

11 April 2018

ASX Code: MXC

Firm Commitments Received for \$5m Placement - Malta MC Facility Contract

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- MXC has successfully completed a \$5.0 million capital raising (before costs) via a share placement at 7.0 cents per share
- The placement was led by Bell Potter and closed oversubscribed, with strong demand from sophisticated and professional investors, and strategic funds
- Placement was cornerstoned by the Merchant Opportunities Fund
- The funds raised will be used to establish the Company's medical cannabis production and cultivation facility in Malta, in accordance with the new contract awarded by the Maltese Government, and general working capital
- Company in strong financial position post Placement, with approximately \$12m cash at bank

MGC Pharmaceuticals Ltd (ASX: MXC or "the Company") is pleased to announce it has successfully raised over \$5 million before costs, via a share placement (Placement) to sophisticated and professional investors, and strategic.

The oversubscribed Placement was led by Bell Potter and received strong support from new and existing shareholders, cornerstoned by the Merchant Opportunities Fund.

The \$5m Placement funds raised will be used by the Company to contribute to the construction of the fully licensed medical cannabis production and cultivation facility in Malta, in accordance with the contract awarded to MXC by the Maltese Government as detailed in today's announcement, and general working capital.

Following completion of the Placement, the Company will be in a very strong financial position, with approximately \$12m cash at bank.

Under the Placement, \$5.0 million will be raised (before costs), via the issue of 71,428,571 fully paid ordinary shares at \$0.07 per share. The shares under the Placement will be issued under the Company's placement capacity in accordance with ASX Listing Rule 7.1A. The Company will pay a 5% fee on the Placement funds.

Bell Potter was lead manager for the Placement, and the Board looks forward to working closely with Bell Potter as its lead Australian broker into the future.

Chieftain Securities is a boutique corporate advisory firm that holds an AFSL, and assisted Bell Potter on the Placement. MXC Executive Chairman Brett Mitchell is also a director and shareholder of Chieftain, with the Placement fee an industry standard fee and negotiated on arm's length commercial terms.

Roby Zomer, Co-founder and CEO, MGC Pharmaceuticals states:

"We're really pleased for the strong support of our new and existing shareholders and thankful for their support, and Bell Potter leading this raise. The opportunity presented to us by the Maltese Government is truly exciting, and provides us with a new cultivation site in the EU, which once complete, will deliver on the Board's strategy to operate a full vertically-integrated medical cannabis operation in Europe."

-- Ends --

For further information, please contact:

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About MXC

MGC Pharmaceuticals Ltd (ASX: MXC) is an EU based specialist medical cannabis company with many years of technical clinical and commercial experience in the medical cannabis industry. The Company's founders were key figures in the global medical cannabis industry and the core business strategy is to develop and supply high quality Cannabinoids based pharmaceuticals products for the growing demand in the medical markets in Europe, North America and Australasia.

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