

## MGC Pharma raises \$10M to accelerate medicinal cannabis development

By [Leo Oliver](#) [@shauryaarya1](#) on March 20 2017 3:07 PM



Section Grower Morgan Blenk inspects a marijuana plant clone before planting it at Tweed Marijuana Inc in Smith's Falls, Ontario, March 19, 2014. Reuters/Blair Gable

MGC Pharmaceuticals has raised \$10 million in its endeavour to seek acquisitions and increase the development of medicinal cannabis and related products. The share placement, which came at \$0.065 a share, was oversubscribed by investors from Asia, Australia and North America.

It comes at a discounted value of 25.29 percent from when it last traded at a price of \$0.087. The shares were valued at 8 cents recently.

The money raised will be used by MGC to expand its research and development of medicinal cannabis and derived products, the pharmaceutical company said. . At the same time, the company management said the equity raising will be used in enhancing the sales of cannabis based cosmetics and dermatological product lines, which have already arrived in the European and US markets.

“To receive commitments well in excess of \$10m is a substantial validation of, not only our company, but also of the enormous potential of medical cannabis globally,” MGC co-founder and Managing Director Nativ Segev said. “These funds will allow us to fast-track the

research, development and commercialisation of our own pharmaceutical-grade products which could potentially treat a variety of indications.”

MGC has \$13.5 million cash following Friday’s placement. With this, the company is forecast to grow significantly in 2017.

Other organisations involved in the development of cannabis related products have also witnessed a surge on the ASX. MMJ Phytotech climbed from 18 cents to 75 cents a share while Auscann Group jumped from 21 cents to 83 cents a share. Stemcell United was trading at 32 cents, jumping from 1.3 cents.

Several other companies have also benefitted immensely following the legalisation of medicinal cannabis, also labelled as the "pot stock" boom. The Hydroponics Company (THC) recently announced it will be expanding its operations as a manufacturer and distributor of the product.

The company – which has now joined the likes of AusCann, Zelda Therapeutics, MGC Pharma, Creso Pharma and International Cannabis Corp – is looking to raise \$5 million to \$8 million at 20 cents a share. All of these companies have recently started trading on the ASX.

Cultivation and harvesting of medical cannabis and related products was legalised in Australia in October last year. In a report issued by the University of Sydney last year, which was titled “Medicinal Cannabis in Australia: Science, Regulation and Industry,” it was found that medicinal cannabis in Australia could have an initial demand of 8,000 kilograms of the product.

<http://www.ibtimes.com.au/mgc-pharma-raises-10m-accelerate-medicinal-cannabis-development-1547478>