30 April 2021

QUARTERLY ACTIVITIES REPORT – 31 March 2021

Highlights:

- **Total Q1 2021 revenue of A$1,385,000 - up 237% from Q4 2020**
- **Total group revenue growth highlights growing demand for Creso Pharma's market leading products**
- **Regulatory shifts across cannabis industries globally continue to unlock growth opportunities for Creso**
- **Cash at bank of $18.6m as at 31 March 2021 provides considerable financial flexibility**

Mernova Medicinal Inc. – Cannabis cultivation and sales division (Canada):

- **A$759k[i] (~C$743k) in sales revenue recorded for the quarter – representing a 143% increase on the preceding quarter and 340% increase on Q1 2020**
- **Demand for Mernova's high quality products validated by repeat purchase orders with ongoing shift to a recurring revenue model underway**
- **Launch of *Ritual Sticks* pre roll joint range provides access to new lucrative market**
- **Growth anticipated expected to continue with new product launches and scale up of operations**

Creso Switzerland - Nutraceutical division (Europe):

- **Swiss business unit performed strongly with A$626k[ii] (~CHF466k) in revenue recorded for the quarter – representing a ~1,600% uplift on previous quarter, with that revenue being comprised of:**
  - **cannaQIX® product sales of A$275k[ii] (~CHF205k)**
  - **anibidiol® product sales of A$351k[ii] (~CHF261k)**
- **Secured several purchase orders and distribution agreements including those with Virbac Switzerland and Virbac Benelux and Pharma Dynamics South Africa, Route2 Pharma and ImpACTIVE**
- **Letter of Intent entered into with CERES Natural Remedies ("CERES") provides a pathway to expand anibidiol® distribution in the US (subject to US cannabis legislative reform)**

Target acquisition company, Halucenex Life Sciences Inc. ("Halucenex"):

- **Agreement to acquire established Canadian psychedelics company Halucenex Life Sciences Inc. secured. If approved by shareholders, Creso will become the first 100%-owned psychedelics company listed on the ASX**
- **In anticipation of pending Dealers License approval, Halucenex prepares for the upcoming Phase II clinical trial to research the efficacy of psilocybin on the treatment of Treatment Resistant Post Traumatic Stress Disorder (PTSD)**

- **Halucenex appoints True North Clinical Research as lead investigator to the clinical trials, secures critical supply of pharmaceutical grade psilocybin and purchases essential extraction equipment**

Corporate developments:

- **Successful completion of $18m capital raise – supported by several leading investors including John Langley Hancock, Stocks Digital and L1 Global Master Opportunities fund.**
- **Creso pursues dual listing on US OTC market, which is imminent:**
  - **Provides access to a deeper capital market and provides greater access and liquidity for North American investors**
  - **Allows easier comparisons to US and Canadian listed peers operating in the cannabis and psychedelic medicine sectors, providing opportunities for a potential revaluation of the Company in line with the demand experienced by Creso's North American peers**
  - **Greater visibility of the Company and its business activities, and greater overall market presence in North America**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to provide this Quarterly Activities Report for the period ended 31 March 2021, together with its Appendix 4C Quarterly Cash Flow Report.

MANAGEMENT COMMENTARY

Non-Executive Chairman Mr Adam Blumenthal said: *"This quarter marked Creso's evolution into a broader based pharmaceutical company. Having undertaken a thorough search for quality, complementary acquisition opportunities, the Company successfully identified and secured an agreement with psychedelics company, Halucenex, which, if approved by shareholders, will represent a significant milestone for the Company, as it looks to commercialise new psychedelic-assisted psychotherapy treatments. Halucenex has made considerable progress during the quarter and provides Creso with access to another lucrative vertical.*

"The Creso group more broadly has also made a series of advancements, underpinned by a number of distribution agreements, LOIs and new market entries, all of which will unlock further value for our shareholders.

"The Company also completed a well supported capital raise from a number of prominent investors and institutions, which has provided the financial flexibility to pursue a number of near term growth objectives. The significant rise in quarter-on-quarter, as well as year-on-year revenue demonstrates Creso's upward growth trajectory and we look forward to continuing to deliver strong sales growth as we begin to scale up activities and further commercialise our business divisions.

"Management have a defined growth strategy to execute on during the current period and beyond, which includes a number of near term growth initiatives and a dual listing on the US OTC market."

FINANCIAL OVERVIEW

As at the quarter end, Creso Pharma had cash reserves of A$18.6 million. Further details of Creso's funding are set out below and in the accompanying Appendix 4C Quarterly Cash Flow Report.

