



Ag & Vet Weekly

Monday January 20 – Friday January 24, 2020

All the news on ASX-listed agriculture and veterinary companies

- * JAN 24: ASX, AVW-45 UP: ROOTS UP 10.5%; APIAM DOWN 10%
- * FEDERAL \$713k FOR RED8 PORTABLE ABATTOIRS
- * EUROPE OKAYS QBIOTICS STELFONTA FOR DOG SKIN CANCER
- * AUSBIOTECH 2nd AUSTRALIAN INDUSTRIAL HEMP CONFERENCE
- * CLEAN SEAS RIGHTS RAISE ADDITIONAL \$2.4m, TOTAL \$15.3m
- * WATTLE HEALTH: 2nd BLEND & PACK RIGHTS RAISE FOR \$40m
- * WATTLE TO REFUND 1st RIGHTS ISSUE
- * FONTERRA COMPLETES \$532m DFE SALE TO CVC
- * SEAFARMS APPOINTS PRIMSTAR TO SELL PRAWNS IN EUROPE
- * ROOTS REGISTERS HEAT STUB AUSTRALIAN DESIGN PATENT
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- * CRESO: 3m ANIBIDIOL DOG DOSES SOLD; NEW MARIJUANA PRODUCTS
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- * THC TO SELL MGC'S CANNDEO MARIJUANA, 1st PURCHASE FOR \$40k
- * THC: TGA GRANTS SOUTHPORT MARIJUANA FACILITY LICENCE
- * ROBERT LEDERER, RTL TAKE 11% OF ANATARA
- * AMBER SCHWARZ, JAMBER REDUCE TO 9% OF CRESO
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MARKET REPORT

The Australian stock market was up 0.04 percent on Friday January 24, with the ASX200 up 2.5 points to 7090.5 points. 16 of the AVW-45 stocks were up, 15 fell, 10 traded unchanged and four were untraded.

Roots Sustainable was the best, up 0.4 cents or 10.5 percent to 4.2 cents, with 916,888 shares traded. Cannpal climbed 10.3 percent; Clean Seas, Huon and Nanollose were up more than four percent; Althea, Bubs and Costa were up three percent or more; Pharmaust improved 2.1 percent; A2 Milk, Synlait and THC climbed more than one percent; with Elders, Fonterra, Select Harvests and Tassal up by less than one percent.

Apiam led the falls, down 5.0 cents or 9.7 percent to 46.5 cents, with 17,839 shares traded. Ocean Grown Abalone and Tasfoods fell more than seven percent; Memphasys lost 5.5 percent; Auscann and Wide Open Agriculture were down more than four percent; AP Hemp and Murray Cod fell three percent or more; Elixinol and Regeneus shed more than two percent; Ecofibre and Ridley lost one percent or more; with Bega, Nufarm and Palla Pharma down by less than one percent.

RED8 PRODUCE

Red8 says it has received a \$712,500 Accelerating Commercialisation grant under the Federal Government's Entrepreneurs' Program for its portable abattoirs.

Red8 said the funding would go to the development of the abattoirs, designed to be moved between farms to allow farmers to slaughter livestock locally.

The company said its portable abattoirs were designed to reduce the amount of "fees, levies and transport costs" farmers face when animals are taken from farms to be slaughtered, as well reduce the stress endured by animals on their way to abattoirs.

Red8 said the units could be "towed behind a farm ute, and when on site could be interlocked in any configuration" allowing for multiple species or adding extra chillers.

The company said Sarah Burrows and Anita Taylor developed the portable, scalable, ethical slaughter system at the University of New England Smart Region Incubator.

The University of New England said Red8 was conceived when Ms Burrows and Ms Taylor, each partners in commercial grazing enterprises, "found themselves resenting that after a lifetime of care, their livestock had to be loaded on trucks and transported hundreds of kilometres to a stressful, anonymous death in centralized abattoirs".

"It was a bleeding-heart moment, but it also had its practical side," said Ms Burrows.

