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Wholly-owned psychedelics subsidiary Halucenex Life Sciences Inc. commissions extraction unit to progress product development and R&D

Highlights:

- **State of the art CO₂ Supercritical Extraction System from Advanced Extraction Systems Inc. (AESI) now operational at Halucenex site**
- **AESI specialises in compound extraction in the cannabis industry – all systems exceed safety design requirements in US, Canada and Europe**
- **System expected to assist with production of botanical psilocybe mushroom extract and expedite natural product development initiatives**
- **Halucenex exploring multiple new delivery methods for extracted psilocybin as well as potential controlled substance combinations**
- **Initial discussions to explore the combination of psilocybin with Mernova's leading product range underway**
- **All required documentation now lodged with Health Canada to seek an amendment to Halucenex's Controlled Drugs and Substances Dealer's Licence**
- **If granted, the amendment will allow for production, packaging and assembly of psychedelic substances**
- **Clinical Trial Application (CTA) underway to allow Halucenex to progress phase II clinical trial into the efficacy of psilocybin when used to treat treatment resistant PTSD**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that wholly-owned, Canadian based psychedelics company, Halucenex Life Sciences Inc. ("Halucenex") has commissioned a state of the art CO₂ Supercritical Extraction System from Advanced Extraction Systems Inc. ("AESI"). The system is expected to assist with the production of consistent, high quality psychedelic extracts from botanical mushroom strains containing psilocybin and expedite future product development initiatives.

Halucenex advises that it has also lodged all relevant documentation with Health Canada to seek an amendment to its Controlled Drugs and Substances Dealer's Licence (Dealer's Licence and Dealer's Licence Amendment), which if approved will allow the Company to produce, package and assemble psychedelic substances, both synthetic and botanical (refer ASX announcement: 16 August 2021).

Commissioning of extraction system:

The extraction system installation follows an initial agreement with AESI (refer ASX announcement: 31 March 2021) and is now operational at Halucenex's onsite laboratory.

Subsequent to the receipt of a Dealer's Licence Amendment, Halucenex will use the system to breakdown various psychedelic compounds of botanical psilocybin and other psychedelic substances for future product development. Halucenex is exploring a number of potential delivery methods, including tinctures, lozenges, nasal sprays and capsules amongst others.



The Company will also utilise the system to explore potential psychedelic substance combinations, with an initial focus on CBD, THC and botanical psilocybin.

The system will also be used for ongoing research purposes and to explore the efficacy of extracted psilocybin distillates or concentrates in various delivery mechanisms to explore faster compound onset, more effective dosing which can lead to a better patient experience and more positive treatment outcomes.

The accumulation of intellectual property and understanding of various psychedelic compounds in this under researched, but growing space is critical for derisking the path to commercialisation. Understanding the various psychedelic wellness compounds that can be extracted from psychedelic psilocybin mushrooms also paves the way for patenting both the compound, and the way in which it is used to deliver desired patient outcomes.

Amendments to Halucenex's Controlled Drugs and Substances Dealer's Licence:

Following receipt of its Dealer's Licence, Halucenex has sought an amendment from Health Canada to produce, package and assemble psychedelic substances. The Company has now lodged all relevant documentation with the regulatory body and expects to liaise with Health Canada over the coming months ahead of potentially being granted approval.

Simultaneously, the Company is progressing its clinical trial application (CTA) and expects to lodge it in the coming weeks. This is a key step towards the commencement of its phase II clinical trial to test the efficacy of psilocybin on treatment resistant Post Traumatic Stress Disorder (PTSD).





Images: State of the art CO₂ Supercritical Extraction System from Advanced Extraction Systems Inc. at Halucenex's onsite laboratory

Commentary:

Halucenex Founder & CEO Bill Fleming said: *"The commissioning of our extraction unit will provide significant optionality across product development initiatives, as well as our ongoing R&D. We have always anticipated a looming supply shortage in regard to synthetic psilocybin and our new system will be imperative as we progress work towards commercialising extracts from botanical mushrooms as a natural and recurring source.*

"Following receipt of the potential Dealer's Licence Amendment, we also intend to explore work with other psychedelic substances allowing us to push even further ahead of our competition. The potential that this could unlock for the Company is exciting and will build on the growing body of evidence for our new treatment routes."

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Authority and Contact Details

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

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About Creso Pharma

Creso Pharma Limited (ASX:CPH) brings the best of cannabis to better the lives of people and animals. It brings pharmaceutical expertise and methodological rigor to the cannabis world and strives for the highest quality in its products. It develops cannabis and hemp derived therapeutic, nutraceutical, and life style products with wide patient and consumer reach for human and animal health.

Creso Pharma uses GMP (Good Manufacturing Practice) development and manufacturing standards for its products as a reference of quality excellence with initial product registrations in Switzerland. It has worldwide rights for a number of unique and proprietary innovative delivery technologies which enhance the bioavailability and absorption of cannabinoids. To learn more please visit: www.cresopharma.com

About Halucenex Life Science:

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

Forward Looking statements

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