



ASX Announcement

3 December 2018

CRESO PHARMA TO DUAL LIST ON THE TORONTO VENTURE EXCHANGE (TSX-V), CANADA

Highlights:

- TSX-V is the premier exchange for listed cannabis companies worldwide, with easier and more substantial access to capital available from Canadian and North American investors.
- Creso will be the only cannabis company publicly listed in both Australia and Canada, giving it exposure to a wider pool of investors.
- Health Canada has already accepted Creso's application to become a Licensed Producer for its 20,000 sq ft Mernova cultivation facility in Nova Scotia.
- Cannabis will be a US \$6.5 billion (AUD \$8.7 billion) industry by 2020 in Canada, according to research by one of Canada's biggest banks, CIBC.

Creso Pharma Limited (ASX:CPH, the "Company" or "Creso") is pleased to announce it has commenced the dual listing process on the Toronto Venture Exchange ("TSX-V"). The Company has appointed legal counsel Aird & Berlis LLP and lead broker Echelon Wealth Partners Inc. to advise on the listing.

In February 2018, Creso finalised the acquisition of Nova Scotia-based medicinal cannabis producer, Mernova Medicinal Inc. ("Mernova"). The completion of construction of Mernova's 20,000 sq ft, fully Good Manufacturing Process (GMP) compliant indoor facility is imminent, and licensing is due to be granted within the coming months.

The purpose-built Mernova facility is designed to produce three to four tonnes of its "Ritual Green" brand of dry cannabis annually. This has sparked increased interest from the Canadian market; as a result, Creso has decided to dual list and expand its investor base into the North American market.

Said Creso's CEO, Dr Miri Halperin Wernli: "With our intention to add value for our shareholders, this is an important milestone for Creso. We are pleased to offer Canadian and North American investors the opportunity to invest in a globally recognised cannabis company with a unique approach and high-quality, pharma-grade, innovative products.

The Canadian market was always an ambition and given our operations in Canada, Colombia, Europe and Australia it not only makes sense but it is timely we begin this process to meet investor demand. The recent landmark legislation for full, adult-use legalisation further demonstrates Canada's world-leading position in the cannabis industry and we look forward to reaping the benefits of this growing market."



In 2017, US\$2.25 billion was raised across 206 cannabis companies in Canada. In Q1 2018 alone, over US\$1.35 billion was raised across 96 Canadian cannabis companies, reflecting significant forecasted growth and demand. More equity capital has been raised in Canada for cannabis companies than anywhere else in the world with over 50 companies listed on the Canadian exchange. One of Canada's biggest banks - CIBC, has estimated that cannabis will be a US\$6.5 billion (AUD \$8.7 billion) industry by 2020 in Canada.

On 7 June 2018, senators voted to lift Canada's 95-year-old prohibition on recreational cannabis in a historic-first for full adult-use legalisation. Canada is the first of the G20 countries to have fully legalized cannabis on October 17 2018 for recreational consumption and open sale and distribution to domestic and international markets.

Creso has engaged Echelon Wealth Partners Inc. ("Echelon") to lead the dual listing process. Echelon is a full-service broker/dealer offering investment banking, equity research, institutional sales and trading and retail distribution services. Echelon has raised over US\$6 billion since January 2014 and participated in over 200 transactions. In the cannabis space alone, Echelon has raised over US\$1.1B and has been an active participant in global cannabis M&A advisory.

On completion of the listing, expected to take place within 60 to 90 days, Creso will be the only ASX listed Cannabis Company with a dual listing in Canada.

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About Creso Pharma

www.cresopharma.com

Creso Pharma 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 de-rived 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.

About Echelon Wealth Partners Inc.

www.echelonpartners.com

Echelon Wealth Partners Inc. is a Canadian independent wealth management and capital markets firm known for its client-centred approach and innovative, entrepreneurial spirit. The company has approximately 80 Advisors and Portfolio Managers with more than \$4 billion in assets under administration and management. Echelon offers a wide range of financial services for individuals, households, institutions and corporate clients from its offices in Toronto, Oakville, Ottawa, London, Montreal, Saskatoon, Calgary, Vancouver, Victoria and Edmonton. Echelon has advised on over 250 capital markets transaction since 2014 and has helped companies raise over C\$8.7B in that time. Echelon Wealth Partners is a member firm of the Investment Industry Regulatory Organization of Canada (IIROC) and a member of the Canadian Investor Protection Fund (CIPF).

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Forward Looking Statements

This announcement contains forward-looking statements with respect to Creso, and their 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 Creso does not have any obligation to update such statements except to the extent required by applicable laws.