"Transport and yarding introduces a whole lot of possibilities for loss of meat quality, like bruising and dark cutting, caused by stress," Ms Burrows said.

"Consumers worldwide are expressing concern about the ethical aspects of meat production, and in our Australian grass-fed systems, that last trip produces our biggest welfare risks," Ms Burrows said.

"And as soon as animals leave the farm, they are subject to a whole series of fees, levies and transport costs," Ms Burrows said. "On-farm slaughter addresses these issues."

Red8 said it was in discussion with investors and hoped to test the first units this year.

The company said it planned a meat distribution business operating on the output of the slaughter units and farmers would have the option to sell branded meat through its own channels, highlighting the ethical and provenance advantages of on-farm slaughter.

"We expect this will be particularly attractive to butchers, who increasingly need a point of difference to bring customers inside their doors," said Ms Burrows.

Red8 is a private company.

QBIOTICS GROUP

Qbiotics says the European Medicines Agency has registered its small molecule, tigilanol tiglate, or Stelfonta, as a veterinary cancer drug for mast cell tumors in dogs.

In 2018, Qbiotics said its 22-patient, first-in-human phase I/IIa trial of tigilanol tiglate, or EBC-46, for solid tumors achieved a complete response in two patients.

The company told Biotech Daily at that time that the open-labelled trial of its tropical rainforest-derived compound enrolled 22 patients with 29 tumors and tigilanol tiglate was administered as a bolus injection on day-1 with escalating doses beginning at 0.06 milligram per metre squared of body surface (BD: Nov 13, 2018).

Today, Qbiotics said that tigilanol tiglate, to be marketed as Stelfonta, was indicated in Europe for the treatment of non-resectable, non-metastatic, subcutaneous mast cell tumors located at, or distal to, the elbow or the hock, and non-resectable, non-metastatic cutaneous mast cell tumors in dogs.

The company said tigilanol tiglate was approved for tumors less than or equal to 8.0 cubic centimetres in volume and must be accessible to intra-tumoral injection.

Qbiotics said mast cell tumors were the second most frequent cancer diagnosed in dogs and the most common skin cancer, accounting for up to 21 percent of skin cancer cases.

Qbiotics veterinary oncologist Dr Pam Jones said the approval was “an exciting additional treatment option for [mast cell tumors] where surgical removal of the tumor mass is currently the standard of care”.

“There are some challenges associated with surgery, as in some cases the tumor isn’t always easily accessible, and anaesthesia carries inherent risks, especially for older dogs and brachycephalic breeds,” Dr Jones said. “Stelfonta is administered by injection directly into the tumor mass [so] generally, dogs undergoing treatment do not need to be sedated, or need local or general anaesthesia.”

Qbiotics said that up to 25 percent of dogs developed cancer at some time in their lives and cancer was the leading cause of death in dogs, with about 50 percent of dogs over the age of 10 years dying of the disease.

Qbiotics managing-director Dr Victoria Gordon said that there were “only a very small number of registered treatments for cancer in companion animals, providing a significant opportunity for new treatments in this growing market”.

“Tigilanol tiglate is a new approach to the problem of cancer,” Dr Gordon said.

“The drug works largely through specific protein kinase C activation, in which it locally stimulates the immune system, resulting in destruction of the tumor mass and the tumor’s blood supply, followed by rapid healing of the site with minimal scarring,” Dr Gordon said.

Qbiotics said the approval was based on a data package supporting the safety and efficacy of Stelfonta, including an intended-to-treat 123-dog (81 and 42), pivotal, multi-centre, randomized, blinded study, with 80 dogs treated and 38 untreated control dogs.

The company said that at 28 days post-treatment 60 dogs (75%) achieved a complete response, with the tumor completely destroyed, after a single intra-tumoral injection of Stelfonta compared to two complete responses in the untreated controls ($p = 0.0001$).

Qbiotics said all dogs were treated with corticosteroids and Stelfonta was “very well tolerated and animals had a good quality of life during and after treatment”.

