



27 August 2020

Dear Shareholder,

**Extraordinary General Meeting – Notice and Proxy Form**

Notice is hereby given that an Extraordinary General Meeting (**Meeting**) of Shareholders of Creso Pharma Limited (**Company**) will be held at the offices of Azalea Consulting Pty Ltd, Suite 5, Chelsea Professional Centre, 145 Stirling Highway, Nedlands, WA 6009 at 11:30am (WST) on Friday, 2 October 2020.

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.1) 2020, the Company will not be dispatching physical copies of the Notice of Meeting (**Notice**). Instead, a copy of the Notice is available at [www.cresopharma.com/investor-information](http://www.cresopharma.com/investor-information) and the ASX Company's Announcement Platform at [asx.com.au](http://asx.com.au) (ASX:CPH).

If you have elected to receive notices by email, a copy of your personalised proxy form will be emailed to you. If you have not elected to receive notices by email, a copy of your personalised proxy form will be posted to you, together with this letter for your convenience.

The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government's and State Government's current restrictions on physical gatherings. Shareholders who are unable to attend the Meeting will be able to participate by:

- (a) voting prior to the Meeting by lodging your proxy instructions by no later than 48 hours prior to the Meeting (by 12:00pm (WST) on 12 August 2020) either by **voting online at:** <https://investor.automic.com.au/#/loginsah>, or lodging a proxy form by:
  - **post to:** Automic, GPO Box 5193, Sydney, NSW, 2001; or
  - **in person to:** Automic, Level 5, 126 Phillip Street, Sydney, NSW, 2000; or
  - **by email to:** [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)
- (b) lodging questions in advance of the Meeting by emailing the questions to Erlyn Dale, Joint Company Secretary at [erlyn@azc.com.au](mailto:erlyn@azc.com.au), by no later than 28 September 2020; and/or
- (c) attending the Meeting by video/teleconference facilities. Should you wish to attend the Meeting by video/teleconference facility, please contact Erlyn Dale, Joint Company Secretary, at [erlyn@azc.com.au](mailto:erlyn@azc.com.au).

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at [www.cresopharma.com/investor-information](http://www.cresopharma.com/investor-information).

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice, please contact Erlyn Dale, Joint Company Secretary at [erlyn@azc.com.au](mailto:erlyn@azc.com.au).

This announcement is authorised for market release by the Board of Creso Pharma Limited. For further information, please contact +61 8 9389 3180 or [erlyn@azc.com.au](mailto:erlyn@azc.com.au).

Sincerely,

**Erlyn Dale**  
Joint Company Secretary  
Creso Pharma Limited

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**CRESO PHARMA LIMITED**  
**ACN 609 406 911**  
**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 11:30am (WST)  
**DATE:** 2 October 2020  
**PLACE:** Offices of Azalea Consulting Pty Ltd  
Suite 5 CPC  
145 Stirling Highway  
NEDLANDS WA 6009

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 30 September 2020.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 2 PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 13,171,405 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue (namely the Placement Participants) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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#### 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,780,936 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue (namely the Placement Participants) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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### 3. RESOLUTION 3 – ISSUE OF SHARES TO DR MIRI HALPERIN WERNLI – PARTICIPATION IN PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 833,333 Shares to Dr Miri Halperin Wernli (or her nominee) on the terms and conditions set out in the Explanatory Statement.”*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Dr Miri Halperin Wernli (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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### 4. RESOLUTION 4 – ISSUE OF SHARES TO MR ADAM BLUMENTHAL – PARTICIPATION IN PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 833,333 Shares to Mr Adam Blumenthal (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Adam Blumenthal (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SERVICE SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 500,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue (namely the Consultant) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF DEBT CONVERSION SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,420,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF MERNOVA SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,010,185 Shares on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely Mernova) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 8. RESOLUTION 8 – APPROVAL TO ISSUE FUTURE PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$5,000,000 on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**9. RESOLUTION 9 – APPROVAL TO ISSUE SHARES TO L1 CAPITAL**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 2,400,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely L1 Capital) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**Dated: 27 August 2020**

**By order of the Board**



**Erlyn Dale  
Company Secretary**

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9389 3180***



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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. BACKGROUND TO RESOLUTIONS 1 TO 4

As announced on 1 June 2020, the Company secured commitments to raise up to \$2,137,000 through the issue of 35,619,008 Shares to sophisticated and professional investors at an issue price of \$0.06 per Share (**Placement**).

