



30 May 2022

## **Creso Pharma's wholly-owned psychedelics subsidiary, Halucenex Life Sciences Inc. enters into supply agreement with Optimi Health**

### **Highlights:**

- **Supply of goods agreement secured with Optimi Health Corp. ("Optimi") (CSE: OPTI) (OTCQX: OPTHF) (FRA: 8BN)**
- **Optimi is a leading Canadian company focused on producing and supplying natural, EU-GMP grade psilocybin and functional mushrooms for health and wellness markets**
- **The group has all required licences from Health Canada<sup>i</sup> and two cultivation facilities comprising 20,000 sq. ft. in Princeton, British Columbia**
- **Under the agreement, Halucenex will initially test Optimi's whole dried mushrooms fruiting bodies to validate the quality and physical characteristics**
- **Following completion of the testing, the products will be utilised for ongoing product development with a focus on the post traumatic stress disorder and anxiety**
- **Supply agreement has the potential to provide Halucenex with a consistent and stable supply of standardised EU-GMP grade psilocybin**
- **Halucenex remains focused on accessing the PTSD therapeutics sector which is expected to grow to US\$10.5Bn in value by 2025<sup>ii</sup>**

**Creso Pharma Limited (ASX:CPH, OTC:COPHF, FRA:1X8) ("Creso Pharma" or "the Company")** is pleased to advise that wholly-owned, Canadian based psychedelics company, Halucenex Life Sciences Inc. ("Halucenex") has entered into a binding, exclusive supply of goods agreement (the "Agreement") with leading psychedelics cultivator Optimi Health Corp. ("Optimi") (CSE: OPTI) (OTCQX: OPTHF) (FRA: 8BN).

Optimi ([www.optimihealth.ca](http://www.optimihealth.ca)) is a Canadian company focused on producing and supplying natural, EU-GMP grade psilocybin and functional mushrooms for health and wellness markets. Optimi produces scalable, natural mushroom formulations for transformational human experiences. It has a vertically integrated approach, intending to cultivate, extract, process and distribute high quality functional and psychedelic mushroom products at its two facilities comprising of 20,000 sq. ft., located in Princeton, British Columbia.

Under the agreement, Optimi will provide Halucenex with psilocybin-containing mushrooms, in the form of whole dried mushrooms fruiting bodies ("Products"). Initially, Halucenex will utilise the Products to validate the quality and physical characteristics of the Products and for validation of its testing and operating procedures. In relation to the initial purchase, the Products will be provided to Halucenex free of charge with a C\$1,500 handling fee to be paid to Optimi.

The initial term of the agreement is one year ("Initial Term") and will automatically renew after one year ("Renewal Term"), unless either party notifies the other of their decision to not renew the agreement within 90 days prior to the expiry of the Initial or Renewal Term. Initial Term and Renewal Terms are subject to termination without cause from Optimi giving 30 days notice or, for cause upon notice by either party, or upon failure to meet the above referenced renewal conditions. For the



duration of the Agreement, Halucenex agreed to purchase or negotiate exclusively with Optimi and grant a first right of refusal to Optimi for all forthcoming intended purchases of Products. In the event that Optimi is unable to supply the required Products, Halucenex will be free to make alternate supply arrangements with other suppliers.

Upon completion of testing protocols, Halucenex will negotiate with Optimi regarding future purchases.

The new batch of EU-GMP grade product from Optimi will allow Halucenex to progress the development of a psychedelic-assist psychotherapeutic model for conditions including anxiety as Post Traumatic Stress Disorder (PTSD). The PTSD therapeutics market highlights a significant opportunity for the Company and is projected to reach a valuation of US\$10.5Bn by 2025<sup>ii</sup>.

Halucenex will commence testing and validation protocols on the product in the coming weeks, ahead of potential product development initiatives commencing.

#### **Commentary:**

**Halucenex's Managing Director, Bill Fleming said:** *"This agreement is very important for Halucenex as it has the potential to provide the Company with an ongoing supply of safe and standardised dried mushrooms fruiting bodies, which will be imperative for future product development and treatment initiatives.*

*"Optimi are an incredibly respected partner in the psychedelics sector and one of the few companies that have secured an amendment to its Health Canada's Dealer's Licence, allowing them to possess a large quota of dried psilocybe mushrooms. We look forward to working with them well into the future."*

**-Ends-**

#### **Authority and Contact Details**

This announcement has been authorised for release by the Disclosure Committee of the Board of Directors of Creso Pharma Limited.

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#### **Investor Enquiries**

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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](http://www.cresopharma.com)

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**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.

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<sup>i</sup> <https://www.optimihealth.ca/optimi-health-granted-amendment-to-controlled-substances-dealers-licence/>

<sup>ii</sup> Credence Research PTSD Therapeutics Market - Growth, Future Prospects and Competitive Analysis, 2018-2026