some or all of this amount into Shares and Options (on the same basis as participants in the October Placement), being up to 42,955,327 Shares and up to 10,738,832 Options (Redemption Securities).

The agreement with Suburban Holdings was reached to facilitate the early release of the securities granted over the Company's assets (which was granted by Suburban Holdings with immediate effect), enable the Company to defer the periodic repayments of the Convertible Notes held by Suburban Holdings which provided the Company with greater flexibility as to the management of its cash reserves, enable the early redemption of the convertible securities held by the former secured lenders and provide certainty as to the amount payable to Suburban Holdings upon maturity.

The agreement reached with Suburban Holdings also provides a mechanism which will, subject to Suburban Holdings electing to convert some or all of the amount owed into Shares and Option, enable the Company to repay the Convertible Notes in equity. If Suburban Holdings makes such an election, the Company will be able to apply a greater proportion of its existing cash reserves towards the development of its business and operations, rather than applying such funds to the repayment of the Convertible Notes. Although the Convertible Notes issued to Suburban Holdings may be converted at the election of Suburban Holdings, due to the significant difference between the conversion price (being \$0.35) and the market price of Shares, it is highly unlikely that Suburban Holdings would elect to convert the Convertible Notes the original terms agreed under the Convertible Securities Agreement.

Following completion of the early redemption arrangement summarised above, Suburban Holdings will release the Company from its ongoing obligations in respect of the Convertible Notes and the Convertible Securities Agreement as the Convertible Notes will be fully redeemed and cancelled.

Resolution 10 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Redemption Securities to, and the terms of the redemption of the 1,666,667 Convertible Notes held by, Suburban Holdings in accordance with the terms set out above.

### 10.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and Listing Rule 10.11 is set out in Sections 4.2 and 4.3 above.

The issue of the Redemption Securities constitutes giving a financial benefit and Suburban Holdings is a related party of the Company by virtue of being controlled by Alvin Blumenthal, the father of Director, Adam Blumenthal.

The Directors (other than Adam Blumenthal 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 issue of the Redemption Securities because the agreement to grant the Redemption Securities was negotiated on an arm's length basis.

The issue of the Redemption 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.

### 10.3 Technical information required by Listing Rule 14.1A

If Resolution 10 is passed, the Company will be able to proceed with the issue of the Redemption 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). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Redemption Securities (because approval is being obtained under Listing Rule 10.11), the issue of the Redemption Securities will not use up any of the Company's 15% annual placement capacity.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of the Redemption Securities. In these circumstances,

(a) Suburban Holdings has agreed to collateralise all of the Collateral Shares that it holds in accordance with the terms of the Convertible Securities Agreement on or before 19 January 2021; and

(b) the Company agrees to repay the Convertible Notes in cash on or before 27 January 2021.

### 10.4 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 10:

- (a) the Redemption Securities will be issued to Suburban Holdings (or its nominee/s), who falls within the category set out in Listing Rule 10.11.1 by virtue of being controlled by Alvin Blumenthal, the father of Director, Adam Blumenthal;
- (b) the maximum number of Securities to be issued is 42,955,327 Shares and 10,738,832 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 1;
- (e) the 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 Shares will be issued at a deemed issue price of \$0.0291 per Share. The Options will be issued for nil cash consideration, on the basis of one Option for every four Shares subscribed for and issued;
- (g) the purpose of the issue of the Redemption Securities is to satisfy the Company's obligations under the Convertible Securities Agreement, as summarised in Section 10.1 above; and
- (h) the Redemption Securities are being issued under an agreement between the Company and Suburban Holdings, a summary of which is set out in Section 10.1 above.

### 10.5 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 10 and all other Securities proposed to be issued pursuant to this Notice of Meeting is set out Section 15.

### 11. RESOLUTION 11 – APPROVAL TO ISSUE FUTURE PLACEMENT SHARES

#### 11.1 General

The Company is seeking Shareholder approval pursuant to Resolution 11 to issue up to that number of Shares which, when multiplied by the issue price, will raise up to \$6,000,000 (Future Placement Shares).

