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Cannabis Cultivation Research Licence Granted by the Australian Office of Drug Control

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MGC Pharmaceuticals Ltd (ASX: MXC, 'MGC Pharma' or 'the Company'), a European based 'Seed to Pharmacy' bio-pharma company focused on developing and commercialising cannabinoid derived medicines, is pleased to announce that it has been granted a Cannabis Research Licence in tandem with leading Australian Research university, Royal Melbourne Institute of Technology ("RMIT"), by the Australian Office of Drug Control ("ODC").

Overview:

- Cannabis Cultivation Research Licence granted to MGC Pharma and RMIT by the ODC, part of the Australian Department of Health
- Licence, with subsequent Permit, authorises the Company and RMIT to cultivate cannabis for use in research at its state-of-the-art research facility in Melbourne, Australia
- Botanical and pre-clinical research planned, to focus on;
 - the optimisation of breeding and cultivating processes; and
 - extracting material to assess the efficacy on prostate, melanoma and other cancer cells
- MGC Pharma to fund the research, meaning that all intellectual property (IP) resulting from the trials will belong to the Company, which it will then seek to patent

Roby Zomer, founder and Managing Director of MGC Pharma, commented: "Receiving the Cannabis Research Licence from the Australian Government Office of Drug Control is another major step forward for MGC Pharma as we look to deliver on our Seed to Pharmacy strategy. The Licence enables our strategic alliance with RMIT to advance on its objective to establish a world first library of cannabis medicines, as well as conducting ground-breaking pre-clinical research into the positive effects that medicinal cannabis may have on specific cancers.

"Research and Development are key components of our Company and this agreement is a further validation and recognition of our strength in this area. It enables us to expand our pharma research agenda in Australia alongside the research being conducted in our facility in Ljubljana, Slovenia. We have a proven world class research team and relationships with multiple academic institutions that have already resulted in the development of successful formulations such as CannEpi™, designed to treat drug resistant epilepsy, and CogniCann™, targeting symptoms of dementia. Our aim is to continue to expand our R&D scope to ensure that MGC Pharma is at the forefront of the medicinal cannabis industry and creating solutions to some of the most devastating diseases."

The Cannabis Research Licence, granted by the Office of Drug Control in the Australian Department of Health, enables MGC Pharma, with RMIT, to cultivate cannabis for use in research at its state-of-the-art research facility in Melbourne. Botanical and pre-clinical research planned will focus on the optimisation of breeding and cultivating processes, while extracting material to initially assess the efficacy on prostate, melanoma and other cancer cells.

MGC Pharma will fund the research, meaning that all IP resulting from the trials will belong to the Company, which it will then seek to patent with IP Australia.

The issuance follows a binding Umbrella Agreement signed with leading Australian research university, Royal Melbourne Institute of Technology, in August 2017, to collaborate exclusively on medicinal cannabis research initiatives in Australia.

The agreement included MGC Pharma partially funding a state-of-the-art cultivation, extraction and research facility within RMIT, building upon the Company's medicinal cannabis IP and results from its leading global research programs. As part of the Umbrella Agreement, RMIT agreed to dedicate the facility and additional laboratories to the project for a minimum period of 5 years.

This agreement consists of two key initial projects:

1. Establish a world first library of cannabis medicine where details on medicinal cannabis clinical research, cannabinoids sequences and their treatments can be found
2. Investigate the positive effects of medicinal cannabis derived formulations on several types of cancer and cancer side effects. The cancer research program will initially focus on melanoma treatment, beginning with pre-clinical trials.

A Cannabis Research Permit is required to commence cultivation, which the Company anticipates in the near-term. The Permit outlines the types of cannabis plants that can be cultivated; the quantities that can be produced; the timeframes in which authorised activities can occur and the next party in the supply chain.

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For further information, please contact:

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About MGC Pharma

MGC Pharmaceuticals Ltd (ASX: MXC, OTCQB: MGCLF) is an EU-based BioPharma 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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