CORPORATE HIGHLIGHTS

Proposed acquisition of Halucenex Life Sciences Inc.:

In a major achievement, Creso signed an agreement to acquire Halucenex, a Canadian-based psychedelics company focused on research and development of treatments for Treatment Resistant Depression in individuals suffering from PTSD and other mental health conditions (Acquisition). (Refer ASX announcement: 15 March 2021).

Halucenex currently operates at 6,000 sq. ft. medical treatment facility in Nova Scotia, Canada, located next to the Hants Emergency Hospital, with a Controlled Substances laboratory, and 18 treatment rooms dedicated to providing psychedelic-assisted psychotherapy.

Image: Halucenex's 6,000 sq ft medical treatment centre in Nova Scotia, Canada

Halucenex also has a pending application for a Controlled Drugs and Substances Dealer's License (Dealer's Licence) which, once granted by Health Canada, will allow Halucenex to possess and conduct research and development and clinical studies on psychedelic substances including LSD, psilocybin and MDMA. Halucenex also intends to seek an amendment to the Dealer's Licence to produce, package/assemble, sell, transport, import and export psychedelic substances (Dealer's Licence Amendment).

Upon receipt of the Dealers License, Halucenex intends to apply for Clinical Trial Authorisation and commence a Phase II clinical trial which will research the efficacy of psilocybin on the treatment of Treatment Resistant Post Traumatic Stress Disorder (PTSD).

The proposed Phase II clinical trial has been designed to be a single-arm, open-lab trial which will ultimately determine the feasibility of future trials of psilocybin in this indication. 18 to 20 individuals (over 18 years old) that suffer from Treatment Resistant PTSD will be enrolled in the trial. Each participant will be treated with two oral doses of psilocybin separated by seven days, with a 10mg micro dose of psilocybin to be administered in the clinic on day seven and a follow up macro dose of 25 mg to be administered in the clinic on day 14.

Following treatment on each day, the subjects will be closely monitored in the clinic by the study monitors during the hallucinogenic period. Safety assessments will be conducted including incidents of adverse events and vital signs. At six to seven hours post-dosing, subjects will be assessed using patient ratings of subjective intensity of psilocybin's effects. Subjects will also complete the patient verbal rating of the intensity of the subjective effects. One day after each treatment, on day 8 and day 15, subjects will return to the clinic for efficacy and safety assessments.

Follow-up visits will be conducted at the clinic on day 22 (end of treatment), and via telephone visits on day 36, and around day 90 and day 180 for efficacy and safety assessments.

Supply of synthetic psilocybin for the clinical trial has been secured from one of Canada's only pharmaceutical grade synthetic psychedelics manufacturers, Psygen Industries Inc., with Halucenex, being one of only 11 companies with a supply contracts from Psygen. With growing demand and limited legal, GMP supply of synthetic psilocybin, the Psygen supply contract represents significant value to Halucenex, and significantly de-risks the clinical trial timeline.

Halucenex also has an affiliation with Veterans Affairs Canada via its Strategic Adviser David Fraser, which will provide a fast track to revenue through sales into a market with significant demand and government backing.

The clinical trial is expected to commence in Q3 2021, subject to receipt of all necessary regulatory approvals.

Key deal terms:

The key terms of the Proposed Acquisition are summarised in the Company's announcement dated 15 March 2021.

It is proposed that Creso will pay the following consideration for 100% interest in Halucenex:

- $500,000 in cash (Cash Consideration)
- 29,251,795 Creso Pharma shares (Consideration Shares)
- 17,551,077 Creso Pharma performance shares that will convert into fully paid ordinary shares if the Dealer's Licence Amendment within 12 months of settlement of the Acquisition (Consideration Performance Shares)

The Consideration Shares and any Creso shares issued on conversion of the Consideration Performance Shares will be subject to voluntary escrow for 6 months following settlement.

The Proposed Acquisition remains subject to shareholder and any necessary regulatory approval, as well as satisfactory completion of due diligence by 28 April 2021 which has subsequently been extended to 28 July 2021 by agreement by the parties. A shareholder meeting to consider the Proposed Acquisition is expected to be held in June 2021.

Acquisition rationale:

If approved by shareholders, the Proposed Acquisition will provide Creso Pharma with a first mover advantage into the psychedelic medicines sector and will make it the first 100%-owned psychedelic medicines company listed on the ASX.