The Company issued:

- (a) 13,171,405 Shares pursuant to its capacity under Listing Rule 7.1 on 2 June 2020 and 3 June 2020 (being the subject of Resolution 1) (**Tranche 2 Placement Shares**); and
- (b) 20,780,936 Shares on 29 May 2020 pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 16 June 2020 (being the subject of Resolution 2) (**Tranche 1 Placement Shares**),

(together, the **Placement Shares**).

The Company has also agreed, subject to obtaining Shareholder approval, to issue 833,333 Shares to each of Adam Blumenthal and Miri Halperin Wernli, to enable these Directors to participate in the Placement on the same terms as other investors (**Director Participation**). Resolutions 3 and 4 seek Shareholder approval pursuant to Listing Rule 10.11 for the Director Participation.

EverBlu Capital Pty Ltd (ACN 612 793 683) (**EverBlu Capital**) was engaged to manage the Placement. The Company agreed to pay EverBlu Capital a fee of 6% of the total amount raised under the Placement and, subject to Shareholder approval, issue EverBlu Capital 3 Shares for every \$4 raised under the Placement.

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### 2. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

#### 2.1 General

Resolutions 1 and 2 seek Shareholder ratification for the issue of the Placement Shares.

#### 2.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 16 June 2020.

The issue of the Placement Shares does not fit within any of the exceptions under Listing Rule 7.2. As it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the date of issue of the Placement Shares.

### **2.3 Listing Rule 7.4**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

### **2.4 Technical information required by Listing Rule 14.1A**

If Resolutions 1 and 2 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolutions 1 and 2 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

### **2.5 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Placement Shares were issued to professional and sophisticated investors who are clients of EverBlu Capital (**Placement Participants**). The Placement Participants were identified through a bookbuild process, which involved EverBlu Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company. The Placement Participants included Achievement Nominees Pty Ltd (an adviser of the Company) who subscribed for 7,766,207 Shares and CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 A/C> (a substantial shareholder of the Company who subscribed for 3,333,334 Shares. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that no other Placement Participants were:
  - (i) related parties of the Company, members of the Company's key management personnel, substantial holders of the

Company, advisers of the Company or an associate of any of these parties; and

- (ii) issued more than 1% of the issued capital of the Company;
- (b) 33,952,341 Placement Shares were issued on the following basis:
  - (i) 13,171,405 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
  - (ii) 20,780,936 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (c) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares were issued on the following dates:
  - (i) 20,780,936 Shares were issued on 29 May 2020; and
  - (ii) 13,171,405 Shares were issued on 2 and 3 June 2020;
- (e) the issue price was \$0.06 per Placement Share under both the issues of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Placement Shares was to raise \$2,037,000, which will be deployed towards accelerating growth across the Company's existing human and animal health Cannabidiol product lines, repayment of outstanding debt and creditors and for general working capital purposes;
- (g) the Placement Shares were not issued under an agreement; and
- (h) a voting exclusion statement is included in Resolutions 1 and 2 of the Notice.

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### **3. RESOLUTIONS 3 AND 4 – ISSUE OF SHARES TO DR MIRI HALPERIN WERNLI AND MR ADAM BLUMENTHAL – PARTICIPATION IN PLACEMENT**

#### **3.1 General**

Resolutions 3 and 4 seek Shareholder approval for the Director Participation. Further details in respect of the Director Participation are set out in Section 1.

#### **3.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Director Participation will result in the issue of Shares which constitutes giving a financial benefit and Dr Halperin Wernli and Mr Blumenthal, are related parties of the Company by virtue of being Directors.

The Directors (other than Dr Halperin Wernli and Mr Blumenthal who have a material personal interest in the Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Director Participation because the Shares will be issued to Dr Halperin Wernli and Mr Blumenthal (or their nominees) on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

### **3.3 Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Director Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 3 and 4 seek Shareholder approval for the Director Participation under and for the purposes of Listing Rule 10.11.

### **3.4 Technical information required by Listing Rule 14.1A**

If Resolutions 3 and 4 are passed, the Company will be able to proceed with the issue of the Shares under the Director Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 2.5(f) above. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares in respect of the Director Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 3 and 4 are not passed, the Company will not be able to proceed with the issue of the Shares under the Director Participation and no further funds will be raised in respect of the Placement.

