

21 September 2020

Creso Pharma's Canadian Subsidiary Mernova Receives its First Retail PO from the Nova Scotia Liquor Corporation

Highlights:

- Mernova has received its initial Purchase Order ('PO') valued at C\$180,000 from the NSLC (Nova Scotia Liquor Corporation)
- NSLC is operated by the Government of Nova Scotia, and is the sole distributor of recreational cannabis in the province of Nova Scotia
- Mernova's retail cannabis brand '*Ritual Green*' will be launched and sold through the NSLC's stores and e-commerce platform
- Retail sales through other Provinces' stores and online platforms may follow
- First available recreational products will be two strains of Mernova's high quality dried flower in their natural form – additional high-quality products will be added as they become available
- Production scheduling is being adjusted to meet the NSLC's and other Provincial supply chain demands

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that the Company's wholly owned subsidiary, Mernova Medicinal Inc. ('Mernova'), a Licensed Producer in Nova Scotia, Canada, has received an initial PO valued at C\$180,000 from the NSLC for the purchase of two of its premium strains, HPG13 and Lemon Haze.

The NSLC is operated by the Nova Scotia Provincial government and is the sole distributor of retail cannabis in Nova Scotia.

This important milestone marks the imminent launch of Mernova's Ritual Green brand of high-quality cannabis products into Canada's rapidly growing recreational markets.

Entering Canada's retail markets diversifies Mernova's revenue streams and builds on an established and growing wholesale product sales pipeline.

Recreational Retail Product Launch

Mernova's retail recreational cannabis products will be launched under the brand name '*Ritual Green*' and will initially be sold through the Nova Scotia Liquor Corporation's ('NSLC') stores and e-commerce platform.

The first product available to recreational customers will be Mernova's high-quality dried flower in its natural form. Additional high-quality products will be added to the product line as they become available.

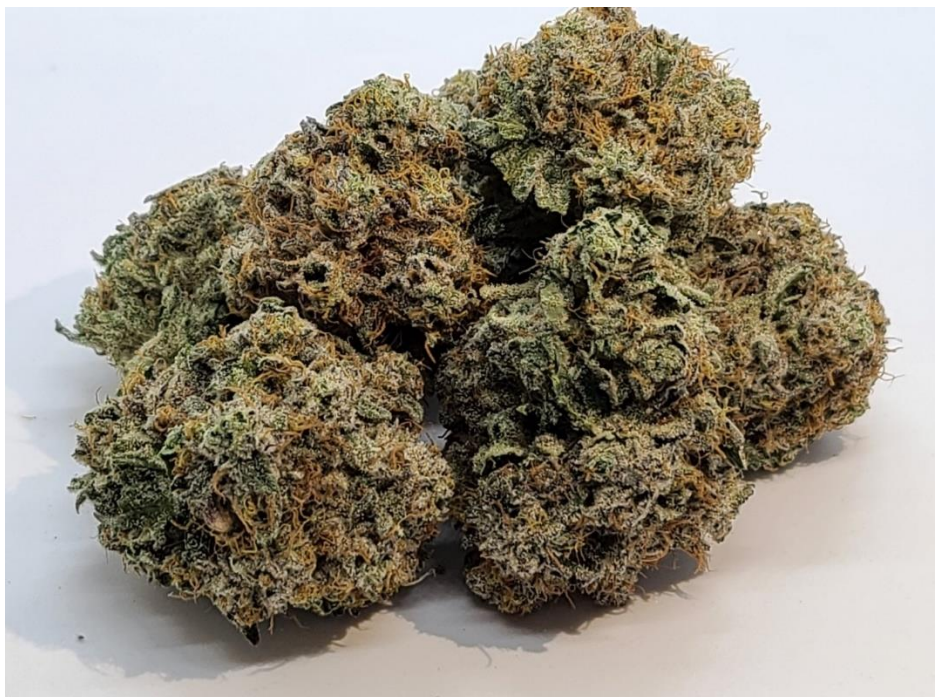


Figure 1: Ritual Green HPG13



Figure 2: Ritual Green Lemon Haze

**Management Commentary**

Mernova's Managing Director Jack Yu said: "Receiving this initial PO is the first step to Mernova establishing itself as a trusted supplier of high-quality, locally grown, artisanal cannabis products to the NSLC."

"To meet the supply chain demands of the NSLC and other provincial purchasers, we are adjusting our grow scheduling, while simultaneously ramping up production of our highest quality strains."

"We plan on taking full advantage of this opportunity to build our brand and brand loyalty, in our home province of Nova Scotia and I look forward to providing further updates in the near-term."

Next Steps

Creso Pharma will continue to provide regular updates on both retail and wholesale sales and on additional expansion opportunities available to Mernova across both the recreational and medicinal cannabis markets.

Mernova is also making considerable progress towards securing EU Good Manufacturing Practice (GMP) certification and further updates will be provided as this process advances.

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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

EverBlu Capital

E: info@everblucapital.com

P: +61 2 8249 0000

Released through:

Ben Jarvis, Six Degrees Investor Relations: Ph: +61 (0) 413 150 448

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

**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.