ABN: 89 609 406 911

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30 October 2020

QUARTERLY ACTIVITIES REPORT: 30 SEPTEMBER 2020
Global footprint expanded, strengthened Board and management team leaves Creso Pharma geared for growth

Highlights:

Mernova Medicinal Inc. (100% CPH):

- **A$596k (~C$568k) in total sales revenue recorded for the quarter**
- **Two purchase orders from Nova Scotia Liquor Corporation ('NSLC') totalling ~C$320k plus a third order received since the quarter end – highlights significant product demand in Canadian recreational market**

Nutraceutical Product Line - cannaQIX®:

- **Second purchase order from Pharma Dynamics valued at CHF194,300 (~A$295,000) secured for cannaQIX® product – sold under the 'Cannamics' brand in South Africa**
  - **Total of A$630,000 in purchase orders generated from South Africa to date – significantly strengthening revenue potential**
- **Commercial agreement signed with DHS Business/Lisbon to introduce Creso Pharma's products into Portuguese and Spanish markets – underpinning the Company's international expansion**

Corporate Developments:

- **Leading cannabis executive and Canopy Growth Corporation founder Bruce Linton appointed as strategic advisor**
- **Strategic Board and Management changes optimise Company for near term growth**
- **Firm commitments from institutional, professional, and sophisticated investors to raise up to A$7.992m received and fulfilled after the quarter end, with a further $1 million committed by Non-Executive Chairman, Adam Blumenthal, subject to shareholder approval.**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to provide this update to shareholders for the three month period ended 30 September 2020.

Management Commentary

Non-Executive Chairman, Mr Adam Blumenthal, said: "Creso has achieved a number of significant milestones during the September quarter."

"These were headlined by the Company's growing global footprint which is translating into new market opportunities."

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"Mernova continued to build sales momentum during the period, evident from the recent purchase orders secured in Nova Scotia - highlighting Creso Pharma's and Mernova's potential as a supplier to a rapidly growing recreational market in Canada."

"The recent success in Nova Scotia confirms the growing acceptance for Mernova's premium product from major players within the global cannabis industry. In a short period of time Mernova has emerged as a leading artisanal cannabis grower, as evidenced by the growing demand for its product. With production currently ramping up, we anticipate that Mernova's growth and contribution to the Company's revenue profile will only continue."

"Our Swiss affiliate made inroads by expanding its global footprint, highlighted by the push into high-growth markets such as Portugal and Spain. The market opportunities in South Africa – through our Pharma Dynamic commercial collaboration – reflects the demand for our product on a global scale and vindicates the market share initiatives we have put in place."

"We are closely observing potential changes to the regulatory environment across key markets in Europe and Australia, and we are confident that the changing landscape and growing acceptance for the sector will be beneficial to us."

"Finally, I want to welcome our newly-appointed strategic advisor Bruce Linton to Creso Pharma. Bruce's insights and experience will be of great benefit to the Company and I look forward to working closely with Bruce over the coming months."

"Creso Pharma is in a strong position underpinned by burgeoning market opportunities, and we look forward to accelerating our strategic initiatives to deliver returns for our valued shareholders."

Financials:

At the quarter end, Creso Pharma had cash reserves of A$2.56 million. Further details of Creso's funding are set out below and in the accompanying Appendix 4C report. The Company also notes that subsequent to the end of the period, it raised A$7.992m through a share placement to professional, sophisticated and institutional investors. The Company also received a firm funding commitment amounting to a further A$1m from Adam Blumenthal, non-executive Chairman.

Further, subsequent to the quarter end, the Company paid a total of A$2.35m in cash to redeem convertible notes held by secured lenders.

These activities significantly strengthen the Company's balance sheet and cash position and provide ample flexibility for growth.

Operational Overview:

Nutraceuticals:

Iberian market entry progress through commercial agreement with DHS Business/Lisbon

Creso Pharma signed a commercial agreement with DHS Business Portugal to introduce the Company's products into the Portuguese and Spanish markets (see ASX Announcement dated 12 August 2020).

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Creso's cannaDOL® 0.5% and 1% CBD topical gels, as well as cannaQIX ®oral care are among the key products to be launched, with the aim to achieve a major coverage of sports shops and pharmacies offering over 2,000 points of sales in Portugal and over 4,000 points of sales in Spain.

Second purchase order from Pharma Dynamics highlights South African opportunity

Subsequent to the end of period, the Company strengthened its revenue potential following the receipt of a purchase order from Pharma Dynamics South Africa for the Company's cannaQIX® product, valued at CHF 194,300 (~A$295,000).

