



19 April 2021

Halucenex Life Sciences Inc. signs LOI with leading nanotechnology company Sixth Wave Innovations Inc. and welcomes Californian legalisation of psychedelics

Letter of Intent (“LOI”) with Sixth Wave Innovations Inc. (“Sixth Wave”):

- **Sixth Wave is a world class nanotechnology company focused on Molecularly Imprinted Polymers (MIPs) for imprinting, capturing and releases substances**
- **MIPs are deployed to capture and extract target materials as small as parts-per-billion**
- **Sixth Wave’s MIP technology results in more efficient extraction with higher yields and a purer product**
- **Application of Sixth Wave’s patent-pending nanotechnology for purification of botanical psychedelics will simplify processes and provide a sustainable method for utilising real plant extracts opposed to synthetic molecules which may not provide the same access and flexibility to use associated compounds from the plants to achieve the best clinical benefits**
- **LOI compliments existing Advisory Agreement with Growing Together Research Inc.**

Californian Senators approve bill to progress legalisation of psychedelics:

- **Senate Bill 519 passed on 13 April 2021¹ to make possession and use of psychedelic substances legal in California for adults over the age of 21**
- **Bill passed to progress a health focused approach to psychedelic compound use**
- **Highlights ongoing acceptance and regulatory shift towards psychedelics as an alternative treatment route for debilitating mental health conditions**
- **Creso Pharma to progress opportunities with Director of US Business Development John Griese to unlock near term value for shareholders**

Creso Pharma Limited (ASX:CPH, FRA:1X8) (‘Creso Pharma’ or ‘the Company’) is pleased to advise that target acquisition company Halucenex Life Sciences Inc. (“Halucenex”) has signed a non-binding Letter of Intent (“LOI”) with leading nanotechnology company Sixth Wave Inc. (“Sixth Wave”). The Company also wished to provide an update on recent legislative change in North America regarding the possession and use of psychedelic compounds, which may benefit Creso Pharma and Halucenex in the future.

LOI with Sixth Wave:

Sixth Wave is based in Vancouver, Canada. The group is listed on the Canadian Stock Exchange (CSE: SIXW) and focused on the development of nanotechnology that uses Molecularly Imprinted Polymers (MIPs) for imprinting, capturing and releasing substances at a molecular level.

Given every substance has a unique size, shape and chemical property, MIPs are developed and deployed to capture and extract target materials at the molecular level resulting in extraction



efficiency down to the parts-per-billion level. Sixth Wave's systems, empowered by MIPs, result in a more efficient extraction system that yields purer end product or detection findings.

Sixth Wave has developed fully scalable systems underpinned by MIPs, which are expected to replace antiquated and traditional extraction processes delivering considerable improvements including cost savings and higher yields.

Sixth Wave's products are currently being commercialised across a range of sectors including mining, cannabis productions and health security with rapid virus detection. Sixth Wave has collaborated and undertaken R&D initiatives with some of the largest entities in the chemical, resources, security, defence and medical sectors. The systems are patented or patent pending in over 40 countries.

Under the LOI, Halucenex will work with Sixth Wave to develop a Definitive Agreement by 31 May 2021, further to which the parties will define system requirements, identify target molecules to be purified, and develop psilocybin separation. Sixth Wave will develop the molecularly imprinted polymers for use in the process.

Both parties will work to develop beads and columns to assist in producing psilocybin isolate from distillation of the product, allowing Halucenex to produce a natural pure psilocybin product for R&D, and for accurately dosing psilocybin for the treatment of mental disorders.

Further, Halucenex and Sixth Wave will develop beads and columns of other wellness components of psilocybe mushroom strains such as baeocystin and norbeocystin. This will allow Halucenex to perform research into the health and wellness benefits of these molecules without the hallucinogenic effects of psilocybin present.

Halucenex expects that work undertaken with Sixth Wave will also compliment the Advanced Extraction agreement and the Growing Together Research Inc. ("GTR") (refer ASX announcement: 12 April 2021). Halucenex and GTR will be able to identify key psilocybe genetic markers, enabling our extraction and separation processes to provide purity and consistency of the compounds.

