



ASX Announcement

13 February 2019

Creso enters strategic collaboration with Burleigh Heads Cannabis Pty Ltd on introduction of its medicinal cannabis products to Australia

Highlights

- Creso Pharma confirms plans to introduce its innovative therapeutic products containing full spectrum hemp extracts through a distribution partnership with Burleigh Heads Cannabis, one of Australia's leading medicinal cannabis distribution companies
- Initial focus will be on gaining the necessary regulatory acceptance for cannaQIX 50® to be sold as a therapeutic product in Australia via approved channels
- Creso and Burleigh Heads Cannabis agree to explore the introduction of additional therapeutic/medicinal products from Creso's pipeline of new products to be produced by Creso at its production facilities globally.

Creso Pharma Limited (ASX:CPH, FRA:1X8) (the "Company" or "Creso") is pleased to announce that it has signed a Binding Letter of Intent with Burleigh Heads Cannabis Pty Ltd ("BHC") to geographically expand the distribution of its innovative therapeutic medicinal cannabis products into Australia.

Burleigh Heads Cannabis is a subsidiary of Cannabis Doctors Australia Pty Ltd ("CDA"), an established Australian business supporting patient access to medical cannabis products in Australia through its affordable CDA branded products and CDA Clinics which assist doctors and patients navigate the process of applying, prescribing and sourcing medical cannabis legally and provide educational resources and one-to-one service from their consultant doctors through physical and telehealth clinics.

Creso intends to leverage BHC's and CDA's local regulatory experience and established distribution networks to facilitate patient access to its products in Australia.

Creso and Burleigh Heads Cannabis will initially focus on gaining the necessary regulatory acceptance for Creso's flag-ship medicinal cannabis product, cannaQIX® 50, to be sold in Australia as a therapeutic product via approved channels as "**CDA CBD 50 - Lozenges**" under the CDA Clinics branding.



Dr. Miri Halperin Wernli, Creso Pharma's CEO and co-founder said, "We are really pleased to announce our partnership with Burleigh Heads Cannabis on the expansion of our business in Australia. In a short time, the team at Burleigh Heads Cannabis and Cannabis Doctors Australia (CDA Clinics) have built a formidable distribution network providing much needed access to Australians seeking the therapeutic properties of medicinal cannabis. Whilst our collaboration will focus initially on the introduction of cannaQIX®50, we are looking forward to working together on the introduction of a range of pipeline therapeutic products to be produced by Creso at our production facilities globally."

Mr. Guy Headley, Managing Director of Burleigh Heads Cannabis said "We're delighted to partner with Creso Pharma. Creso has a strong focus on developing innovative therapeutic products which deliver real benefits for patients. We're looking forward to building a broad collaboration with Creso Pharma and bringing the benefit of their innovative products to patients in Australia under the CDA banner."

Subject to the receipt of the necessary regulatory approvals, the parties intend to enter into a comprehensive Distribution Agreement within the next month.

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About cannaQIX®50 in medicinal cannabis

cannaQIX®50 is Creso's proprietary buccally formulated cannabidiol ("CBD") lozenge which is designed to support the management of chronic pain. Each cannaQIX® 50 lozenge contains 50mg of CBD from full spectrum hemp plant extracts along with niacin, vitamins B6, B12, C, and zinc in a standardized pharma-grade formulation produced in Switzerland.

cannaQIX® 50 comes in packs of 30 lozenges in a proprietary delivery formulation designed for buccal absorption and to dissolve in the mouth. This method works faster and more efficiently than tablets or capsules which need to be swallowed and have a high percentage of their ingredients broken down when absorbed through the intestine and passed first through the liver. By being dissolved in the mouth, the active ingredients enter the blood stream directly, avoiding this first pass through the liver.



cannaQIX®50 has been developed to Good Manufacturing Practice standards and is produced in Switzerland by Creso's partner Swiss-based food and pharma development company, Domaco, Dr. med Aufdermaur AG ("Domaco") to the highest Swiss quality with a "Swiss Made" label.

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 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.



About Burleigh Heads Cannabis

www.burleighheadscannabis.com

Burleigh Heads Cannabis is dedicated to providing quality solutions in the field of natural cannabinoid medicine for the benefit of the community. Burleigh Heads Cannabis, a subsidiary of Cannabis Doctors Australia Pty Ltd, focuses on providing easily accessible, quality products to patients through their affordable CDA branded Products and accessible pathways through CDA Clinics.

CDA Clinics provide doctors and patients with the ability to navigate the process of applying, prescribing and sourcing medical cannabis legally and provide educational resources and one-to-one service from their consultant doctors through physical and telehealth clinics.

Burleigh Heads Cannabis together with CDA clinics provide the patients and doctors alike with a holistic approach to the provision of medicinal cannabis and related services within Australia and New Zealand.

About Domaco, Dr. med Aufdermaur AG

www.domaco-pharma.com

Domaco, Dr. med Aufdermaur AG is a Swiss-based food and pharma development company that owns the rights to a number of innovative delivery systems used to administer active ingredients through galenic forms which is a way of preparing and compounding medicines in order to optimise their absorption.

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.

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