This represented the second purchase order from the group for cannaQIX®, which is being sold under the 'Cannamics' brand in South Africa. The second Purchase Order follows the successful launch into the South African market through Pharma Dynamics and the delivery of first shipments which occurred in March 2020 (refer ASX announcement: 26 March 2020).

Pharma Dynamics - a subsidiary of Lupin Limited (NSE:LUPIN) - is a leading pharmaceutical company in South Africa, and is ranked the fifth biggest generic pharmaceutical company in SA.

Pharma Dynamics distributes Creso Pharma's hemp-based products across South Africa, with plans to extend the distribution to Namibia, Botswana, Zimbabwe, Swaziland, Lesotho, Angola, Mozambique, and Uganda. As a result, the Company anticipates additional opportunities will materialise in Africa through its established regional partner and will actively pursue those opportunities in the near-term.



Figure 1: Cannamics product packaging

Medicinal Cannabis:

Mernova continues sales growth

Creso's wholly owned subsidiary Mernova Medicinal Inc. ('Mernova') delivered several important milestones during the quarter ended 30 September 2020.

The Company secured two purchase orders from the Nova Scotia Liquor Corporation ('NSLC') totalling ~C$320,000, with the first secured in September and the second confirmed subsequent to the period end.

The initial purchase order (see ASX Announcement dated 21 September 2020) was valued at C$180,000 for the purchase of two of its premium strains, HPG13 and Lemon Haze (see figures 2 & 3).

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A second purchase order was successfully delivered approximately three weeks later (see ASX announcement dated 9 October 2020) valued at C$138,960.

A third purchase order was received subsequent to the quarter ended 30 September 2020 (see ASX announcement dated 27 October 2020).

Mernova's retail recreational cannabis products were launched under the brand name 'Ritual Green' and are currently being sold through NSLC stores and e-commerce platform.

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

Creso Pharma anticipates that additional orders will be received in the coming weeks for existing and new strains which will be added to the Ritual Green brand and that the NSLC will become an important, recurring revenue stream for the Company.

The Company further notes its announcement of 10 July 2020, in which the Company advised that Mernova was to ship four of its premium strains of cured, hand-trimmed, dried medicinal cannabis flower to Univo Pharmaceuticals Ltd ('Univo') in Israel under an order valued at US$625,690. As at the date of this announcement, the Company is owed approximately C$331,197 (subject to currency fluctuations) in respect of this shipment, and notes that it is now engaging in ongoing negotiations with Univo in respect to the payment of this outstanding debt. The Company will update the market with any material developments with respect to these negotiations, including, what, if any, impact there will be on revenues and cash receipts from Univo's purchase order of US$625,690 value, as announced on 10 July 2020.





Figures 2-3: (L-R): Mernova's Ritual Green HPG13 (20-25% THC, <1% CBD) and Lemon Haze (20-25% THC, <1% CBD) products.

Corporate Developments:

Strategic Board and Management Changes

In August 2020, the Company executed a number of strategic Board and management changes as it prepares to pursue several important near-term growth initiatives and commercialisation efforts currently underway across the business.

Creso Pharma Co-founder and Chief Executive Officer,Dr Miri Halperin Wernli transitioned to the role of Technology, Innovation and Distribution head and remains on the Company's Board of Directors. The new role allows Dr Halperin Wernli to focus on new technologies for the hemp and cannabis

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products globally as well as on furthering the commercialisation and distribution efforts of the Mernova medical cannabis products.

Mr Adam Blumenthal assumed the position of Non-Executive Chairman, with Mr Boaz Watchel moving from the role of Executive Chairman to Non-Executive Director, and Dr James Ellingford moving from Non-Executive Director to the role of Executive Director.

The Company has also made key internal appointments within its Swiss International Operations division, with Mr Jorge Wernli and Dr Gian Trepp appointed to executive management positions.

Canopy Growth founder Bruce Linton appointed as Strategic Advisor

Post-quarter end, the Company appointed leading cannabis executive Bruce Linton as strategic advisor over a two-year term.

Mr Linton was attracted to Creso Pharma for its unique IP, established global distribution footprint and robust product pipeline targeting distinct categories.

Mr Linton has extensive sector experience as a founder, CEO, Board member and adviser to a number of global cannabis companies.

Mr Linton's major achievements include his role as founder, Chairman and ex-CEO of Canopy Growth Corporation, during which time Canopy Growth Corporation's market capitalisation reached US$15 Billion (and was approximately US$11B upon his resignation in 2019). Canopy Growth has remained one of the largest listed cannabis companies on the NYSE since its IPO.

Creso Pharma received commitments totalling A$8.992m

Subsequent to the reporting date, the Company raised A$7.992 million (before costs) from institutional, professional and sophisticated investors through the issuance of 274,657,414 fully paid ordinary shares ("Shares") at an issue price of $0.0291 per Share ("the Placement") (see ASX Announcement dated 7 October 2020 and the Appendix 2A dated 12 October 2020).

