



ASX ANNOUNCEMENT

14 MAY 2019

First commercially grown Australian medicinal cannabis resin delivered to Victorian Government

14 May 2019 – Cann Group Limited (ASX: CAN) is pleased to announce that the Victorian Government has taken delivery of the first Australian sourced and commercially grown cannabis resin for use by Australian patients.

Cann Group entered into a supply contract last October with the Victorian Department of Health and Human Services (DHHS), through its Office of Medicinal Cannabis (OMC), for the supply of cannabis plant extract (resin).

This delivery represents the first supply to Australian patients of medicinal cannabis resin commercially grown and produced in Australia.

The cannabis resin has been extracted from dry cannabis flower produced at the Cann Group's undisclosed Southern Facility in Melbourne. The company has an agreement with Agriculture Victoria to undertake the resin extraction process using a supercritical CO₂ extraction method to produce a whole plant extract. The resin subsequently undergoes further development into a product formulation suitable for patient use.

Cann Group CEO Peter Crock said: "Our facility uses specifically designed grow rooms where variables such as temperature, light and moisture are closely controlled. The company has successfully completed 39 harvests at this facility, which continues to operate at full capacity."

Work is about to start on Cann Group's new large-scale state of the art cultivation facility near Mildura which, when commissioned in 2020, will have the capacity to produce up to 50,000 kilograms of dry flower per year.

Mr Crock said Cann Group is pleased to be associated with the Victorian Government's compassionate access scheme, which aims to improve the quality of life for young epilepsy patients and their carers.

"Our resin delivery, and the revenue generated from it, represents a key milestone for the company, the commercial terms of which have not been disclosed. We will also broaden our distribution and sales activity through other Australian channels and look forward to export sales when the Mildura facility is commissioned in the third quarter of 2020."

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About Cann Group

Cann Group is building a world-class business focused on breeding, cultivating and manufacturing medicinal cannabis for sale and use within Australia. The company has established research and cultivation facilities in Melbourne and is striving to provide access to medicinal cannabis for Australian patients. Cann Group has executed collaboration agreements that will enable it to establish a leading position in plant genetics, breeding, extraction, analysis and production techniques required to facilitate the supply of medicinal cannabis for a range of diseases and medical conditions. It was issued with Australia's first medicinal cannabis research licence in February 2017, in addition to Australia's first medicinal cannabis cultivation licence in March 2017. Aurora Cannabis Inc – one of Canada's largest listed medicinal cannabis companies – is a cornerstone investor in Cann, with a 22.9% shareholding.