Dr Gordon said Qbiotics and partner, the Carros, France-based Virbac, were preparing for the launch of Stelfonta in the UK, France, Spain and Germany, and later in the US, subject to US Food and Drug Administration approval.

Qbiotics said the approval was the first registration of tigilanol tiglate, which was under review by the US FDA Center for Veterinary Medicine and the Australian Pesticides and Veterinary Medicines Authority.

Qbiotics is a public unlisted company.

AUSBIOTECH

Ausbiotech says the second Australian Industrial Hemp Conference will be held in Fremantle, Western Australia from February 25 to 28, 2020.

Ausbiotech said it expected more than 400 attendees at the conference, where 40 speakers would present their research and expertise, discussing topics such as the use of hemp for human health and food products, crop management and investment opportunities.

The industry organization said the Government of Western Australia Department of Primary Industries was a major sponsor.

Ausbiotech said speakers included Bruce Pascoe, author of Dark Emu, and the Commonwealth Scientific and Industrial Research Organisation's agriculture and food's science director Michael Robertson among others.

The industry organization said that, during the final session of the conference, speakers from government and industry would discuss investments, carbon sequestration, water scarcity, changes to regulation and industry cooperation

For more information, go to: <http://www.australianindustrialhempconference.com.au/>.

CLEAN SEAS SEAFOOD

Clean Seas says its convertible notes offer at \$1.00 a note has raised an additional \$2,396,934 with applications for 2,396,934 notes, bringing the total to \$15.3 million.

In November, Clean Seas said it had raised \$9.6 million of a hoped-for \$15.4 million but that it would attempt to place the shortfall of 5,785,934 notes (AVW: Nov 22, 2019).

This week, Clean Seas said that following the additional applications its convertible notes issue offer was complete and that it would use the funds to expand sales of ocean farmed Kingfish to 4,000 tonnes by June 30, 2022.

Clean Seas was up three cents or 4.3 percent to 73 cents.

WATTLE HEALTH AUSTRALIA

Wattle Health says it hopes to raise \$39.7 million through a second rights issue at 40 cents a share, following the failure of its previous offer to secure the minimum required.

Earlier this month, Wattle Health said it raised \$11.7 million of a hoped for \$62 million intended for the acquisition of 80 percent of dairy processor Blend & Pack, failing to meet the minimum required, and forcing the refund of applications and a renegotiation with Blend & Pack (AVW: Nov 22, 2019 Jan 20, 2020)

The company said that chief executive officer Dr Tony McKenna and two directors would resign.

This week, the company said its new two-for-one, non-renounceable rights issue was to fund the Blend & Pack acquisition and had a minimum capital raise requirement of \$25 million.

Wattle Health was untraded at 53 cents.

WATTLE HEALTH AUSTRALIA

Wattle Health says its rights issue that raised \$11.6 million of a hoped for \$62.2 million will be fully refunded, with another rights offer being planned.

In January, Wattle Health said its rights offer had failed to secure the minimum funding required (AVW: Jan 20, 2020).

The company said it expected to pay refunds about January 24, 2020.

FONTERRA SHAREHOLDERS' FUND

Fonterra says it has completed the sale of its 50 percent holding in Germany's DFE Pharma to London's CVC Strategic Opportunities II, for \$NZ554 million (\$A531.8 million). Fonterra said it expected other one-off transactions throughout 2020. Fonterra was up two cents or 0.5 percent to \$3.87.

SEAFARMS GROUPS

Seafarms says the Dordrecht, Netherlands-based Primstar BV will sell its black tiger prawns in Europe, once its Project Sea Dragon production begins. Seafarms said that once production had begun the supply deal would have a minimum term of five years and could be extended by a further five years, with Primstar to take about 15 percent of annual prawn production from Seafarms' initial stage of production, at market-based prices and with volumes able to be extended by agreement. Seafarms was unchanged 6.9 cents.