A further $1 million has been committed from Creso Pharma's Non-Executive Chairman, Adam Blumenthal (which will be subject to shareholder approval).

The Company emerges from this Placement with a much stronger balance sheet and with significant financial flexibility to exercise many of its key short-term strategic initiatives.

TGA reclassification of CBD Update

In September 2020, the Therapeutic Goods Administration (TGA) recommended that cannabidiol (CBD) products be down scheduled from schedule 4 and classified as schedule 3 medicines in Australia.

This would allow Australian consumers to purchase CBD products over-the-counter (OTC) through pharmacies without the requirement of a prescription.

This development potentially unlocks a major opportunity for Creso's CBD and hemp products and the Company will look to progress a number of opportunities to capitalise on a market which is estimated to be valued at A$200 Million and set to grow rapidly in the near term.

Currently, the Company's cannaQIX® 50 is being sold in Australia as a medicinal cannabis product under the 'LozaCan' brand via Creso Pharma's distribution partner 'Burleigh Heads Cannabis' (BHC).

-Ends-

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Authority and Contact Details
This announcement has been authorised for release by the Board of Creso Pharma Limited.

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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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
Creso Pharma Limited	
ABN	**Quarter ended ("current quarter")**
89 609 406 911	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	95	3,043
1.2	Payments for		
	(a) research and development	(114)	(425)
	(b) product manufacturing and operating costs	(563)	(1,934)
	(c) advertising and marketing	(4)	(45)
	(d) leased assets	-	-
	(e) staff costs	(947)	(3,051)
	(f) administration and corporate costs	(429)	(2,350)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	51	312
1.9	**Net cash from / (used in) operating activities**	**(1,911)**	**(4,452)**
	Note:		
	During the quarter and the year to date, the Company issued shares in lieu of cash payments for debts outstanding comprising:	**-**	**42,244,648 shares**
	Deemed value in lieu of cash	**-**	**$2,562**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(35)
	(d) investments	-	-
	(e) intellectual property	-	(107)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	(78)	(259)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(79)**	**(401)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,542
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(200)	(751)
3.5	Proceeds from borrowings	1,485	4,843
3.6	Repayment of borrowings	-	(95)
3.7	Transaction costs related to loans and borrowings	-	(1,001)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,285**	**4,538**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,281	2,812
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,911)	(4,452)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(79)	(401)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,285	4,538
4.5	Effect of movement in exchange rates on cash held	(16)	63
4.6	**Cash and cash equivalents at end of period**	**2,560**	**2,560**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	2,560	3,281
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,560**	**3,281**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	169
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments made to related parties and their associates comprise:	$A'000
- Directors fees	169
Aggregate amount as above	**169**

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Secured Loan facilities	22,221[1]	4,806[1]
	Unsecured Loan facilities	1,685	1,685
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	23,906	6,491

7.5	**Unused financing facilities available at quarter end**	17,415[2]

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Note 1

1. The ability to draw down further funding under the existing facilities was subject to the Company obtaining shareholder approval and/or approval of the relevant lender.
2. The amounts set out in the table above reflect the amounts drawn down under each of these facilities, not the total amount owing to the lenders under these facilities.
3. At the end of the Quarter, the Company had on issue: 3,264,192 Tranche 1 Convertible Notes (CPHCON1) which have a face value of $1.00; 1,315,000 New Convertible Notes (CPHCON4) which have a face value of $1 and; one Lind Convertible Note (CPHCON3) which has a face value of $761,111.
4. During the Quarter an amount of $436,500, which had been drawn down under the New L1 Convertible Securities Agreement was repaid through the conversion of 485,000 New L1 Convertible Notes into 24,250,000 Shares and an amount of $315,000 which had been drawn down under the Lind Convertible Securities Agreement was repaid through the conversion of $350,000 of the face value of the Lind Convertible Security into 12,962,963 Shares.

Note 2

5. Given that, subsequent to the end of the Quarter (as announced on 7 and 12 October 2020), the Company and each of the secured lenders agreed terms of termination, redemption and cancellation in respect of the facilities, as at the date of this announcement there are no unused financing facilities currently available to the Company.