### 3.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 3 and 4:

- (a) the Shares will be issued to Dr Halperin Wernli and Mr Blumenthal (or their nominees), who fall within the category set out in Listing Rule 10.11.1, as each of these parties is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Shares to be issued is 1,666,666 comprising of the issue of:
  - (i) 833,333 Shares to Dr Miri Halperin Wernli (or their nominee) (Resolution 3); and
  - (ii) 833,333 Shares to Mr Adam Blumenthal (or their nominee) (Resolution 4);
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (e) the issue price will be \$0.06 per Share, being the same issue price as Shares issued to other participants in the Placement. The Company will not receive any other consideration for the issue of the Shares;
- (f) the purpose of the issue of Shares under the Director Participation is to raise capital, which the Company intends to use in the manner set out in Section 2.5(f) above;
- (g) the Shares to be issued under the Director Participation are not intended to remunerate or incentivise the Directors;
- (h) the Shares are not being issued under an agreement; and
- (i) a voting exclusion statement is included in Resolutions 3 and 4 of the Notice.

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## 4. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SERVICE SHARES

### 4.1 General

On 23 June 2020, the Company issued 500,000 Shares at a deemed issue price of \$0.05 per Share to a consultant of the Company in lieu of accrued fees for digital marketing services provided to the Company (**Service Shares**). The Service Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1

The Consultant has agreed to provide digital marketing services to the Company for a period of 12 months from June 2020. These services include:

- (a) ongoing, unlimited editorial coverage of the Company press releases, analyst commentary, conference calls, and any material supplied by the Company deemed newsworthy by the Consultant;
- (b) interview-based feature articles and other special content as may be determined from time to time;
- (c) articles covering major corporate developments to be featured in the daily and weekly news summaries prepared by the Consultant; and
- (d) promotion of all content through social media.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Service Shares.

#### **4.2 Listing Rules 7.1 and 7.4**

A summary of Listing Rules 7.1 and 7.4 is set out in Sections 2.2 and 2.3 above.

The issue of the Service Shares does not fit within any of the exceptions under Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Service Shares.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Service Shares.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Service Shares.

#### **4.3 Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Service Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Service Shares.

If Resolution 5 is not passed, the Service Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Service Shares.

#### 4.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Service Shares were issued to a consultant of the Company in lieu of accrued fees for digital marketing services provided to the Company (**Consultant**). In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that the Consultant:
  - (i) was not a related party of the Company, member of the Company's key management personnel, substantial holder of the Company, adviser of the Company or an associate of any of these parties; and
  - (ii) was not issued more than 1% of the issued capital of the Company;
- (b) 500,000 Service Shares were issued and the Service Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Service Shares were issued on 23 June 2020;
- (d) no funds were raised from the issue as the Service Shares were issued for nil cash consideration in lieu of accrued fees for digital marketing services provided by the Consultant. The Company has not and will not receive any other consideration for the issue of the Service Shares;
- (e) the purpose of the issue of the Service Shares was to allow the Company to retain and spend a greater proportion of its cash reserves on operational activities than it would if it was required to pay cash for the services;
- (f) the material terms of the agreement under which the Service Shares were issued is set out in Section 4.1; and
- (g) a voting exclusion statement is included in Resolution 5 of the Notice.

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#### 5. RESOLUTION 6 – RATIFICATION OF DEBT CONVERSION SHARES

##### 5.1 General

On 23 June 2020, the Company issued 15,420,000 Shares at a deemed issue price of \$0.05 per Share in lieu of cash payments for outstanding creditor invoices (**Debt Conversion Shares**). The Debt Conversion Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1.

Resolution 6 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Debt Conversion Shares.

##### 5.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is set out in Sections 2.2 and 2.3 above.

The issue of the Debt Conversion Shares does not fit within any of the exceptions under Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the

Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Debt Conversion Shares.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Debt Conversion Shares.

Resolution 6 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Debt Conversion Shares.

### **5.3 Technical information required by Listing Rule 14.1A**

If Resolution 6 is passed, the Debt Conversion Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Debt Conversion Shares.

If Resolution 6 is not passed, the Debt Conversion Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Debt Conversion Shares.