### 11.2 Lead Manager

EverBlu Capital has been engaged to manage the issue of the Future Placement Shares (**Future Placement**). The following fees will be paid to EverBlu Capital in respect of the Future Placement

- (a) a capital raising fee of 4% of the gross proceeds raised under the Future Placement (being a fee of up to \$240,000);
- (b) a management fee of 2% of the gross proceeds raised under the October Placement (being a fee of up to \$120,000); and
- (c) subject to Shareholder approval being obtained, the issue of up to 4,000,000 Shares (being two Shares for every three dollars raised under the Future Placement).

### 11.3 Use of Funds

The table below sets out the Company's intended use of funds raised by the issue of the Future Placement Shares assuming that the Company raises \$6,000,000. These funds are expected to be expended over the 6 to 9 months following the completion of the Future Placement.

	Estimated Timeframe for expenditure		
Mernova capital expenditure including IT and packaging equipment	6 months	\$500,000	8.33%
Mernova R&D expenditure, developing distribution platforms, developing additional products and EU-GMP certification	6-9 months	\$1,850,000	30.83%
Existing operations in Switzerland	3 months	\$400,000	6.67%
Mernova Operational expenses  Mernova production overheads (\$350,000)  Mernova cultivation supplies (\$350,000)  Mernova personnel (\$350,000)	3 months	\$1,050,000	17.50%
Australian head office expenses and professional services	3 months	\$500,000	8.33%
Accelerate growth across the Company's existing human and animal health CBD product lines  Costs associated with product orders including payments to suppliers (\$350,000)  New product R&D and marketing (\$150,000)  Product registration (\$100,000)	6-9 months	\$600,000	10.00%
Working capital (re-establishment of working capital levels, payments to suppliers and creditors)	6-9 months	\$740,000	12.33%
Costs of the Future Placement	Immediately	\$360,000	6.00%
Total		\$6,000,000	100%

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.

In the event that less than the full \$6,000,000 is raised the Company intends to apply the amount ultimately raised to the items above in proportion to the percentages noted above.

### 11.4 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 2.2 above.

The issue of the Future Placement Shares does not fall within any of the exceptions under Listing Rule 7.2 and whilst the number of Future Placement Shares may not exceed the 15% limit in Listing Rule 7.1, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of the Future Placement Shares under Listing Rule 7.1 so that it does not use up any of the 15% limit on issue equity securities without Shareholder approval set out in Listing Rule 7.1.

### 11.5 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 Future Placement Shares. In addition, the issue of the Future Placement 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 11 is not passed, the Company will only be able to proceed with the issue of the Future Placement Shares to the extent that the Company has sufficient placement capacity under Listing Rules 7.1 and 7.1A. If the Company does not have sufficient placement capacity to complete the Future Placement, the Company will have reduced access to funding which may have an impact on its ongoing operations.

Resolution 11 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Future Placement Shares.

### 11.6 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 11:

- (a) the Future Placement Shares will be issued to professional and sophisticated investors who will be identified by the Directors and/or EverBlu Capital. The recipients will be identified through a bookbuild process, which will involve the Directors and/or EverBlu Capital seeking expressions of interest to participate in the capital raising from nonrelated parties of the Company. The Company confirms that Shareholders who vote in favour of Resolution 11 will be excluded from participating in the Future Placement if Resolution 11 is passed.
- (b) the maximum number of Future Placement Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$6,000,000. The Future Placement 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;

- (c) the Future Placement 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 Future Placement Shares will occur progressively;
- (d) the issue price of the Future Placement Shares will be not less than 75% of the 15-day VWAP calculated over the 15 trading days on which trades in Shares were recorded immediately before the date on which the issue price is agreed by the Company and the recipients of the relevant Future Placement Shares. The Company will not receive any other consideration for the issue of the Future Placement Shares;
- (e) the purpose of the issue of the Future Placement Shares is to raise \$6,000,000. The Company intends to apply the funds raised from the issue as set out in Section 11.3;
- (f) the Future Placement Shares are not being issued under an agreement; and
- (g) the Future Placement Shares are not being issued under, or to fund, a reverse takeover.

#### 11.7 Dilution

Set out below is a worked example of the number of Future Placement Shares that may be issued under Resolution 11 based on an assumed issue prices of \$0.017, \$0.033 and \$0.050 being the closing price on 12 November 2020(Closing Price) and the prices which are 50% higher and 50% lower than the Closing Price. To calculate the potential number of Shares that may be issued, discounted figures of \$0.013, \$0.025 and \$0.038, have been used, being an issue price, which is 75% of the volume weighted average prices (i.e. maximum discount) set out below.

