



## ASX Announcement

31 May 2018

### Update on proposed acquisition of Kunna S.A.S. (formerly Cannalivio S.A.S)

**Creso Pharma Limited** (ASX:CPH, the “Company” or “Creso”) advises that in relation to the proposed acquisition of Kunna Canada Ltd., and its wholly-owned Colombian subsidiary, medicinal cannabis group, Kunna S.A.S. (formerly Cannalivio S.A.S) (**Acquisition**), the parties have agreed to extend the end date of the Heads of Agreement (**HOA**) for the Acquisition from 31 May 2018 to 30 June 2018.

The Notice of Meeting to obtain shareholder approval for the issue of the consideration shares and performance shares for the Acquisition is with ASX for approval, and the General Meeting is expected to be held on or around 30 June 2018.

The Company has been informed by Kunna that the receipt of the cultivation license is imminent.

The Acquisition, if completed, will give Creso a foothold in the strategically important Latin American market. It will also mean Creso is the only Australian-listed medicinal cannabis company with direct exposure to the Colombian market and with the capacity to commercially cultivate medicinal-grade cannabis in that country.

#### About Kunna

Kunna intends to develop phytotherapeutic products with a view to treating seizures, chronic pain, cancer, epilepsy and multiple sclerosis, among others.

On 31 March 2017, Kunna was granted by the Ministry of Health a licence to produce, manufacture, market and export cannabis derivatives and products using extracts in Colombia, making it one of a small number of companies to have secured such a licence. Following receipt of this licence, Kunna applied for a licence to cultivate medicinal cannabis in Colombia and it expects this licence to be granted in the near term.

In preparation of receipt of the cultivation licence, Kunna has laid out a research project, which investigates plant genetics, disease and optimising cultivation.

Kunna has identified a parcel of land that is suitable for medicinal cannabis cultivation. Upon receiving the cultivation licence Kunna will immediately start a full genetic and fertilisation project. to obtain the optimal scalable crop for the premise selected. The company will then also progress Stage 2 of its project development, which will give the company access to large expansion in its land package and production of medicinal cannabis cultivation. Stage 3 has the ability to bring the total Company up to 600 hectares of cultivation property, subject to Colombian ministry quota grants. Kunna is leveraging local resources and research combined with access to vast ideal cultivation property to become one of the lowest cost producers in the industry.

-ENDS-

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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.

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