



## ASX Announcement

23 July 2018

### Options Entitlement Issue & Update

Creso Pharma Limited (ASX:CPH) (**Creso** or the **Company**) is pleased to provide the following update on its operations.

#### Entitlement Issue

The Company intends to conduct a non-renounceable rights issue to raise up to approximately \$2,737,639, before costs (based on the number of fully paid ordinary shares (**Shares**) that are currently on issue as at the date of this announcement).

Under the terms of the rights issue, eligible shareholders will be able to subscribe for 1 New Option for every 2 Shares they hold (**New Option**) at an issue price of \$0.05 per New Option (**Offer**).

Each New Option will be unquoted and exercisable into one Share at an exercise price of \$0.80 within 2 years of the date of issue.

The Offer is not underwritten.

One of the intentions of the Offer is to reward the Company's long-term Shareholders for their loyalty, many of them having committed their capital at or before the Company's initial public offer. The Offer will also serve to help maintain shareholder loyalty and Share ownership for any shareholders who have purchased Shares since the Company's Shares commenced quotation on the ASX.

The net proceeds from the Offer will be used primarily for the construction of the cannabis growing facility at the Mernova Medicinal Inc (**Mernova**), site in Nova Scotia, Canada, to fast track product development at Mernova, as well as the expenses of the Offer and working capital.

Shareholders on the record date with a registered address in Australia, New Zealand, Singapore, Switzerland and Israel will be eligible to participate in the rights issue.

Creso has a number of options and performance rights on issue (**Convertible Securities**). Holders of Convertible Securities are not entitled to participate in the Offer unless the Convertible Securities are exercised or converted into new Shares (in accordance with the applicable terms and conditions) and the new Shares are entered on the Company's register of members on or before 5:00pm (WST) on the record date.

The proposed timetable for the Offer is as follows:

Event	Date
Announce rights issue	23 July 2018
Lodgement of Prospectus with the ASIC	25 July 2018
Lodgement of Prospectus & Appendix 3B with ASX	25 July 2018
Notice sent to Optionholders	26 July 2018
Notice sent to Shareholders	27 July 2018
Ex date	30 July 2018
Record Date for determining Entitlements	31 July 2018
Prospectus sent to Shareholders & Company announces that this has occurred	3 August 2018
Last day to extend the Closing Date	9 August 2018
Closing Date	14 August 2018
ASX notified of under subscriptions	17 August 2018
Issue date/New Options entered into Shareholders' security holdings	21 August 2018

Subject to the Listing Rules, the above dates may be changed without notice.

Further information of the Offer will be sent out in a prospectus. The prospectus is intended to be lodged with ASIC on or about 25 July 2018 and mailed to eligible shareholders shortly after the record date. Shareholders may view the Company's ASX announcements, including those relating to the Offer, on the ASX website under the ASX code CPH.

Persons should consider the prospectus before deciding whether to acquire securities and eligible shareholders will need to complete the personalised entitlement and acceptance form that will accompany the prospectus in order to apply for New Options under the Offer.

### **Hemp Industries s.r.o**

The Company is considering a potential divestment of Hemp Industries s.r.o, its 100% owned subsidiary located in Slovakia. As set out in the accounts for period ending 31 December 2017, Creso's investment in Hemp Industries s.r.o, has been written off as the Company no longer considers the activities of Hemp Industries s.r.o, in line with its ongoing business. Negotiations are in the preliminary stages and the Company will keep the market updated on any developments as appropriate.

### **Potential TSX-V Listing**

The Company is currently contemplating a listing on the Canadian TSX Venture Exchange (TSX-V) to become a dually listed company. Even if the Company makes its formal decision to seek admission to the TSX-V, while every endeavour will be made to comply with the admission requirements set down by TSX-V, there is no guarantee that the Company will be able to comply with TSX-V's requirements or that the Shares will become listed on TSX-V. In the event the Company is unable to comply with these requirements, the Company will remain listed on the ASX, but will not become dual listed.

-ENDS-

**Investor Enquiries:**

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**About Creso Pharma**

**[www.cresopharma.com](http://www.cresopharma.com)**

Creso Pharma brings the best of cannabis to better the lives of people and animals. Creso Pharma 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 uses GMP 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.