Assumed VWAP	VWAP Discount (75% of VWAP)	Maximum number of Future Placement Shares which may be issued <sup>1</sup>	Dilution effect on existing Shareholders
\$0.017	\$0.013	545,454,545	40.14%
\$0.033	\$0.025	260,869,565	25.85%
\$0.050	\$0.038	176,470,588	18.66%

### Notes:

- 1. Rounded to the nearest whole number.
- 2. There are currently 688,418,417 Shares on issue as at the date of this Notice and this table assumes no Securities are exercised or converted and no additional Shares are issued, other than pursuant to this Resolution 11.
- 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 be issued and the dilution percentage to also differ.

Further details surrounding the dilutionary impact of all other Securities proposed to be issued pursuant to this Notice of Meeting is set out Section 15.

### 12. RESOLUTION 12 – ISSUE OF SHARES TO EVERBLU CAPITAL IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE FUTURE PLACEMENT

### 12.1 General

Resolution 12 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 4,000,000 Shares to EverBlu Capital (or its nominee/s) in part consideration for services provided in connection with the Future Placement (being two Shares for every three dollars raised under the Future Placement).

Further details in respect of the agreement between the Company and EverBlu Capital in respect of the Future Placement are set out in Section 11.2 above,

### 12.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and Listing Rule 10.11 is set out in Sections 4.2 and 4.3 above.

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

The Directors (other than Adam Blumenthal 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 issue of the Shares because the agreement to grant the Shares was negotiated on an arm's length basis.

The issue of the 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.

### 12.3 Technical information required by Listing Rule 14.1A

If Resolution 12 is passed, the Company will be able to proceed with the issue of the 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 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 Resolution 12 is not passed, the Company will not be able to proceed with the issue of the 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.

### 12.4 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 12:

- (a) the Shares 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 Director, Adam Blumenthal. Mr Blumenthal is the Chairman of EverBlu Capital and a major shareholder and controller of EverBlu Capital;
- (b) the maximum number of Securities to be issued is 4,000,000 Shares (being two Shares for every three dollars raised under the Future Placement);
- (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 anticipated the Shares will be issued on the same date;
- (e) the Shares will be issued for nil cash consideration; accordingly, no funds will be raised;
- (f) the purpose of the issue of the Shares is to satisfy the Company's obligations under its agreement with EverBlu Capital (as summarised in Section 11.2);
- (g) the issue of the Shares is not intended to remunerate or incentivise the Director; and
- (h) the Shares are being issued under a mandate between the Company and EverBlu Capital, a summary of which is set out in Section 11.2.

#### 12.5 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 12 and all other Securities proposed to be issued pursuant to this Notice of Meeting is set out Section 15.

### 13. RESOLUTION 13 – APPROVAL TO ISSUE SHARES AND OPTIONS TO AZALEA CONSULTING PTY LTD

### 13.1 General

Resolution 13 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 3,436,427 Shares and 13,745,708 Options to Azalea Consulting Pty Ltd (or its nominee/s) (**Azalea Consulting**) in consideration for company secretarial and corporate advisory services provided to the Company in connection with the various corporate actions undertaken by the Company during 2020 that are over and above the scope of Azalea Consulting's engagement and to provide an equity-based incentive to the remuneration of the joint company secretaries.

Azalea Consulting is engaged under a monthly retainer to provide 60 hours of company secretarial and administrative services to the Company. This retainer

includes one general meeting and one material corporate action per annum. Over the course of the last 6-12 months, Creso has undertaken several capital raisings of varying complexities, has prepared several prospectuses and held several shareholder meetings. These transactions significantly increase the volume and complexity of the company secretarial services provided by Azalea Consulting, and therefore constitute out of scope services. Noting the Company's preference to preserve its cash reserves, Azalea Consulting has agreed to accept an allocation of Shares and Options in consideration for such out of scope services.

A summary of Listing Rule 7.1 is set out in Section 2.2 above.