ROOTS SUSTAINABLE AGRICULTURAL TECHNOLOGIES

Roots says it has registered a design patent with IP (Intellectual Property) Australia for its heat exchange stub on January 10, 2020 and was awarded the patent shortly after. Roots said the patent, titled 'Device for temperature control in root zone', would provide protection until November 25, 2024, extendable to 2029. The company said the heat exchange stub was designed to be inserted into the tops of plant pots and grow bags to simplify work procedures and lower the installation cost associated with the Root Zone Temperature Optimisation (RZTO) technology. Roots said its RTZO technology optimised plant physiology for increased growth, productivity and quality by stabilizing the plant's root zone temperature year around. The company said that optimal root zone temperatures were "the most influential parameter in plant's physiology besides water". Roots said the exchange stubs enabled the mobility of pots and grow bags and chains of stubs could be used for row installations in nurseries, greenhouses and cannabis markets. Roots was up 0.4 cents or 10.5 percent to 4.2 cents.

ANATARA LIFESCIENCES

Anatara says pre-clinical studies on its gastrointestinal reprogramming (Garp) dietary supplement have paved the way for a human trial expected to begin by July 2020. Anatara said the pineapple-stem, bromelain-based dietary supplement addressed the dysbiosis or microbial imbalance of the microbiome by inhibiting pro-inflammatory bacteria in healthy gut cells by more than 95 percent ($p = 0.002$). The company said the supplement reduced gut inflammation by 85 percent by reducing production of pro-inflammatory proteins ($p < 0.001$) and reduced combined disease characteristics of colon inflammation and disrupted bowel habits by 2.5-fold when compared to a placebo ($p = 0.012$). Anatara said it also promoted mucosal healing by increasing both mucin 2 oligomeric mucus gel-forming (MUC 2) and mucin 6 oligomeric mucus gel-forming (MUC 6) genes, by a factor of five to seven-fold ($p < 0.001$). The company said the supplement was being developed for irritable bowel syndrome (IBS) and inflammatory bowel disease (IBD). Anatara was untraded at 34.5.

ELIXINOL GLOBAL

Elixinol has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price fell 19.6 percent from a high of \$1.43 to a low of \$1.15 on January 21, 2020 and noted a "significant increase" in trading volumes.

Elixinol was down 3.5 cents or 2.95 percent to \$1.15 with 1.4 million shares traded.

CRESO PHARMA

Creso says it has sold more than three million doses of its Anibidiol hemp oil complementary feed products since late 2017, benefitting about 100,000 dogs.

Creso said that Anibidiol was used "to help mitigate stress and improve wellbeing in dogs".

The company said it had three new hemp-derived products for pets which were expected to be launched in 2020.

Creso was unchanged at 17.5 cents.

CANN GLOBAL

Cann Global says it will supply T12 hemp powder to wholesale food retailer Costco Australia and Vietnam's Epcu Foods has increased its supply request by 50 percent.

Cann Global said it had continuing orders with Costco for T12 hemp seed oil capsules and new orders for its Blanck & Co hemp protein natural and vanilla flavors.

The company said the Ho Chi Minh City-based Epcu Foods would provide further product orders for T12 food additive capsules, including for chia, fish oil and flax products.

Cann Global was unchanged at 1.7 cents with 5.2 million shares traded.

MGC PHARMACEUTICALS, THC GLOBAL GROUP

MGC and THC say THC will sell three of MGC's marijuana formulations in Australia and New Zealand under its Canndeo brand, with the first purchase for EUR25,000 (\$A40,307).

A joint announcement said MGC's Slovenian facility would produce and supply three unbranded liquid formulations to THC, including a high cannabidiol (CBD) and low tetrahydrocannabinol (THC) concentration, a balanced CBD and THC concentration and a high THC and low CBD concentration, with the products expected to be available by April 2020.

The companies said all of THC's subsequent purchase orders would be for a minimum of EUR50,000, with no minimum order volume.

MGC was unchanged at 3.5 cents.

THC was up 0.5 cents or 1.2 percent to 41 cents.

