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Creso Pharma and LGC Capital Announce Strategic Alliance

Montreal, Québec, Canada and Perth, Australia – November 9, 2017 – **Creso Pharma Limited** (ASX:CPH, the “Company” or “Creso”), and Swiss based pharmaceutical company, and Canadian listed LGC Capital Ltd. (“LGC”), jointly announce the formation of a new and exciting strategic alliance intended to create a vertically-integrated cannabis operation with a global footprint spanning cultivation, IP generation, innovative product development and commercialisation.

- In anticipation of the imminent launch of Creso’s first pioneering animal health product anibidiol in Switzerland and Lichtenstein as well as the upcoming launch of its human health product cannaQIX in Q1 2018, Creso is looking to aggressively expand its market reach.
- LGC brings potential access to the highest quality, competitive supply of cannabis from southern Africa, a global logistics footprint and capability to introduce Creso’s innovative products to key markets of Canada and Africa and other regions within LGC’s growing global footprint.
- Creso and LGC will engage in developing sales and distribution of products jointly in Europe, Canada, Latin America, Africa, Japan and the Asia-Pacific region.
- Together, Creso and LGC will develop, produce and market innovative human and animal health solutions addressing the growing demand for cannabis and hemp-derived therapeutics, cosmetics, nutraceuticals and lifestyle products.
- The combination of LGC’s access to competitive-source cannabis with Creso’s Swiss-based expertise in product development and market access is intended to deliver significant added value for customers and consumers.
- The strategic alliance is designed to result in better access to high quality cannabis-based consumer products globally.

Dr. Miri Halperin Wernli, Co-Founder and CEO of Creso states; *“By combining our unique assets and strengths, we believe Creso and LGC will create an integrated cannabis products’ opportunity with a global footprint, covering from seed to finished goods, greatly benefitting patients and consumers.”*

David Lenigas, Founder and Co-Chairman of LGC commented: *“Creso operates under the highest GMP Swiss standards and all of its products are manufactured, quality controlled and certified in Switzerland. Creso’s team consists of globally-recognised pharma professionals and this alliance between Creso and LGC is a terrific development for both companies.”*

John McMullen, CEO of LGC states; *“This alliance will be both invaluable and complementary to LGC’s investment portfolio and growing global partnerships. Together we will expand and strengthen Creso’s commercial offerings and LGC’s ability to service the global hemp and cannabis markets for humans and animals.”*

Creso and LGC have entered into a letter of intent which will form the basis for the negotiating, drafting and signing by them of a mutually-satisfactory Collaboration Agreement. The Collaboration Agreement, which Creso and LGC expect to sign before December 31, 2017, will set out in detail the terms and conditions of their strategic alliance. The letter of intent provides that any activities to be performed by LGC in connection with the strategic alliance may be performed by LGC directly, or indirectly through one or more of LGC’s investee companies or businesses.



The signing of the Collaboration Agreement is conditional upon LGC and Creso having obtained all requisite regulatory approvals, including those of the TSX Venture Exchange and Australian Securities Exchange, respectively, to the extent applicable.

About LGC Capital Ltd.:

www.lgc-capital.com

LGC is a Canadian incorporated public company listed on the TSX Venture Exchange (TSXV: LG). LGC's objective is to become a diversified investment company with core holdings in businesses that provide shareholders with exposure to a diverse range of high growth businesses, products and services. To date, LGC has entered into agreements for investments in private cannabis operations in South Africa, Australia and Canada.

About Creso Pharma:

www.cresopharma.com

Creso Pharma brings pharmaceutical expertise and methodological rigour to the world of medicinal cannabis and strives for the highest quality in its products. It is the leader in medicinal cannabis and cannabidiol (CBD) innovation and develops cannabis and hemp-derived therapeutic-grade nutraceuticals and medicinal cannabis 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.

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements with respect to LGC Capital Ltd. ("LGC") and Creso Pharma Limited ("Creso") and their 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 LGC and Creso, including their proposed strategic alliance described herein, 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, government regulation and the factors described under "Risk Factors and Risk Management" in LGC's Management's Discussion and Analysis for the fiscal year ended September 30, 2016, as filed on SEDAR (www.sedar.com). The cautionary statements qualify all forward-looking statements attributable to LGC or Creso, as the case may be, and persons acting on their behalf, respectively. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and neither LGC nor Creso has any obligation to update such statements, except to the extent required by applicable securities laws.