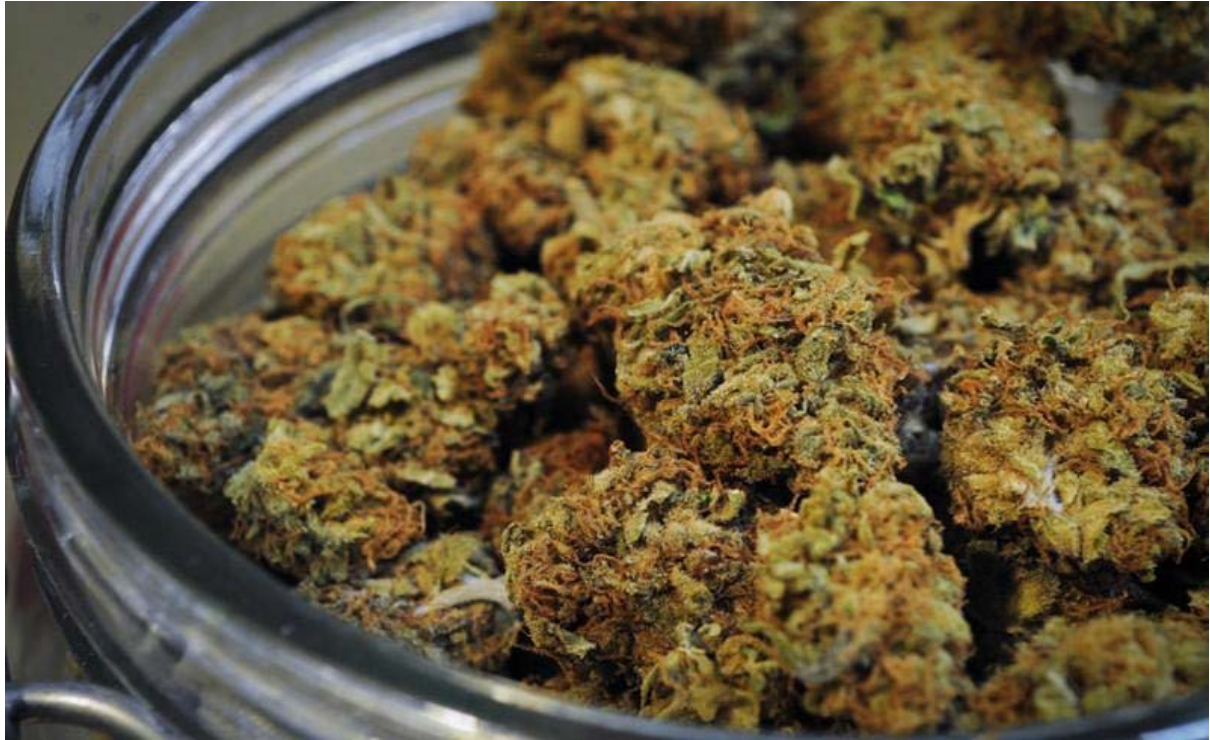


# The West Australian

## MGC Pharma harvests 1st medicinal cannabis crop

Matt Birney, sponsored ASX company news

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ASX-listed MGC Pharmaceuticals has successfully harvested its first test crop of medicinal cannabis at its Slovenian facilities, with the company on track now to commence production of its research grade product in mid 2017.

In an operations update recently, MGC said that it had tested final yields of its cannabidiol or “CBD” test crop at its laboratory in Ljubljana, Slovenia, to evaluate and establish the best soil, nutrients and growing conditions.

MGC said cultivation of the 5,000m<sup>2</sup> trial crop would be used to test the running of its CBD extraction facility, which was due for completion early next year. Production of CBD for the company’s cosmetics and medicinal raw materials is on schedule to start in the second quarter of 2017, company management said.

The Perth-based company’s products are based on CBD, a non-psychoactive component of cannabis that in pre-clinical trials has been shown to have a range of therapeutically useful effects, including anti-seizure, antioxidant, anti-inflammatory, anti-tumor, anti-psychotic, and anti-anxiety properties.

MGC is different to most players in the growing global medicinal cannabis industry because it has a traditional medical research program that is partly funded by a separate cannabis based cosmetics business that recently receiving its first major European sales order.

In positive news for its cosmetic arm, MGC Derma, the company said it was on track to gain official approval to sell its unique cannabidiol-based skincare range into the European Union, with formal European Cosmetics Products Notification Portal registration expected in coming weeks.

On the medicinal side, the company, which has Israeli executives and is backed by Perth corporate financial players, also confirmed the execution of a new and better binding heads of agreement to acquire Czech-based medical cannabis company Panax Pharma.

The deal, announced earlier this month, will see MGC acquire up to 100 per cent of Panax – a highly connected player in the Czech Republic’s medicinal cannabis industry that will give MGC access to world-leading facilities in Europe for its medical cannabis research.

MGC co-founder and managing director Nativ Segev said: *“We are pleased to have executed a new agreement with Panax on favourable terms. The Panax acquisition will significantly strengthen our research and growing capabilities.*

*“Further to this, with our Slovenian extraction facility under construction, we expect to commence extraction operations at the facility and produce our first research grade product by Q2 2017.*

*“We have materially progressed our company throughout the year, establishing North American and European distribution agreements that already begun delivering revenue for our company.”*

<https://thewest.com.au/business/public-companies/mgc-pharma-harvests-1st-medicinal-cannabis-crop-ng-b88342604z>