

Ag & Vet Weekly



Monday November 8 – Friday November 12, 2021

All the news on ASX-listed agriculture and veterinary companies

- * **ASX UP, AVW-42 DOWN: PALLA UP 18%; NANOLLOSE DOWN 16%**
- * **MURRAY COD \$30m PLACEMENT, \$3m PLAN FOR EXPANSION**
- * **NANOLLOSE CLOSER TO FABRIC PRODUCTION; METAL CONTAMINATION**
- * **AUSCANN PLANS MARIJUANA SPINAL CORD INJURY SYMPTOMS TRIAL**
- * **CRESO: HALUCENEX PSILOCYBIN TESTING**
- * **ELDERS RELEASES 3m VOLUNTARY ESCROW SHARES**
- * **CHALLENGER BELOW 5% OF ELDERS**
- * **AWARE SUPER TAKES 6.2% OF NUFARM**
- * **VANGUARD BELOW 5% IN BEGA, COSTA, ELDERS, TASSAL**
- * **CRESO LOSES 3-DAY CONSULTANT DR BRIAN WALKER MLC**

MARKET REPORT

The Australian stock market was up 0.83 percent on Friday November 12, 2021, with the ASX200 up 61.1 points to 7,443.0 points. Fourteen of the AVW-42 stocks were up, 17 fell, 10 traded unchanged and one was untraded.

Palla Pharma was the best on no news, up six cents or 17.65 percent to 40 cents, with 332,326 shares traded. Althea and Pharmaust climbed more than nine percent; Auscann and Sustainable Nutrition (formerly AP Hemp) were up five percent or more; Memphasys, MGC and Synlait improved more than four percent; Cobram and Nufarm rose more than two percent; Cann Group and Clover were up more than one percent; with Bega and Select up by less than one percent.

Nanollose led the falls, down two cents or 16 percent to 10.5 cents, with 3.2 million shares traded. Anantara lost 6.45 percent; Avecho and Seafarms fell five percent or more; Apiam, Creso and Terragen were down more than three percent; Bubs and Ecofibre shed more than two percent; Elixinol and Ridley were down more than one percent; with A2 Milk, Clean Seas, Costa, Fonterra, Tassal and Wide Open down by less than one percent.

MURRAY COD AUSTRALIA

Murray Cod says it is book-building for an underwritten placement to raise \$30 million at 33.5 cents a share and hopes to raise a further \$3 million in a share purchase plan.

Murray Cod said that Barrenjoey Markets Pty Ltd was the lead manager and underwriter for the institutional placement and the 33.5 cents price was an 11.8 percent discount to its last closing price of 38 cents on November 11, 2021.

Murray Cod said that the share plan was not underwritten and had a record date of November 11, would open on November 19 and close on December 10, 2021.

The company said the proceeds would fund the construction of a hatchery and about 26 new ponds over two years that would increase capacity by about 2.3 million adult fish.

Murray Cod said it would build "a new state-of-the art processing plant" and increase investment in feed technology to increase revenue per kilogram and result in cost efficiencies, with an opportunity to increase gross margins to 63 percent to 66 percent.

The company said the proceeds would fund a breeding program with the Commonwealth Scientific and Industrial Research Organisation to increase fish growth rates, flesh quality and fillet recovery, to extend its position "as the leading producer of premium Murray Cod".

Murray Cod said that the expansion would accelerate growth in production to exceed the target of producing 10,000 tonnes a year by 2030, to target "the excess demand for premium Aquana Murray Cod" in the US, European Union and Japan.

Murray Cod said that at the settlement of the placement, chair Ross Anderson would buy 10 million shares from managing-director Mat Ryan at 35.5 cents a share.

The company said that Mr Ryan would not dispose of any further shares until the release of the company's half year results, expected in February 2022, at the earliest.

Murray Cod remained in a trading halt at 38 cents.

NANOLLOSE

Nanollose says it completed processing waste cellulose into material, the second last step to manufacture its Nullabor fibre into material for the lyocell fabric process.

Nanollose said the penultimate step was "a key milestone" with the specific technical goals of the pilot trial being achieved as planned.

The company said the processing of waste cellulose to its tree-free Nullabor fibre "significantly reduces a key risk of the pilot program and the company is delighted to have achieved this result at pilot scale, passing another important milestone".

Nanollose said that final preparatory testing of the processed microbial cellulose identified that a small quantity of fine metal particles was introduced during the drying process which had to be removed before proceeding to the final stage of spinning the processed microbial cellulose into fibre at Mumbai's Birla Cellulose in December.

The company said it was confident that the source of the metal particles had been identified and it related to an isolated event from the drying equipment which could be readily avoided in the future.

Nanollose said that if removal of the metal cannot be achieved in a timely and cost-effective manner, a second, larger batch of microbial cellulose recently arrived in Mumbai and could be evaluated for processing and use in the pilot spin if necessary.

Nanollose chair Dr Wayne Best said he was "greatly encouraged that the technical objectives of the pilot scale processing were met".