### **5.4 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) the Debt Conversion Shares were issued to creditors of the Company in lieu of cash payments for outstanding creditor invoices (**Creditors**). The Creditors included Achievement Nominees Pty Ltd (an adviser of the Company) who subscribed for 6,000,000 Shares. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that no other Creditors:
  - (i) were related parties of the Company, members of the Company's key management personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) were issued more than 1% of the issued capital of the Company;
- (b) 15,420,000 Debt Conversion Shares were issued and the Debt Conversion Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Debt Conversion Shares were issued on 23 June 2020;
- (d) no funds were raised from the issue as the Debt Conversion Shares were issued in lieu of cash for outstanding creditor invoices (at a deemed issue price of \$0.05 per Share). The Company has not and will not



receive any other consideration for the issue of the Debt Conversion Shares;

- (e) the purpose of the issue of the Debt Conversion Shares was to allow the Company to retain and spend a greater proportion of its cash reserves on operational activities than it would if it was required to pay the relevant invoices in cash;
- (f) the Debt Conversion Shares were not issued under an agreement as these Shares were issued in lieu of cash for outstanding creditor invoices; and
- (g) a voting exclusion statement is included in Resolution 6 of the Notice.

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## 6. RESOLUTION 7 – RATIFICATION OF MERNOVA SHARES

### 6.1 General

On 26 June 2020, the Company issued 15,010,185 Shares to the vendors of Mernova Medicinal Inc (**Mernova**) at a deemed issue price of \$0.05 per Share (**Mernova Shares**).

As announced on 14 February 2020, the second milestone in respect of the Company's acquisition of Mernova has been satisfied (**Milestone 2**). As a result of the achievement of Milestone 2:

- (a) the 4,150,000 Milestone 2 Exchangeable Shares issued in the Company's Canadian subsidiary have now vested and become exchangeable, at the election of the Mernova vendors (**Vendors**), for Shares. In accordance with the terms of the Shareholder approval and ASX Listing Rule 7.1 waiver, obtained in December 2017, the Vendors can elect to exchange the Milestone 2 Exchangeable Shares into a maximum of 8,300,000 Shares at any time until 11 December 2022; and
- (b) the Milestone 2 cash payment of C\$800,000 became payable to the Vendors (**Milestone 2 Payment**).

The Mernova Shares were issued to settle part of the debt owed to the Vendors in respect of the Milestone 2 Payment. The Mernova Shares were issued on 26 June 2020, pursuant to the Company's placement capacity under Listing Rule 7.1.

Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Mernova Shares.

### 6.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is set out in Sections 2.2 and 2.3 above.

The issue of the Mernova Shares does not fit within any of the exceptions under Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Mernova Shares.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for

such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Mernova Shares.

Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Mernova Shares.

### **6.3 Technical information required by Listing Rule 14.1A**

If Resolution 7 is passed, the Mernova Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Mernova Shares.

If Resolution 7 is not passed, the Mernova Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Mernova Shares.

### **6.4 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) the Mernova Shares were issued to the Vendors to settle part of the debt owed by the Company in respect of the Milestone 2 Payment. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the Vendors:
  - (i) were related parties of the Company, members of the Company's key management personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) were issued more than 1% of the issued capital of the Company;
- (b) 15,010,185 Mernova Shares were issued and the Mernova Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Mernova Shares were issued on 26 June 2020;
- (d) no funds were raised from the issue as the Mernova Shares were issued for nil cash consideration to settle part of the Company's debt in respect of the Milestone 2 Payment. The Company has not and will not receive any other consideration for the issue of the Mernova Shares;
- (e) the purpose of the issue of the Mernova Shares was to settle part of the Company's debt in respect of the Milestone 2 Payment and enable the Company to retain and spend a greater proportion of its cash reserves on operational activities than it would if it was required to make a cash payment;
- (f) a summary of the material terms of the acquisition agreement between the Company and the Vendors is set out in the notice of meeting

released on 9 November 2017 and a summary of the material terms of the agreement to issue the Memnova Shares is set out in Section 6.1; and

- (g) a voting exclusion statement is included in Resolution 7 of the Notice.

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## **7. RESOLUTION 8 – APPROVAL TO ISSUE FUTURE PLACEMENT SHARES**

### **7.1 General**

The Company is seeking Shareholder approval pursuant to Resolution 8 to issue up to that number of Shares which, when multiplied by the issue price, will raise up to \$5,000,000 (**Future Placement Shares**). The issue of the Future Placement Shares will also be subject to the Company obtaining the approval of its existing secured lenders.

