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## Pot stocks rocket higher on Federal government announcement

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Shares in Australia's fledgling crop of pot stocks rocketed higher on Wednesday, following an announcement by the Federal Government aiming to boost cannabis supply and relax importation laws.

The announcement comes just one week after the first licence for private cultivation was issued to privately owned Cann Group, allowing them to cultivate marijuana in Australia.



A man has found 24 garbage bags of cannabis on Sydney's northern beaches Photo: Supplied

Investors flooded into listed marijuana plays. Creso Pharma shares had spiked 8 per cent at lunch time, MMJ Phytotech was up 9 per cent, MGC Pharmaceuticals was up 8 per cent and AusCann had soared 24 per cent.

Federal Health Minister Greg Hunt said the changes would ensure there was enough supply for "all of the medical demand".

"That won't happen overnight, but what we've done here is issue a call for people to be able to establish an interim supply for and within Australia through importation," he said.

"Last year, the law was put in place which made medicinal cannabis available. Now however I want to deal immediately with the question of supply."

Medicinal marijuana - used to treat patients with chronic pain or prolonged illnesses - could be available under the government's scheme in eight weeks.

While the Australian government legalised medicinal marijuana last year and each state regulates its cultivation, most cannabis is imported from overseas.

Last week, Victorian-based Cann Group was the first company issued a licence to cultivate cannabis by the Australian Government Office of Drug Control. The company plans to list on the ASX in the coming months.

Under the federal scheme, patients with a valid prescription from a GP can possess and use medicinal cannabis products manufactured from cannabis legally cultivated in Australia, provided the supply has been authorised under the Therapeutic Goods Act and relevant state and territory legislation.

AusCann Group has a 400-plant strong crop in Chile, which the company plans to harvest in April. MMJ Phytotech has cannabis growing facilities in Canada, including a license to cultivate medical marijuana.

MGC Pharmaceuticals has a growing operation in Slovenia and recently announced its cannabis extraction facility is near completion. The company aims to harvest its first crop in August.