"While the appearance of metal in the processed [cellulose] is unfortunate, the meeting of the technical objectives is the more significant and enduring outcome of the trial, and enables us to proceed with even greater confidence," Dr Best said.

Nanollose fell two cents or 16 percent to 10.5 cents with 3.2 million shares traded.

AUSCANN GROUP

Auscann says it has begun designing a clinical trial to evaluate its marijuana-derived cannabinoid formulations for treating spinal cord injury symptoms.

In September, Auscann said it appointed Melbourne's Cannvalate Pty Ltd to review its animal data and research to develop drugs for human traumatic injury and neurological disorders (BD: Sep 21, 2021).

Today, the company said that following the Cannvalate review it had withdrawn from and investigator-led trial and would "redirect its resources to a research and development program which is better designed to support product registrations in targeted medical conditions".

Auscann said it would conduct a program to generate clinical data on the benefits of cannabinoid-based formulations for people suffering from symptoms associated with spinal cord injury, which could be used to support a US Food and Drug Administration approved development program.

The company said the global market for treatments associated with spinal cord injury was estimated at more than \$US6 billion.

Auscann said its medical advisors had seen "encouraging benefits" in patients with spinal cord injury after the use of its Neuvis tetrahydrocannabinol and cannabidiol capsules.

The company said that it expected to apply for ethics approval for a trial "in early 2022".

Auscann was up half a cent or 5.3 percent to 10 cents.

CRESO PHARMA

Creso says its Halucenex synthetic psilocybin active pharmaceutical ingredient has completed USP61 and USP62 tests and is safe for human consumption.

Creso said that the tests evaluated the total number of microbial organisms present within a sample, as well as checking for the presence of potential pathogens.

The company said that based on the positive results of the tests, it expected to begin a phase II trial of psilocybin for treatment-resistant post-traumatic stress disorder by July 2022.

Creso fell half a cent or 3.45 percent to 14 cents with 8.1 million shares traded.

ELDERS

Elders says it will release 3,163,460 shares from voluntary escrow on November 13, 2021 as part of its acquisition of AIRR Holdings (AVW: Nov 1, 2019).

According to Elders' most recent filing, the company had 156,476,574 shares on issue.

Elders was unchanged at \$12.10 with 585,501 shares traded.

ELDERS

Challenger and its associated entities say they have reduced below the five percent substantial shareholder level in Elders.

The Sydney-based Challenger and its subsidiaries said that between December 10, 2020 and November 4, 2021, they bought, sold and transferred shares, with the single largest sale 208,296 shares for \$2,540,170 or \$12.195 a share.

Challenger said it transferred 871,578 shares worth \$10,049,294 or \$11.53 a share

NUFARM

Aware Super says it has increased its substantial shareholding in Avita from 19,759,960 shares (5.20%) to 23,642,760 shares (6.22%).

Aware said that between September 6 and November 1, 2021 it bought shares in Nufarm, with the largest single purchase 2,534,265 shares for \$11,532,174 or \$4.55 a share.

Nufarm was up 13 cents or 2.6 percent to \$5.12 with 929,432 shares traded.

BEGA CHEESE, COSTA GROUP, ELDERS, TASSAL GROUP

Vanguard and subsidiaries say they have ceased their substantial holding in Bega, Costa, Elders and Tassal following a change in investment manager.

The Valley Forge, Pennsylvania-based Vanguard Group said it held 1,412,846 shares in Bega Cheese with no sell down activity other than the change in investment management for an institutional client.

The company said it held 2,195,227 shares in Costa Group with no sell down activity.

Vanguard said it held 746,827 shares in Elders with no sell down activity other than the change in investment management.

Vanguard said it held 976,440 shares in Tassal Group with no sell down activity other than the change in investment management.

Bega was up one cent or 0.2 percent to \$5.49 with 967,744 shares traded.

Costa fell two cents or 0.65 percent to \$3.05 with 1.2 million shares traded.

Tassal fell two cents or 0.6 percent to \$3.35 with 304,391 shares traded.

CRESO PHARMA

The Western Australia Legalise Cannabis Member of the Legislative Council Dr Brian Walker has resigned his consultancy with Creso Pharma.

Last week, Creso said it had appointed Dr Brian Walker as a consultant and chair of its Scientific Advisory Committee (AVW: Nov 5, 2021).

Creso said at that time that Dr Walker was a medical practitioner, elected to the Western Australian Legislative Council and would oversee and provide input into its medical marijuana, hemp and psychedelic products.

The company said that as part of his remuneration package, it would issue Dr Walker 200,000 options, exercisable at 20 cents each by November 3, 2024.

On Tuesday, a staff member in Dr Walker's office told Ag & Vet Weekly that Dr Walker had resigned from the position on Monday November 8, 2021.

Dr Walker told Ag & Vet Weekly that he decided that, as a doctor and as a member of the Western Australia Parliament's Cannabis and Hemp Inquiry Committee, accepting the position "didn't pass the pub test" due to the conflation of psychedelics and cannabis.