In accordance with the corporate advisory mandate between the Company and EverBlu Capital, the Company will pay EverBlu Capital (or its nominees) a fee of 6% (plus GST) of the gross amount raised from the issue of the Future Placement Shares. Further details of the corporate advisory mandate are set out in the ASX announcement released on 21 January 2020.

### **7.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is set out in Section 2.2 above.

The issue of the Future Placement Shares does not fall within any of the exceptions under Listing Rule 7.2 and whilst the number of Future Placement Shares may not exceed the 15% limit in Listing Rule 7.1, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of the Future Placement Shares under Listing Rule 7.1 so that it does not use up any of the 15% limit on issue equity securities without Shareholder approval set out in Listing Rule 7.1.

### **7.3 Technical information required by Listing Rule 14.1A**

If Resolution 8 is passed, and subject to the Company obtaining the approval of its existing secured lenders, the Company will be able to proceed with the issue of the Future Placement Shares. In addition, the issue of the Future Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company may not be able to proceed with the issue of the Future Placement Shares.

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Future Placement Shares.

### **7.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the Future Placement Shares will be issued to professional and sophisticated investors who will be identified by the Directors and/or EverBlu Capital. The recipients will be identified through a bookbuild process, which will involve the Directors and/or EverBlu Capital seeking

expressions of interest to participate in the capital raising from non-related parties of the Company;

- (b) the maximum number of Future Placement Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$5,000,000. The Future Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Future Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Future Placement Shares will occur progressively;
- (d) the issue price of the Future Placement Shares will be not less than 75% of the 5-day VWAP prior to the date of issue. The Company will not receive any other consideration for the issue of the Future Placement Shares;
- (e) the purpose of the issue of the Future Placement Shares is to raise up to \$5,000,000;
- (f) the Company intends to use the funds raised from the issue of the Future Placement Shares as set out in Section 7.5;
- (g) the Future Placement Shares are not being issued under an agreement;
- (h) the Future Placement Shares are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 8 of the Notice.

## 7.5 Use of Funds

The table below sets out the Company's intended use of funds raised by the issue of the Future Placement Shares assuming that the Company raises \$5,000,000.

Use of Funds	\$	%
Mernova development	\$1,000,000	20.00%
Switzerland development	\$750,000	15.00%
Repayment of debt and amounts owing to secured lenders*	\$1,000,000	20.00%
Operational expenses and payment of accrued creditors	\$1,200,000	24.00%
Working capital	\$750,000	15.00%
Fees for raising (being 6% payable to EverBlu Capital under existing mandate)	\$300,000	6.00%
<b>Total</b>	<b>\$5,000,000</b>	<b>100.00%</b>

\* In accordance with the agreements between the Company and its existing secured lenders (as announced on 28 November 2019, 5 February 2020 and 20 April 2020), the Company may be required to apply a portion of the funds raised to the repayment of its existing debt facilities, this will depend on what arrangements can be agreed with the secured lenders at the time of the associated raises and the relevant amounts outstanding under the agreements at the time the funds is raised.

The above table is a statement of current intentions as of the date of this Notice. As with any budget, intervening events and new circumstances have the

potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

## 7.6 Dilution

Set out below is a worked example of the number of Future Placement Shares that may be issued under Resolution 8 based on an assumed issue prices of \$0.019, \$0.037 and \$0.074 being the closing price on 19 August 2020 (**Closing Price**) and the prices which are 50% higher and 50% lower than that price. To calculate the potential number of Shares that may be issued, discounted figures of \$0.014, \$0.028 and \$0.042, have been used, being an issue price, which is 75% of the volume weighted average prices (i.e. maximum discount) set out below.

Assumed VWAP	VWAP Discount (75% of VWAP)	Maximum number of Future Placement Shares which may be issued <sup>1</sup>	Current Shares on issue as at the date of this Notice <sup>2</sup>	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 8 <sup>3</sup>	Dilution effect on existing Shareholders
\$0.019	\$0.014	357,142,857	362,381,374	719,524,231	49.64%
\$0.037	\$0.028	178,571,429	362,381,374	540,952,803	33.01%
\$0.074	\$0.042	119,047,619	362,381,374	481,428,993	24.73%

### Notes:

1. Rounded to the nearest whole number.
2. There are currently 362,381,374 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no convertible securities converted or additional Shares issued other than pursuant to this Resolution 8.
3. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

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## 8. RESOLUTION 9 – APPROVAL TO ISSUE SHARES TO L1 CAPITAL

### 8.1 General

As announced on 2 June 2020, the Company has agreed, subject to obtaining Shareholder approval, to issue 2,400,000 Shares (**L1 Capital Shares**) to L1 Capital Global Opportunities Master Fund (**L1 Capital**).