California push to decriminalise psychedelics:

The Company welcomes the recent motion to move towards the legalisation of psychedelic substances in California. The legislative shift occurred 13 April 2021ⁱⁱ when the Senate Public Safety Committee approved Senate Bill 519, which would make a wide range of psychedelic substances legal to use and possess for adults over the age of 21, as well as expunge prior criminal offences for use and possessionⁱⁱⁱ.

For psilocybin, the legislation repeals provisions in the Californian statute that prohibited the cultivation or transportation of "any spores of mycelium capable of producing mushrooms or other material" that contain the psychoactive ingredient^{iv}.

The bill has been introduced to progress a more health-focused approach to the use of psychedelic compounds and to address the current mental health crisis in the US. It also marks the ongoing push towards acceptance of psychedelic compounds as an alternative treatment route.

Should the bill be made into law, Creso Pharma will work with its Director of US Business Development, Mr John Griese (refer ASX announcement: 6 April 2021) to progress opportunities in California.

**Commentary:**

Non-executive Chairman Adam Blumenthal said: *"The recent LOI with Sixth Wave is a very pleasing development for Halucenex and has the potential to provide considerable upside to near term clinical trial initiatives and cultivation activities."*

"We also applaud recent regulatory developments in California, which will pave the way for acceptance for the use of psychedelic compounds as an alternative treatment route for debilitating mental health conditions."

"Much like recent cannabis reform, we anticipate that there will be a considerable legislative shift to promote the use of psychedelic compounds and through Creso's pending acquisition of Halucenex, we are positioned to benefit from these reforms."

Halucenex founder and CEO Bill Fleming said: *"The agreement with Sixth Wave is a very important step and will provide Halucenex with another avenue to best understand the use of psychedelic compounds for a range of treatments and health benefits."*

"We look forward to working with the group and utilising their patent-pending technology, alongside agreements with other key partners, to further our R&D initiatives, which will help us in our clinical trials and future product development."

"Recent legislative shifts in California highlight the massive opportunity that Halucenex and Creso have and this agreement is going to provide a strong foundation for us to capitalise on a highly lucrative and emerging market segment."

President and CEO of Sixth Wave Dr Jon Glucklman added: *"The growth in medical evidence showing botanical psychedelics treatment efficacy for atypical depression, post traumatic stress disorder (PTSD), and other conditions is compelling and suggests that the market for these substances in both clinical treatment and potentially outpatient micro-dosing will grow substantially."*

"The application of our nanotechnology to this exciting market is an extension of our existing Affinity™ cannabinoid purification system. As Sixth Wave is in the final commercialisation efforts for Affinity™ this is a perfect time to be exploiting the design of that system to a new set of molecules."

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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

About Halucenex Life Science:

Halucenex is a life sciences development company with a focus on researching novel psychedelic compounds, developing and licensing psychedelic compounds for the pharmaceutical and nutraceutical markets, and conducting clinical trials on the medical benefits of psychedelic medicine. Halucenex operates a 6000 sq. ft. medical facility in Windsor, Nova Scotia with 6 treatment rooms and a secure laboratory dedicated to performing psychedelic-assisted psychotherapy and clinical research. Halucenex intends to maintain control over all aspects of the product development process – mycological research, extraction technology, and synthetic formulation as well as drug delivery technologies, psychedelic-assisted psychotherapy and regulatory affairs.

www.halucenex.com

About Sixth Wave Innovations Inc.

Sixth Wave Innovations Inc. is a nanotechnology company focused on extraction and detection of target substances at the molecular level. The company's products provide significant advantages in cost and performance. These advantages are derived from application of the company's patented technologies in the highly specialized field of molecularly imprinted polymers (MIPs). Sixth Wave is commercializing IXOS®, a line of extraction polymers for the gold mining industry and Affinity™ for the Cannabis Industry.

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 <https://www.marijuanamoment.net/california-senators-approve-bill-to-legalize-possession-of-psychedelics-like-ldm-dma-and-psilocybin/>

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ⁱⁱⁱ <https://californiaglobe.com/section-2/psychedelic-drug-decriminalization-bill-passed-in-senate-committee/>

^{iv} <https://www.marijuanamoment.net/california-senators-approve-bill-to-legalize-possession-of-psychedelics-like-ldm-dma-and-psilocybin/>