THC GLOBAL

THC says the Australian Therapeutic Goods Administration has granted its Southport facility on the Queensland Gold Coast a licence to manufacture therapeutic goods.

Yesterday, THC requested a trading halt pending an announcement regarding "the receipt of a licence to manufacture therapeutic goods from the Australian Therapeutic Goods Administration" (BD: Jan 20, 2020).

Today, the company said it had all the licences required to begin the commercial manufacture of medical marijuana.

ANATARA LIFESCIENCES

The Sydney-based Robert Lederer says he has increased his substantial shareholding in Anantara from 4,977,000 shares (10.07%) to 5,527,000 (11.09%)

Mr Lederer said the shares were held by RTL Group Investments Pty Ltd and his superannuation fund, with 550,000 shares acquired on-market between May 16 and December 20, 2019 as “on market purchases”.

Mr Lederer yet again failed to state the price paid for the shares, as required under the Corporations Act 2001 (BD: Nov 14, 2017; May 16, Dec 12, 2018; May 9, 2019).

CRESO PHARMA

Jamber Investments says it has reduced its substantial shareholding in Creso from 20,369,753 shares (11.73%) to 15,825,250 shares (9.09%).

The Substantial shareholder notice signed by Jamber director James Schwarz for the Amber Schwarz Family account said that between January 17 and 21, 2020 it sold 4,544,503 shares for \$899,453 or an average of 19.8 cents a share.

AUSCANN GROUP HOLDINGS

In previous articles, Ag & Vet Weekly has reported on changes at the Auscann board, that make more sense as a single article.

At the Summer break, Auscann said it had appointed Max Johnston and Krista Bates as directors, replacing interim chair Cheryl Edwardes.

In October, Auscann said Ms Edwards would replace chairman Dr Mal Washer on an interim basis and would not seek re-election at the company’s annual general meeting, and the company would appoint new directors and a new chair, including a nominee from largest shareholder Merchant Funds Management (AVW: Nov 1, 2019).

Also in November, the company said Merchant Funds Management chief financial officer Christopher Mews would replace former chairman Dr Paul MacLeman as a director, effective from December 1, 2019.

On December 20, Auscann said Mr Johnston was previously chief executive officer of Johnson & Johnson’s Pacific for 11 years and was currently a director of Bard1, Polynovo, Cannpal and Medical Developments.

The company said Ms Bates had 18 years’ experience in law and was a partner the Perth-based law firm Lavan, specializing in corporate law.

Auscann was down 1.5 cents or 4.8 percent to 30 cents with 1.7 million shares traded.

AUSTRALIAN PRIMARY HEMP

AP Hemp says it has appointed Dr David Pate, Dr Jace Callaway, Phil Petelski and Anita Hemmilä to its advisory board.

AP Hemp said Dr Callaway was the chief executive officer and co-founder of Finola, the marijuana strain that AP Hemp had exclusive rights to purchase, cultivate and distribute in Australia, while Ms Hemmilä was chief financial officer and co-founder of Finola.

The company said all members of the advisory board would be paid \$15,000 a year in shares issued at 20 cents each, with the exception of Dr Callaway who would be paid in cash as previously approved by shareholders.

AP Hemp was down 0.5 cents or three percent to 16 cents.

CRESO PHARMA

Creso says it has renewed mandates with Everblu for corporate advice replacing mandates agreed in July 2017.

Creso said that it would issue Everblu 2,000,000 shares and 8,000,000 options, exercisable at 20 cents each within three years, pending shareholder approval. The company said that director Adam Blumenthal was the chairman of Everblu.

CORRECTION: VITALHARVEST

An article on Vitalharvest's Tumbarumba berry farm damaged by bushfires, posted by Costa Group, mistakenly said Costa Group held 8.62 percent of Vitalharvest.

In fact, Costa Asset Management, the previous owners of Vitalharvest before ASX listing, Robert and Anthony Costa, owns 5.41 percent of Vitalharvest, of which Costa Group is a tenant.

Vitalharvest was down 0.5 cents or 0.7 percent to 75.5 cents.