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The Loan facilities noted at item 7.1 above consist of:

(a) Original L1 Capital Agreement

A convertible securities agreement between the Company and L1 Capital Global Opportunities Master Fund (**L1 Capital**) entered into on 27 November 2019 (**Original L1 Capital Agreement**). At the end of the Quarter, the Company had drawn down a total of $1,500,000 under the Original L1 Capital Agreement and issued L1 Capital 1,666,667 Tranche 1 Convertible Notes. As announced on 14 April 2020, the amount outstanding in respect of the Tranche 1 Convertible Notes has been reduced. Accordingly, the number of Tranche 1 Convertible Notes on issue has been reduced to 1,319,747 and the amount drawn down at quarter end (and the corresponding facility amount) has been reduced to of $1,187,772 (excluding interest). Further details in respect of the Original L1 Capital Agreement are set out in the notice of meeting released on 23 December 2019 and the addendum to the notice of meeting released on 13 January 2020.

Subsequent to the end of the Quarter (as announced on 7 and 12 October 2020), the Company and L1 Capital terminated the Original L1 Capital Agreement and redeemed and cancelled all the Tranche 1 Convertible Notes held by L1 Capital.

(b) Suburban Agreement

A convertible securities agreement between the Company and Suburban Holdings Pty Limited (**Suburban Holdings**) entered into on or about 27 November 2019 (**Suburban Agreement**). At the end of the Quarter, the Company had drawn down a total of $1,500,000 under the Suburban Agreement and issued Suburban 1,666,667 Tranche 1 Convertible Notes. Further details in respect of the Suburban Agreement are set out in the notice of meeting released on 23 December 2019 and the addendum to the notice of meeting released on 13 January 2020.

Subsequent to the end of the Quarter (as announced on 7 and 12 October 2020), the Company and Suburban Holdings have agreed, subject to obtaining shareholder approval to terminate the Suburban Agreement and redeem and cancel all the Tranche 1 Convertible Notes held by Suburban. Although the terms are subject to shareholder approval, Suburban Holdings has agreed to release the security arrangements granted over the Company's assets with immediate effect.

(c) Chifley Agreement

A convertible securities agreement between the Company and Chifley Portfolios Pty Limited (**Chifley**) entered into on or about 27 November 2019 (**Chifley Agreement**). At the end of the Quarter, the Company had drawn down a total of $250,000 under the Chifley Agreement and issued Chifley 277,778 Tranche 1 Convertible Notes. Further details in respect of the Chifley Agreement are set out in the notice of meeting released on 23 December 2019 and the addendum to the notice of meeting released on 13 January 2020.

Subsequent to the end of the Quarter (as announced on 7 and 12 October 2020), the Company and Chifely terminated the Chifley Agreement and redeemed and cancelled all the Tranche 1 Convertible Notes held by Chifley.

(d) New L1 Capital Agreement

A convertible securities agreement between the Company and L1 Capital entered into on 5 February 2020 (New L1 Capital Agreement). The Company has drawn down a total of $2,250,000 under the New L1 Capital Agreement since entry into the agreement. During the Quarter, an amount of $436,500, which had been drawn down under the New L1 Convertible Securities Agreement was repaid through the conversion of 485,000 New L1 Convertible Notes into 24,250,000 Shares. This resulted in a reduction in the total facility amount to $16,416,000 and a reduction in the amount drawn down to $1,183,500. Further

details in respect of the New L1 Capital Agreement are set out in the notice of meeting released on 15 April 2020.

Subsequent to the end of the Quarter (as announced on 7 and 12 October 2020), the Company and L1 Capital terminated the New L1 Capital Agreement and redeemed and cancelled all the New L1 Convertible Notes held by L1 Capital.

(e) Lind Agreement

A convertible securities agreement between the Company and with Lind Global Macro Fund, LP (Lind) to enable the Company to raise $1,000,000 (less the applicable commitment fee) (Lind Agreement). During the Quarter, an amount of $315,000 which had been drawn down under the Lind Convertible Securities Agreement was repaid through the conversion of $350,000 of the face value of the Lind Convertible Security into 12,962,963 Shares. This resulted in a reduction in the total facility amount and the amount drawn down to $685,000 and a reduction in the face value of the Lind Convertible Security to $716,111.

Subsequent to the end of the Quarter (as announced on 7 and 12 October 2020), the Company and Lind terminated the Lind Agreement and redeemed and cancelled the Lind Convertible Security.

Each of the Original L1 Capital Agreement, the Suburban Agreement, the Chifley Agreement, the New L1 Capital Agreement and the Lind Agreement were secured. Further details are set out in the ASX announcements released on 28 November 2019, 31 December 2019, 5 February 2020 and 20 April 2020. Subsequent to the end of the Quarter following the agreements with the secured lenders regarding the termination, repayment and cancellation of the convertible notes, all security arrangements granted over the Company's assets have been released.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,950)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,560
8.3	Unused finance facilities available at quarter end (Item 7.5)	17,415
8.4	Total available funding (Item 8.2 + Item 8.3)	19,975
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	10

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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