Creso Pharma will emerge from the acquisition as a best-in-class provider of cannabis, cannabinoids and psychedelics alternative medicines to meet the large unmet need for treatments to improve mental health and wellbeing. The proposed transaction will position Creso Pharma and Halucenex at

the forefront of innovation in the psychedelic medicines sector, headed by an accomplished operational team underpinned by experienced researchers, academics, clinicians and thought leaders in the cannabis and psychedelic medicines space.

Clinical trial progress:

Since announcement of the Proposed Acquisition on 15 March 2021, Halucenex has undertaken significant preparatory work for its upcoming Phase II clinical trial, in anticipation of the grant of its Dealers License which it expects to receive imminently.

Notably, Halucenex has:

1. *Identified and engaged True North Clinical Research as principal investigator:*

   As announced on 17 March 2021, Halucenex appointed True North Clinical Research ("True North") as the principal investigator for its proposed Phase II clinical trial.

   True North is a leader in R&D and is comprised of a team of over 30 highly qualified research staff clinicians. In addition, True North's locations are geographically favourable for trial participants, its team have considerable experience in providing patient care and the group's CEO Dr Mark Johnson has extensive expertise with the Armed Forces, developed over a 20-year career as a psychiatrist with various military organisations.

   As lead investigators, True North will provide clinical oversight, assist with facilitation of compliancy with the Nova Scotia Ethics Committee, undertake patient recruitment, conduct the trial, monitoring and compilation of data and results. The group will also ensure follow up measures are taken to ensure participant safety.

2. *Commenced patient identification process:*

   Patient identification criteria has already begun, with True North now preparing to commence patient recruitment initiatives.

3. *Secured additional pharmaceutical grade psilocybin:*

   Halucenex secured an additional 700mg of pharmaceutical grade psilocybin from its existing partner and Canada's only pharmaceutical grade synthetic manufacturer. The additional supply brings Halucenex's total inventory to 12.3g which is sufficient to allow Halucenex to:

   - increase the number of clinical trial participants in Phase II of its trial, should it elect to do so, whilst also ensuring the participants in its Phase II and Phase III trials are treated with the same, consistent GMP batch of synthetic psilocybin for tracking and traceability.
   - conduct GMP formulations in future delivery mechanisms such as capsules, micro doses, nasal and IV solution – with the stability and validation of the delivery being critical for any clinical trial.

Image: Additional synthetic grade psilocybin from Halucenex's supplier

4. *Purchased a CO_2 Supercritical Extraction System Agreement with Advanced Extraction Solutions Inc. ("AESI"):*

   As announced on 31 March 2021, Halucenex secured an agreement with medical and recreational extraction experts AESI to purchase a CO_2 Supercritical Extraction System for the purpose of producing consistent, high quality psychedelic extracts from psilocybin mushrooms, which will expedite product development and trial initiatives.

   Subsequent to the receipt of a Dealer's Licence and amendment, Halucenex will use the system to breakdown psychedelic compounds of botanical psilocybin for future product development. It will also explore the efficacy of extracted distillates or concentrates in various delivery mechanisms to explore faster compound onset and more effective dosing, which may lead to better treatment outcomes.

   Halucenex will also look to create a GMP certified extract, which it then intends to use in future clinical trials to produce a naturally extracted product for safe, evidence-bases psilocybin assist psychotherapies and optimise psilocybe mushrooms in order to standardise extracts and increase efficacy.

Creso raises $18m via strongly supported placement:

During the quarter, Creso Pharma raised A$18M (before costs) from institutional, sophisticated and professional investors through the issue of ~94.7m new fully paid ordinary shares at an issue price of $0.19 per share on 1 April 2021 ("Placement").

The Placement was led by Everblu Capital, and was strongly supported by a range of local and international groups including leading Australian businessman John Langley Hancock, S3 Consortium Holdings Pty Ltd ("Stocks Digital") and independent global fund manager L1 Global Master Opportunities Fund, amongst others.

In accordance with the terms of the Placement, the Company will seek shareholder approval to issue placement participants one option for every four shares issued under the Placement. The options will be exercisable at $0.38 each on or before a date that is 12 months after the date of issue.

Funds raised under the Placement will be deployed to progress a number of opportunities related to the acquisition of Halucenex, as well as to expand the Company's current nutraceutical range, scale up Mernova's operations and progress a dual listing on the US OTC market.

Creso pursues US OTC listing:

During the quarter, Creso Pharma significantly progressed an application to dual list on the OTCQB ("OTC") market in the USA, which is earmarked for Q2 2021.

The decision to advance the dual listing initiative follows growing interest from North American investors, following the announcement of the proposed acquisition of Halucenex, as well as the Company's planned expansion into the US cannabis market (subject to federal legalisation).

