

AusCann Appoints Master Grower and Enters Research Agreement for Accelerating Australian Manufacturing Operation

Highlights

- AusCann has appointed Luke Pigeau as Master Grower for oversight of its Australian medical cannabis cultivation operation in Tasmania
- Mr Pigeau has more than a decade of cannabis cultivation experience
- AusCann has also entered into a research and development agreement with Canadian Group Jade Cannabis to develop and optimise the AusCann cannabis cultivation system
- AusCann and Tasmanian Alkaloids have an exclusive strategic partnership to jointly establish domestic medical cannabis cultivation and manufacturing operations
- Design of the Australian facility has been completed and state of the art cultivation rooms and monitoring systems ordered from Canada

Monday, 25 June 2018 – Leading cannabinoid pharmaceutical company **AusCann Group Holdings Limited** (ASX:AC8) (**AusCann** or 'the Company') is pleased to announce that it has appointed Canadian Luke Pigeau as its new Master Grower and entered a cultivation research agreement with Canadian group Jade Cannabis.

Mr Pigeau was appointed following an extensive global search and will oversee AusCann's cultivation activities, accelerating AusCann's Australian medical cannabis manufacturing operation.

Mr Pigeau has more than 10 years' cannabis cultivation experience. Initially working under Canada's first cannabis licensing program Mr Pigeau honed his skills, working diligently to become a valued asset in Canada's current commercial licensed producer regime for companies like Agripharm and Mettrum Health Corp.

Agreement with Jade Cannabis

AusCann has entered into a research and development agreement with Jade Cannabis, which complements the appointment of Mr Pigeau.

Under the agreement, AusCann has engaged Jade Cannabis to undertake research and development work at its Canadian facility for an initial three-year period. Going forward, AusCann's medical cannabis genetics will be supported by cannabis cultivation systems piloted and implemented by Jade Cannabis under this agreement. The aim of the research is to obtain greater yield per square metre of grow room in a given period, resulting in more cost-effective cannabinoid pharmaceuticals for patients. The output of this research will include the development and optimisation of the AusCann cultivation system. AusCann is also working with Jade Cannabis on the design and construction of prototype scale cultivation equipment. Pilot scale experiments have demonstrated substantial increases in yield when compared with current indoor cultivation approaches.

This grow system orientated research complements Australian-based research in genetics and plant breeding.

The founders of Jade Cannabis have extensive experience in cannabis cultivation. Jade Cannabis Co-founder Kenneth Langford co-founded The Peace Naturals Project, now Peace Naturals, the first commercially licensed medical cannabis company in Canada in 2011. As Peace Natural's Chief Innovation Officer, he developed a commercial schedule that was able to harvest a crop every two weeks from four flowering rooms. Prior to this, Mr Langford spent 16 years developing new varieties of cannabis and improving cultivation systems by building new hybrid systems incorporating a range of efficiencies from a variety of cultivation approaches. Martin Beyea, Jade Cannabis Co-founder, has had almost two decades of experience in licensed medicinal cannabis production and is an expert fabricator of Jade Cannabis' ingenuity.

The process through which AusCann has selected its Master Grower and research consultants for the development of the cultivation system underlines its technically led and disciplined approach to the development of cannabinoid pharmaceuticals.

Tasmanian operation and Conviron grow systems

AusCann and Tasmanian Alkaloids (**TasAlk**) entered into an exclusive strategic partnership in May 2017 [ASX Announcement: May 17, 2017] to jointly establish the cultivation, manufacturing, and distribution operations for cannabinoid pharmaceuticals in Australia and overseas. The partnership received research, cultivation and manufacturing licences from the Office of Drug Control (ODC) in 2017, associated with Therapeutic Goods Administration (TGA) certified manufacturing facilities in Tasmania, enabling the manufacture of final dose form cannabinoid medicines.

State of the art, Canadian developed, Conviron cannabis grow rooms and Argus Controls systems have been ordered for the Tasmanian facility. Conviron's grow rooms deliver highly uniform and precisely controlled conditions that ensure consistent and repeatable yields, which AusCann requires to produce a pharmaceutical product. With rooms fully integrated and controlled by an Argus Controls system, AusCann's cultivation team will be able to control, monitor and report all inputs and aspects of the environment including lighting, airflow, temperature, humidity, carbon dioxide and nutrient management. AusCann is developing a suite of proprietary advanced analytics to support the cultivation operation. These analytics will be deployed and refined as part of the research engagement with Jade Cannabis.

"Over the last 30 years, we have developed an extensive installation base of controlled environment chambers and rooms throughout Australia in the plant science research sector. We are excited to work with AusCann, a company we see as a pioneer in the Australian medicinal cannabis market" said David Napier, Australian Manager for Conviron.

AusCann Managing Director Elaine Darby: "We are delighted to have appointed Mr Pigeau as Master Grower with oversight of our Australian cultivation operations. Luke brings a wealth of experience to the role, and in conjunction with the research being done by Jade Cannabis will ensure that AusCann and Tasmanian Alkaloids can maximise the yields from our joint operation. We have elected to find an innovative growing partner and then provide them with some of the best technical expertise we can to support the development of a great system."

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ABOUT AUSCANN

AusCann Group Holdings Limited (ASX:AC8) is an Australian-based pharmaceutical company that aims to produce high quality, economical, and clinically validated cannabinoid medicines. AusCann is bringing together leading expertise and operations across all aspects of the medical cannabis value chain, beginning with cultivation and production, through to manufacture and distribution of products. Through partnerships with industry experts, existing leading market participants and doctors, AusCann is building operations and educating the medical community about the benefits of cannabinoid medicines. Incorporated in 2014, AusCann is currently the only ASX listed company with the full set of necessary licences to grow and manufacture cannabinoid medicines in Australia. The company is initially targeting medications for neuropathic and chronic pain in Australia and Chile, whilst exploring global export opportunities.