



24 February 2023

Secondary Trading Notice Pursuant to Section 708A(5)(e) of the Corporations Act

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or the 'Company') gives this notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) ("Corporations Act").

The Company advises that it has issued ordinary fully paid shares in the capital of the Company, per the Appendix 2A lodged with the ASX on 24 February 2023 ("Shares"). The Shares were issued without disclosure to investors under Part 6D.2 of the Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) section 674 of the Corporations Act.

As at the date of this notice, other than as set out below, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

The Company refers to its announcements of 25 October 2022 and 5 December 2022, in which the Company disclosed that it had identified a breach of ASX Listing Rule 10.11 ('Breach'), self-reported the Breach to ASX, was undertaking remedial steps in compliance with Guidance Note 25 and had implemented protocols to ensure the Company's ongoing compliance with ASX Listing Rule 10.11. The Company further advises that it has since been notified of ASX's intention to censure the Company in connection with the Breach under Listing Rule 18.8A, in the form of a public announcement, which is expected to be released after 5:00pm AEST on 24 February 2023. The information included in the censure notice is consistent with the Company's prior disclosures on the matter.

The Company is in the process of negotiating terms of a potential future capital raising of approximately \$2.5 million by the issue of convertible notes, convertible into shares based on the lower of \$0.04 and a VWAP calculation to the date of issue or shareholder approval, or repayable at an uplift of 11.11%, within 9 months of issue (subject to monthly redemptions in cash or shares based on a percentage of a VWAP calculation). The terms additionally contemplate the issue of 50,000,000 quoted and 20,000,000 unquoted options (each out-of-the-money). If agreed, the securities would be issued out of the Company's placement capacity to the extent possible at the time of agreement, with the balance subject to shareholder approval. In the event the capital raising proceeds, the Company will grant security over certain of its assets to the lender. The Company will provide further detail to the market should the transaction proceed.

Authority and Contact Details

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

For further information, please contact:



Investor Enquiries

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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

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