The dual listing will allow the Company to access a deeper capital market, providing North American investors with accessibility and liquidity to invest in an established cannabis and psychedelics medicines business.

The Company expects the OTC listing to unlock considerable value for existing shareholders by allowing easier comparisons to US and Canadian listed peers operating in the cannabis and psychedelic medicine sectors.

OPERATIONAL OVERVIEW

Mernova Medicinal Inc. – Cannabis cultivation and sales division

During the quarter, unaudited revenue generated from Mernova was A$759k[i] (~C$743k), representing a 143% increase on the preceding quarter and 340% increase on Q1 2020.

Mernova continued to experience growing demand for its *Ritual Green* product, as evidenced by the consistent stream of purchase orders secured during the period, including:

- Two orders from the Ontario Cannabis Retail Corporation ("OCRC"), which operates as the Ontario Cannabis Store ("OCS"), valued at C$228,323 ($A233,300[i]) and C$115,008 (A$117,515[i]), for a total value of C$343,331 (A$350,815[i])
- Three purchase orders from Cannabis NB, New Brunswick's only legal cannabis retailer, valued at C$94,800 (A$96,866[i]), C$81,800 (A$83,583[i]) and C$45,540 (A$46,532[i]) respectively
- Two purchase orders from the Nova Scotia Liquor Corporation ("NSLC") valued at C$69,000 (A$70,504[i]) and C$61,022 (A$62,352[i]), respectively

Ritual Sticks product launch

Mernova successfully launched its pre-roll joint range, under the *Ritual Sticks* brand. *Ritual Sticks* products utilise the Company's top-quality indoor grown, hand trimmed, hang dried, cured, artisanal, craft cannabis. To produce the line of the joints, Mernova exclusively utilises only the same high-quality cannabis that is sold under the *Ritual Green* brand. The launch follows considerable product development initiatives, as well as a lengthy registration process with Health Canada.

The maiden PO for *Ritual Sticks* was secured from the Nova Scotia Liquor Corporation ("NSLC") and valued at C$70,560(A$72,098[i]), marking the official launch of the product line in Canada.

The pre-roll market unlocks another significant addressable market for Mernova. The Ritual Sticks range will provide products for people that do not know how to roll their own joints, or simply want to avoid the inconvenience of rolling joints themselves, and will benefit from the convenient nature of

the Company's new offering. *Ritual Sticks* will also be sold at a lower price point than Mernova's *Ritual Green* line and serve as an entry level product that makes it more affordable for people to try Mernova's high-quality strains. The expectation is that once people try the products, a significant number will become repeat customers.

Creso Pharma Switzerland - Nutraceutical division (Europe):

During the quarter, unaudited revenue generated from human and animal health product sales were A$626k[ii] (CHF466k), representing a ~1,600% uplift on previous quarter, with that revenue being comprised of:

- cannaQIX® product sales of A$275k[ii] (~CHF205k)
- anibidiol® product sales of A$351k[ii] (~CHF261k)

The Company continued to experience growing interest and demand for its products, as demonstrated by the several purchase orders and distribution agreements announced during the period, including:

- *Virbac Switzerland:*

  As announced on 19 January 2021, Creso secured a PO valued at A$229k[ii] (CHF171k) from Virbac Switzerland. The PO was a repeat order for anibidiol® and is binding.

- *Pharma Dynamics South Africa:*

  As announced on 12 January 2021, Creso successfully delivered a second order of cannaQIX® to Lupin International subsidiary (NYSE: LUPIN) Pharma Dynamics in South Africa, following the receipt of a PO for A$320K[ii] (CHF220k) in October 2020.

- *Route 2 Pharm Pvt Ltd ("Route2")*:

  As announced on 15 February 2021, Creso entered into a comprehensive distribution agreement with leading nutritional supplements company, Route2 to import, market, distribute and sell the Company's innovative hemp derived therapeutic products exclusively into Pakistan and Philippines ("exclusive territories"), and non-exclusively into other potential target markets including Cambodia, Afghanistan, Azerbaijan, Bangladesh, Georgia, the Maldives, Myanmar, Tajikistan, Turkmenistan, Uzbekistan, and Vietnam.

- *ImpACTIVE Holdings Ltd ("ImpACTIVE"):*

  As announced on 9 March 2021 the Company secured a Letter of Intent with ImpACTIVE Holdings Limited ("ImpACTIVE") (www.impactive.ca) which allowed the group to distribute cannaQIX® and cannaDOL products in North America. As part of the agreement, Creso Pharma obtained the rights to distribute ImpACTIVE's CBD roller application in Switzerland and Europe more broadly.

