

# Ag & Vet Weekly



Monday May 1 - Friday May 5, 2023

*All the news on ASX-listed agriculture and veterinary companies*

- \* **ASX UP, AVW-42 EVEN: MGC UP 29%; SEAFARMS DOWN 17%**
- \* **ARC LAUNCHES CANBERRA CROP DEVELOPMENT TRAINING CENTRE**
- \* **SEAFARMS: CANSTRUCT HALTS CREDITOR DEED DISTRIBUTION**
- \* **ORIGINAL JUICE Q3 RECEIPTS UP 25% TO \$11.6m**
- \* **COBRAM: '15% REDUCED OIL, HIGHER CROP YIELD'**
- \* **PHARMAUST 'OVER-SUBSCRIBED' PLACEMENT RAISES \$2.5m**
- \* **HEALTH HOUSE 96% VOTE FOR CRESO TAKEOVER**
- \* **CANN GROUP DRIED MARIJUANA FLOWER ON SALE IN GERMANY**
- \* **PHARMAUST COMPLETES MONEPANTEL MND DOSING**
- \* **MGC MALTA MARIJUANA, CIMETRA FACTORY WINS EU APPROVAL**
- \* **ASX SUSPENDS WIDE OPEN ON COMPLIANCE**
- \* **KATE MITCHELL REPLACES A2 DIRECTOR JULIA HOARE**
- \* **CRESO: 2 PSILOCYBIN PTSD TRIAL PATIENTS 'TOTAL REMISSION'**
- \* **CRESO 'MELODIOL' NAME CHANGE, 15.5m SHARES, 47.8m OPTIONS AGM**

## MARKET REPORT

The Australian stock market was up 0.37 percent on Friday May 5, 2023, with the ASX200 up 26.9 points to 7,220.0 points. Twelve of the AVW-42 stocks were up, 11 fell, 11 traded unchanged and eight were untraded.

MGC was the best, up 0.2 cents or 28.6 percent to 0.9 cents, with 1.6 million shares traded. Creso climbed 10 percent; Anatara was up 7.1 percent; Biogene was up four percent; Apiam improved three percent; Original Juice and RLF rose more than two percent; Cann Group, Costa and Fonterra were up more than one percent; with A2 and Elders up by less than one percent.

Seafarms led the falls, down 0.1 cents or 16.7 percent to 0.5 cents, with 15.2 million shares traded. Elixinol lost 10 percent; Tasfoods was down 7.4 percent; Memphasys fell 5.3 percent; Next Science, Pharmaust and Select Harvests were down more than three percent; Australian Agricultural and Bega shed more than one percent; with Nufarm and Synlait down by less than one percent.

### THE AUSTRALIAN RESEARCH COUNCIL

The Australian Research Council says it has launched its Training Centre for Future Crops Development with the Australian National University in Canberra.

The Australian Research Council said the training centre aimed “to create a nationwide industrial capability that will accelerate crop genetic improvement ... while delivering benefits to consumers and the economy by creating better and more reliable food sources”.

The Council said it was investing \$5 million over five years in the Centre and was supported by \$13.8 million in funding and in-kind support from other university and industry partners.

The ARC said the centre connected industry partners with interdisciplinary researchers and students as future research leaders through a structured, intergenerational research and translation environment, working with seven research and 12 industry partners.

ARC chief executive officer Ms Judi Zielke said the centre would address the current setbacks in crop improvement, by developing and applying emerging innovative technologies, and creating an ongoing open-access and socially aware technological facility for crop genome engineering.

“Through research-led training and engagement in ethical, social, regulatory and market issues that align emerging technologies with society’s needs, the ARC Training Centre will help create a crop sector that rapidly converts innovation into social, economic and productivity benefits for industry, rural communities, and society,” Ms Zielke said.

### SEAFARMS GROUP

Seafarms says Canstruct has a Federal Court injunction preventing Project Sea Dragon’s administrators from distributing the deed fund to creditors.

In February, Seafarms said the adjudicator of its dispute with Brisbane contractor Canstruct for its Project Sea Dragon in northern Australia said it owed Canstruct \$15.29 million and the following week Seafarms said the Project had been placed in voluntary administration (AVW: Feb 10, 17, 2023).

In March, Seafarms said it would pay \$3.5 million to Project Sea Dragon creditors in a deed of company arrangement to take control of the Project (AVW: Mar 24, 2023).

In April, the company said that Canstruct had served it Federal Court orders that Project Sea Dragon’s deed of arrangement be terminated and a liquidator appointed (AVW: Apr 6, 2023).

This week, Seafarms said the deed administrators had told the Federal Court that “they did not oppose an order being made by the Federal Court enjoining them from distributing the deed fund”.

Seafarms fell 0.1 cents or 16.7 percent to 0.5 cents with 15.2 million shares traded.

### ORIGINAL JUICE CO (FORMERLY THE FOOD REVOLUTION GROUP)

Original Juice says receipts from customers for the three months to March 31, 2023 was up 25.0 percent to \$11,560,000 compared to the previous corresponding period.

Original Juice said sales were from continued investment in product development and expanding its core juice and juice shot products.

The company said it had a positive cash flow of \$603,000 for the three months to March 31, 2023, with cash and cash equivalents of \$733,000 at March 31, 2023, compared to \$891,000 at March 31, 2022.