### 8.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 2.2 above.

The proposed issue of the L1 Capital Shares does not fit within any of these exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### 8.3 Technical information required by Listing Rule 14.1A

If Resolution 9 is passed, the Company will be able to proceed with the issue of the L1 Capital Shares. In addition, the issue of the L1 Capital Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the L1 Capital Shares.

Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the L1 Capital Shares.

#### **8.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the L1 Capital Shares will be issued to L1 Capital (or its nominee), who is not a related party of the Company;
- (b) the maximum number of L1 Capital Shares to be issued is 2,400,000. The L1 Capital Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the L1 Capital Shares will occur on the same date;
- (d) the L1 Capital Shares will be issued at a nil issue price, in consideration for L1 Capital agreeing to a delay of two weeks in respect of the issue of 2,500,000 Convertible Notes and 36,764,706 Options to L1 Capital;
- (e) the purpose of the issue of the L1 Capital Shares is to compensate L1 Capital for agreeing to the delay in the issue of securities as noted above;
- (f) the L1 Capital Shares are being issued to L1 Capital under a variation to the New L1 Convertible Securities Agreement. Details of the New L1 Convertible Securities Agreement are set out in the notice of meeting released on 12 May 2020;
- (g) the L1 Capital Shares are not being issued under, or to fund, a reverse takeover; and
- (h) a voting exclusion statement is included in Resolution 9 of the Notice.

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## GLOSSARY

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**\$** or **AUD** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**CAD** means Canadian dollars.

**Chair** means the chair of the Meeting.

**Company** means Creso Pharma Limited (ACN 609 406 911).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Listing Rules** means the Listing Rules of ASX.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.



Creso Pharma Limited | ACN 609 406 911

# EGM Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

## Vote by Proxy: CPH

Your proxy voting instruction must be received by **11.30am (WST) on Wednesday, 30 September 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.






#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



<b>Contact</b>	<b>Return your completed form</b>		<b>All enquiries to Automic</b>	
	 <b>BY MAIL</b> Automic GPO Box 5193 Sydney NSW 2001	 <b>IN PERSON</b> Automic Level 5, 126 Phillip Street Sydney NSW 2000	 <b>BY EMAIL</b> meetings@automicgroup.com.au	 <b>WEBCHAT</b> <a href="https://automic.com.au/">https://automic.com.au/</a>   <b>PHONE</b> 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

<b>STEP 1: Appoint Your Proxy</b>	<b>Complete and return this form as instructed only if you do not vote online</b>																			
	I/We being a Shareholder entitled to attend and vote at the Extraordinary General Meeting of Creso Pharma Limited, to be held at <b>11.30am (WST) on Friday, 2 October 2020 at the offices of Azalea Consulting Pty Ltd, Suite 5 CPC, 145 Stirling Highway, Nedlands WA 6009</b> hereby:																			
Appoint the <b>Chairman of the Meeting (Chair)</b> OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.																				
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The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Unless indicated otherwise by ticking the “for,” “against” or “abstain” box you will be authorising the Chair to vote in accordance with the Chair’s voting intention.																				

<b>STEP 2: Your Voting Direction</b>	Resolutions	For	Against	Abstain
	1. Ratification of prior issue of Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Ratification of prior issue of Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Issue of Shares to Dr Miri Halperin Wernli – Participation in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4. Issue of Shares to Mr Adam Blumenthal – Participation in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5. Ratification of prior issue of Service Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6. Ratification of prior issue of Debt Conversion Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7. Ratification of prior issue of Mernova Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	8. Approval to issue future Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9. Approval to issue Shares to L1 Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.				

<b>STEP 3: Sign Here + Contact Details</b>	<b>SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED</b>																				
	Individual or Securityholder 1	Securityholder 2	Securityholder 3																		
	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>																		
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary																		
	Contact Name:																				
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By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).																					