- *CERES Natural Remedies ("CERES"):*

  As announced on 1 March 2021, Creso Pharma secured a Letter of Intent with leading CBD and plant-based remedies provider CERES Natural Remedies ("CERES") (www.ceresremedies.com) to distribute and sell Creso's range of CBD and hemp animal health products anibidiol®, in the USA, subject to US federal cannabis legislative reform.

Image: Cannamics product and display packaging

Images: ImpACTIVE pro relief roller stick, cannaDOL® 0.5% and 1% in 100mL gel tubes and CannaQIX10®

Image: CERES Natural Remedies Flagship store, Vermont USA

OUTLOOK

Regulatory shifts:

Impact of a Democratic majority in the US senate on cannabis reform:

During the quarter, the US Democratic party won the balance of power in the US Senate, which increased the likelihood of the decriminalisation of cannabis and the passing of the Marijuana Opportunity Reinvestment and Expungement ("MORE") Act.

The MORE act aims to remove cannabis from the US Controlled Substances Act and aims to erase certain federal convictions to essentially decriminalise cannabis on a national level.

Cannabis legalisation would provide a major market opportunity for Creso Pharma and the Company is very well placed to capitalise. Should legalisation occur, Creso Pharma can expedite its scale up of Mernova's operations to service the US market. Management will continue to pursue additional opportunities to ensure it is advantageously positioned.

Sale of over-the-counter (OTC) CBD products in Australia:

Creso Pharma welcomed the introduction of OTC sales of low-dose CBD products in Australian Pharmacies. The sale of these products was made possible following a decision from the Therapeutic Goods Administration (TGA) to down schedule low-dose CBD preparations form Schedule 4 (Prescription Medicine) to Schedule 3 (Pharmacist Only Medicine).

The decision has led to CBD products containing up to a maximum of 150mg/day, for use in adults that have been approved by the TGA, to be sold by a pharmacist to customers without a prescription. Products must be approved by the TGA and included on the Australian Register of Therapeutic Goods (ARTG).

This is a major development for the Australian medicinal cannabis industry, which is expected to exceed over A$200m per annum[iii]. Creso is now progressing a number of value accretive opportunities, including initiatives through its existing agreement with Martin & Pleasance (refer ASX announcement: 11 December 2020) to unlock value for shareholders.

-Ends-

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

For further information, please contact:

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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.

[i] AUD/CAD exchange rate of $1.0218
[ii] AUD/CHF exchange rate of $1.34
[iii] Freshleaf Analytics Report: Australian Medicinal Cannabis Market Patient, Product and Pricing Analysis Q3 2020

Appendix 4C

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

Name of entity	
Creso Pharma Limited	
ABN	**Quarter ended ("current quarter")**
89 609 406 911	31 March 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,080	1,080
1.2	Payments for		
	(a) research and development	(37)	(37)
	(b) product manufacturing and operating costs	(712)	(712)
	(c) advertising and marketing	(2,134)	(2,134)
	(d) leased assets	-	-
	(e) staff costs	(2,071)	(2,071)
	(f) administration and corporate costs	(2,250)	(2,250)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(150)	(150)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	(108)	(108)
1.8	Other (provide details if material)	33	33
1.9	**Net cash from / (used in) operating activities**	**(6,349)**	**(6,349)**
	Note:		
	During the quarter and the year to date, the Company issued shares in lieu of cash payments for debts outstanding comprising:	**18,567,506 shares**	**18,567,506 shares**
	Deemed value in lieu of cash	**3,580**	**3,580**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(4)	(4)
	(d) investments	-	-
	(e) intellectual property	(261)	(261)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	(262)	(262)
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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)	(51)	(51)
2.6	**Net cash from / (used in) investing activities**	**(578)**	**(578)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	14,931	14,931
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	5,392	5,392
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(346)	(346)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(350)	(350)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**19,627**	**19,627**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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	6,004	6,004
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,349)	(6,349)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(578)	(578)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19,627	19,627
4.5	Effect of movement in exchange rates on cash held	(131)	(131)
4.6	**Cash and cash equivalents at end of period**	**18,573**	**18,573**

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	18,573	18,573
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)**	**18,573**	**18,573**

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	2,137
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	902
- Capital raising Fees	314
- Loan Repayment	250
- Other services	671
Aggregate amount as above	**2,137**

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	-	-
	Unsecured Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	nil

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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(6,349)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	18,573
8.3	Unused finance facilities available at quarter end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	18,573
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	2.9

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:

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:

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:

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 April 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.