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Wholly-owned psychedelics subsidiary Halucenex Life Sciences Inc. secures research agreement with leading university to expedite product development initiatives

Highlights:

- **Research Collaboration Agreement secured with Acadia University to develop soft gel capsule drug delivery format containing CBD and psilocybin respectively**
- **Acadia is one of Canada's oldest and most respected universities located in the Annapolis Valley, outside of Halifax, Nova Scotia**
- **Acadia's state of the art research centres are located near Halucenex's existing operations - allows both parties to expedite initiative**
- **Aim to develop a product based on nanoemulsion technology which has a quick release effect, good bioavailability and rapid onset**
- **Product to adhere to pharmaceutical industry standards - unlocking future manufacturing and licencing opportunities**
- **Initiatives to commence in coming weeks with collaboration to be completed in CY2022**
- **Acadia to supply a fulltime research associate to progress collaboration work**
- **Product development initiatives are intended to strengthen Creso Pharma's IP and provide another strategic advantage in rapidly growing markets**

Creso Pharma Limited (ASX:CPH, FRA:1X8, OTC:COPHF) ('Creso Pharma' or 'the Company') is pleased to advise that wholly-owned, Canadian based psychedelics company, Halucenex Life Sciences Inc. ("Halucenex") has entered into a Research Collaboration Agreement with a highly respected Canadian post-secondary institution, Acadia University ("Acadia").

Under the agreement, Halucenex and Acadia will progress the development of gel capsules containing psilocybin and CBD ingredients as a vehicle for drug delivery. The parties will utilise Halucenex's proprietary technology and experiment with novel formulations based on nanoemulsion and nanoencapsulation, which is pivotal for use in the pharmaceutical industry.

Founded in 1838, Acadia University is one of the oldest and most respected liberal arts universities in Canada. It is located outside of Halifax, Nova Scotia and boasts world-class, award winning research facilities. Acadia fosters collaboration in research across a number of disciplines and works closely with industry, community and sister organisations.

As part of the collaboration, Halucenex and Acadia personnel will work together to develop drug delivery vehicles in the form of gel capsules containing CBD and psilocybin respectively. Both parties aim for the formulation to have a quick release effect, good bioavailability of the active ingredients and rapid action.

The project will be undertaken across two stages and is expected to be completed during H1 CY2022. Firstly, both parties will focus on the development of a CBD gel capsule. This will include the selection



of suitable hydrophilic vehicles for soft gel formulation, delineating the best working pH environment, chemical characterisation and stability testing.

Following this process, the second phase will commence which includes undertaking a similar process with a focus on the creation of a psilocybin only gel capsule.

To undertake these initiatives, a research associate (post-doctoral fellow) will be hired from Acadia to work on the initiative full time. Halucenex and Creso Pharma will also supply the relevant CBD and psilocybin ingredients for the research phases.

This agreement marks a key milestone for Halucenex and Creso Pharma. It is anticipated that the initiative will provide insight into both CBD and psilocybin compounds, requirements for the use of these products in the pharmaceutical industry and the potential manufacturing necessities for future term drug development.

Commentary:

Acadia University's Director of Industry & Community Engagement, Leigh Huestis said: *"Acadia is thrilled to participate in this research collaboration. This type of cutting-edge research allows us to build on previous work we have done using nanoemulsion and nanoencapsulation technologies in the cannabis industry. Halucenex is an innovative company and a great partner to work with."*

Halucenex Founder & CEO Bill Fleming said: *"We are excited to have entered into this collaboration with Acadia. The group is a highly esteemed organisation with a strong background in the field of research and its state of the art research centres are conveniently located near our existing facilities."*

"This is an important step for the Company, as it will give us much greater insight into the drug development process. We have a clear focus on protocols and standards which have been adopted by the pharmaceutical industry and anticipate that these initial steps will provide a strong foundation for future progress."

"We look forward to progressing the initiative and updating shareholders on results over the coming months."

Non-executive Chairman Mr Adam Blumenthal added: *"We anticipate that this initiative will provide benefits across the Creso Pharma group of companies. Both CBD and psilocybin are gaining strong traction with consumers and to take the first step in developing a standardised dosage, with rapid onset will position Creso Pharma well within these industries."*

"We look forward to receiving the initial results, as they will provide us with valuable insight into the potential steps towards licencing and manufacturing agreements with industry participants."

The Research Collaboration Agreement sets out the scope of works to be completed over the 32 week period of the project and the details of the budgeted cost of the research being CAD\$159,920 (AUD\$172,457).

The Research Collaboration Agreement is standard for research collaborations of this nature and does not contain defined termination clauses.

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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

This announcement contains forward-looking statements with respect to Creso and its respective operations, strategy, investments, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Creso could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties



surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition and government regulation.

The cautionary statements qualify all forward-looking statements attributable to Creso and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this announcement and Creso has no obligation to up-date such statements, except to the extent required by applicable laws.