The proposed issue of the Shares and Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### 13.2 Technical information required by Listing Rule 14.1A

If Resolution 13 is passed, the Company will be able to proceed with the issue of the Shares and Options. In addition, the issue of the Shares and 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 13 is not passed, the Company will not be able to proceed with the issue of the Shares and Options and the Company will be required to repay a sum of \$100,000 in cash to Azalea Consulting.

### 13.3 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 13:

- (a) the Shares and Options will be issued to Azalea Consulting (or its nominee/s), an adviser of the Company;
- (b) the maximum number of Securities to be issued is 3,436,427 Shares and 13,745,708 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 and the Options will be issued on the terms and conditions set out in Schedule 1;
- (d) the Shares will be issued at a deemed issue price of \$0.0291 per Share. The Options will be issued for nil cash consideration, on the same basis as the October Placement, being one Option for every four Shares issued;
- (e) the Shares and 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 Shares will occur on the same date;
- (f) the purpose of the issue of the Shares and Options is to remunerate Azalea Consulting Pty Ltd for additional and out of scope services and provide an equity-based incentive to the remuneration package of the joint company secretaries.

- (g) the Shares and Options are not being issued under an agreement; and
- (h) the Shares and Options are not being issued under, or to fund, a reverse takeover.

#### 13.4 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 13 and all other Securities proposed to be issued pursuant to this Notice of Meeting is set out Section 15.

### 14. RESOLUTION 14 – APPROVAL TO ISSUE OPTIONS TO MR BRUCE LINTON

#### 14.1 General

As announced on 7 October 2020, Creso Pharma Switzerland GMBH (**Creso Switzerland**), a subsidiary of the Company has appointed Mr Bruce Linton, founder and ex-CEO of Canopy Growth Corporation (TSX:WEED, NYSWE:CGC) as a strategic advisor. Mr Linton has been engaged for a minimum period of 24 months.

The Company has agreed with Mr Linton that, rather than a cash fee, Mr Linton (or his nominee) will, subject to Shareholder approval being obtained, be issued 30,000,000 Options each with an exercise price of \$0.039 and an expiry date of 5 years from the date of issue. The issue of the Options is intended to align Mr Linton's interests with those of Shareholders.

### 14.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is set out in Section 2.2 above.

The proposed issue of the Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### 14.3 Technical information required by Listing Rule 14.1A

If Resolution 13 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 13 is not passed, the Company will not be able to proceed with the issue of the Options. In these circumstances, the Company will be required to make a cash payment to Mr Linton equal to the value of the Options (with the value to be determined by reference to an independent Black Scholes valuation undertaken by the Company as at the date of the Meeting). This payment must be made within 60 days of the Meeting.

Resolution 13 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Options.

### 14.4 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 13:

(a) the Options will be issued to Bruce Linton (or his nominee);

- (b) the maximum number of Options to be issued is 30,000,000. The terms and conditions of the Options are set out in Schedule 3;
- (c) 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;
- (d) the Options will be issued at a nil issue price, in consideration for the services that will be provided by Mr Linton (as summarised above);
- (e) the purpose of the issue of the Options is to remunerate Mr Linton for services provided in his role as a strategic adviser to Creso Switzerland;
- (f) the Options are being issued under the terms of a consultancy agreement between Creso Switzerland and Mr Linton, a summary of the material terms of which is set out in Section 14.1; and
- (g) the Options are not being issued under, or to fund, a reverse takeover.

# 14.5 Dilution

A summary of the dilutionary impact of the Securities to be issued under Resolution 13 and all other Securities proposed to be issued pursuant to this Notice of Meeting is set out Section 15.

# 15. DILUTIONARY EFFECT OF ISSUES PROPOSED TO CURRENT SHAREHODLERS

Pursuant to this Notice, the Company is seeking approval to issue a number of Securities as noted in the table below.

