

ASX ANNOUNCEMENT

30 MAY 2017

CANN GROUP SECURES PERMITS TO START CULTIVATION ACTIVITY

Melbourne-based Cann Group Limited (ASX: CAN) will receive its first plant material and start cultivation of medicinal cannabis in the coming days after securing the necessary permits from the Office of Drug Control (ODC).

The company has been issued with one medicinal cannabis permit and two cannabis research permits. These permits will facilitate the establishment of breeding plants for propagation purposes; a research program being undertaken with CSIRO to develop unique cannabis extracts; and the supply of plant material for manufacturing into medicinal cannabis products for patient use.

The first plants being cultivated by Cann are expected to be harvested by early August 2017. Harvested material from the plants cultivated under the medicinal cannabis permit are being supplied under a commercial agreement, the terms of which, including manufacturer details, volume, and price will be kept confidential. The company is working toward specific scale-up milestones throughout this year.

Cann was the first Australian medicinal cannabis company to be issued with cultivation licences for both medicinal supply and research purposes under the Federal Government's regulatory system. As a holder of those licences, the company was able to apply for permits to undertake specific activities that support its objective to be the leading developer and producer of medicinal cannabis in Australia.

Cann CEO Peter Crock said the company has arrangements in place to produce medicinal cannabis for manufacturing into a final product that can be accessed by patients via clinical trials, or through the TGA's Authorised Prescriber or Special Access Scheme.

"We will start cultivation at our Southern facility, while work continues on preparing our Northern facility, also in Melbourne, which will have a larger cultivation and production capacity. When the facility modification is complete towards the end of this year, we will apply for our licences and permits to be extended to that facility," said Mr Crock. "We now have the necessary funding to



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complete our expansion program and continue with evaluation of strains for production and our breeding program and other development activities.”

“Securing these permits is another significant milestone in the execution of our business plan.”

Mr Peter Crock
Chief Executive Officer

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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 – Canada’s second largest listed medicinal cannabis company – is a cornerstone investor in Cann, with a 19.9% shareholding.