		Shares	Options
Resolution 3	Approval to issue Options to the October Placement Participants	-	68,664,354
Resolution 4	Issue of Shares and Options to Mr Adam Blumenthal under the October Placement	34,364,261	8,591,066
Resolution 5	Issue of Shares and Options to EverBlu Capital in consideration for services provided in connection with the October Placement	8,992,530	62,947,715
Resolution 6	Issue of Shares and Options to EverBlu Capital in consideration for services provided in connection with the Lind Convertible Securities Agreement	833,333	833,333
Resolution 7	Issue of Shares to EverBlu Capital in consideration for services provided in connection with the June Placement	1,602,855	F
Resolution 8	Issue of Shares to EverBlu Capital – Corporate Adviser Appointment	2,000,000	0
Resolution 9	Issue of Shares and Options to Mr Adam Blumenthal in lieu of repayment of Loan Facility	103,092,784	25,773,196
Resolution 10	Issue of Shares and Options and approval of the terms of settlement of the Convertible Notes held by Suburban Holdings	42,955,327	10,738,832
Resolution 11	Approval to issue Future Placement Shares <sup>1</sup>	240,000,000	-
Resolution 12	Issue of Shares to EverBlu Capital in consideration for services provided in connection with the Future	4,000,000	-

	Placement		
Resolution 13	Approval to issue Shares and Options to Azalea Consulting	3,436,427	13,745,708
Resolution 14	Approval to issue Options to Mr Bruce Linton	-	30,000,000
Total		441,277,517	221,294,204

#### Notes:

1. The Company is seeking Shareholder approval pursuant to Resolution 11 to issue up to that number of Shares which, when multiplied by the issue price, will raise up to \$6,000,000. The table above assumes that the issue price of Shares under the Future Placement is \$0.025 per Share.

The maximum impact on current Shareholders assuming that the maximum number of Securities are issued under each of the Resolutions set out in this Notice and no convertible securities (including Options) are exercised or converted is set out below. As demonstrated, in such circumstances the percentage Shareholding of current Shareholders will be diluted to 60.94%.

	Shares	Percentage
Current Shares on issue	688,418,417	60.94%
Resolution 3	-	0.00%
Resolution 4	34,364,261	3.04%
Resolution 5	8,992,530	0.80%
Resolution 6	833,333	0.07%
Resolution 7	1,602,855	0.14%
Resolution 8	2,000,000	0.18%
Resolution 9	103,092,784	9.13%
Resolution 10	42,955,327	3.80%
Resolution 112	240,000,000	21.24%
Resolution 12	4,000,000	0.35%
Resolution 13	3,436,427	0.30%
Resolution 14	-	0.00%
TOTAL	1,129,695,934	

#### Notes:

- 1. There are currently 688,418,417 Shares on issue as at the date of this Notice and this table assumes no Securities are exercised or converted and no additional Shares are issued, other than as set out in the table above.
- 2. The Company is seeking Shareholder approval pursuant to Resolution 11 to issue up to that number of Shares which, when multiplied by the issue price, will raise up to \$6,000,000. The table above assumes that the issue price of Shares under the Future Placement is \$0.025 per Share. As the actual issue price may differ, the maximum number of Shares to be issued and the dilution percentage may also differ.

Additionally, if the Options issued under Resolutions 3 to 6, 9 to 10 and 13 to 14 are exercised, and no other convertible securities are exercised or converted, the percentage Shareholding of current Shareholders will be diluted to 50.96%.

	Shares	Percentage
Current Shares on issue	688,418,417	50.96%
Resolution 3	68,664,354	5.08%

Resolution 4	42,955,327	3.18%
Resolution 5	71,940,245	5.33%
Resolution 6	1,666,666	0.12%
Resolution 7	1,602,855	0.12%
Resolution 8	2,000,000	0.15%
Resolution 9	128,865,980	9.54%
Resolution 10	53,694,159	3.97%
Resolution 11 <sup>2</sup>	240,000,000	17.76%
Resolution 12	4,000,000	0.30%
Resolution 13	17,182,135	1.27%
Resolution 14	30,000,000	2.22%
TOTAL	1,350,990,138	

#### Notes:

- 1. There are currently 688,418,417 Shares on issue as at the date of this Notice and this table assumes no Securities are exercised or converted (other than the Options issued under Resolutions 3 to 6, 9 to 10 and 13 to 14) and no additional Shares are issued, other than as set out in the table above.
- 2. The Company is seeking Shareholder approval pursuant to Resolution 11 to issue up to that number of Shares which, when multiplied by the issue price, will raise up to \$6,000,000. The table above assumes that the issue price of Shares under the Future Placement is \$0.025 per Share. As the actual issue price may differ, the maximum number of Shares to be issued and the dilution percentage may also differ.

#### **GLOSSARY**

\$ means Australian dollars.

**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.

**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.

Chair means the chair of the Meeting.

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

**Constitution** means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**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.

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

**Option** means an option to acquire a Share.

Optionholder means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

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

**Section** means a section of the Explanatory Statement.

**Securities** means Shares, Options, Performance Rights, Performance Shares, Convertible Notes and/or Exchangeable Shares.

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

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## SCHEDULE 1 - TERMS AND CONDITIONS OF 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 \$0.05 (Exercise Price)

## (c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date that is two years from the date of issue (**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(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 (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 investors.

## (h) Shares issued on exercise

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

# (i) 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 Listing Rules at the time of the reconstruction.

# (j) 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.

# (k) 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.

# (I) Transferability

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

## SCHEDULE 2 - TERMS AND CONDITIONS OF 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 \$0.20 (Exercise Price)

## (c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date that is three years from the date of issue (**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 fifteen 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 (g)(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 investors.

## (h) Shares issued on exercise

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

# (i) 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 Listing Rules at the time of the reconstruction.

# (j) 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.

# (k) 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.

# (I) Transferability

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

## SCHEDULE 3 - TERMS AND CONDITIONS OF 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 \$0.039 (Exercise Price)

## (c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date that is five years from the date of issue (**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(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 (g)(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 investors.

# (h) Shares issued on exercise

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

# (i) 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 Listing Rules at the time of the reconstruction.

# (j) 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.

## (k) 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.

# (I) Transferability

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

# (m) Lapse of Options

If either:

- (i) Creso Switzerland terminates the consultancy agreement with Mr Linton (Consultancy Agreement) for cause; or
- (ii) Mr Linton terminates the Consultancy Agreement without cause,

50% of the Options will immediately lapse if not exercised within 30 days of the date of termination.



Creso Pharma Limited | ACN 609 406 911

# **Proxy Voting Form**

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 **2.00pm (AEDT) on Monday, 21 December 2020,** 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/#/loginsah

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:

 $\underline{meetings@automicgroup.com.au}$ 

#### 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 2.00pm (AEDT) on Wednesday, 23 December 2020 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.

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.

#### VIRTUAL PARTICIPATION AT THE GENERAL MEETING:

The Company is pleased to provide shareholders with the opportunity to participate in the Meeting virtually through an online platform, which can be accessed by navigating to web.lumiagm.com/373050859 on any internet browser. Alternatively, the Lumi AGM app can be downloaded for free from the Apple or Google Play stores.

The ID for this meeting that will need to be entered in to the Lumi platform is:

#### 373-050-859

Shareholders should then log in to the meeting using their SRN/HIN and postcode as detailed on the reverse of this

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

# STEP 2 - Your voting direction

Resolutions	For	Against	Abstain	Resolutions	For	Against Abstain
Ratification of Prior Issue of October     Placement Shares				8. Issue of Shares to Everblu Copital  - Corporate Adviser Appointment		
Ratification of Prior Issue of October Placement Shares				<ul> <li>Issue of Shares and Options to Mr</li> <li>Adam Blumenthal in the of repayment of loan facility</li> </ul>		
3. Approval to Issue Options to the October Placement Participants				10 Issue of Shares and Options and approval of the terms of settlement of the Convertible Notes held by Suburban Holdings		
Issue of Shares and Options to     Adam Blumenthal under the     October Placement				11. Approval to Issue Future Placement Shares		
5. Issue of Shares and Options to Everblu Capital in consideration for services provided in connection with the October Placement				12. Issue of Shares to Everblu Capital in Consideration for services provided in connection with the future Placement		
6. Issue of Shares and Options to Everblu Capital in consideration for services provided in connection with the Lind Convertible Securities Agreement	2	T		13. Approval to Issue Shares and Options to Azalea Consulting		
7. Issue of Shares to Everblu Capital in consideration for services provided in connection with June Placement	r for a particu	ular Posolution	Lugu are dire	14. Approval to Issue Options to Mr Bruce Linton cting your proxy not to vote on that Resoluti	on on a sh	ow of hands or on a

poll and your votes will not be counted in computing the required majority on a poll.

#### 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)
Bu providing your amail address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible)		