Original Juice was up 0.2 cents or 2.1 percent to 9.7 cents.

### COBRAM ESTATE OLIVES

Cobram says annual oil production in Australia would be about 15 percent lower than the historical average but still expects a “significantly higher” crop yield than 2022.

Cobram said the updated guidance was taken from sample analysis of different varieties and management areas and said reduced oil accumulation was due to cooler than average temperatures from late March, 2023 to April.

The company said its harvest was delayed by 10 days due to cool and wet weather in late 2022 and it expected to finish the harvest by the end of June 2023.

Cobram said sales for the three months to March 31, 2023 were strong with packaged goods sales higher than the three months to September 30 and December 31, 2022 in both Australia and the US.

Cobram was unchanged at \$1.39.

### PHARMAUST

Pharmaust says it has commitments to raise \$2.4 million in an over-subscribed placement at eight cents a share, with a further \$104,000 from directors, pending investor approval.

Pharmaust said the eight cent share price was a 20 percent discount to the 30-day volume weighted average price and for every two shares bought there would be one attaching option, exercisable at 15 cents each by April 30, 2026.

Pharmaust said the funds would be used for trials, the manufacture of monepantel tablets and working capital.

Pharmaust fell 0.3 cents or 3.3 percent to 8.7 cents.

### HEALTH HOUSE INTERNATIONAL, CRESO PHARMA

Health House says that shareholders have overwhelmingly voted in favor of Creso Pharma acquiring the company in a scheme of arrangement.

Last year, Creso said it had a non-binding agreement to acquire the Perth-based medical marijuana distributor Health House International for up to \$4,630,388 in shares and options (AVW: Aug 5, 2022).

This week, Health House said that 36,433,931 votes (95.96%) supported the scheme of arrangement, with 1,534,751 votes (4.04%) opposed.

In its most recent filing Health House said it had 178,224,621 shares on issue.

Health House said the acquisition remained subject to the approval of the Supreme Court of Western Australia, which was approved on May 4, an acquisition effective date of May 5, and an implementation date of May 16, 2023.

Health House was unchanged at 0.5 cents.

### CANN GROUP

Cann Group says Germany has approval the sale of its dried marijuana flower product, with the first shipment delivered and released for supply.

Cann Group said the high tetrahydrocannabinol (THC) marijuana flower was developed through its research and development and breeding program and is part of its overseas supplier program.

Cann Group chief executive officer Peter Koetsier said while the short-term priority was supplying Australian customers, the shipment signalled the beginning of plans to “increase sales overseas in countries such as Germany” as production capacity increases.

Cann Group was up 0.25 cents or 1.6 percent to 16 cents.

### PHARMAUST

Pharmaust says it has dosed all 12 patients in its phase I/II trial of monepantel for motor neurone disease.

Last year, Pharmaust said it has dosed the first patient in its open-label, four-week dose-escalation, trial to assess the safety and tolerability of monepantel in patients with motor neurone disease, also known as Lou Gehrig's disease (AVW: Oct 7, 2022).

This week, the company said all 12 patients had elected to continue the treatment and it expected a safety monitoring committee to review the data for safety, pharmaco-kinetics and pharmaco-dynamics, later this month.

### MGC PHARMACEUTICALS

MGC says its fully automated Malta pharmaceutical marijuana factory has been awarded European Union good manufacturing practice certification.

MGC said the plant would be able to produce more than 20,000 units a day of its oral marijuana product Cannepil and plant based anti-inflammatory Cimetra, including bottling and both primary and secondary packaging.

The company said the facility could provide third party production services to other pharmaceutical companies to maximize manufacturing potential and deliver additional revenue.

MGC was up 0.2 cents or 28.6 percent to 0.9 cents with 1.6 million shares traded.

### AUSTRALIAN STOCK EXCHANGE, WIDE OPEN AGRICULTURE

The ASX says it has suspended Wide Open under Listing Rule 17.3.1, for failing to comply with a requirement for information about a "strategic production partner".

Last week, Wide Open said it requested a suspension until June 30, 2023, following the previous week's trading halt "pending a further announcement to the announcement of April 19", that it was in "advanced confidential negotiations with a strategic production partner" to produce commercial quantities of its lupin-based Buntine protein and was ready for Buntine to move from pilot to commercial production (AVW: Apr 21, 28, 2023).

On Monday, May 1, the ASX said Wide Open had failed "to provide specified information for release to the market in relation to the 'advanced confidential negotiations with a strategic production partner' referenced in its April 19, 2023 announcement".

The ASX said that Wide Open would remain suspended "until such time as [the] ASX is satisfied with [Wide Open's] compliance with the Listing Rules and that it is otherwise appropriate for [Wide Open's] securities to be reinstated to quotation".

Wide Open last traded at 32.5 cents.

### A2 MILK

A2 Milk says it has appointed Kate Mitchell as an independent, non-executive director, from July 1, 2023, replacing deputy chair Julia Hoare who retires on June 30, 2023.

The company said Ms Mitchell was currently the chair of the New Zealand Merino Co and Link Engine Management, as well as director of Heartland Group, Farm Right and Christchurch International Airport.

A2 Milk chair David Hearn acknowledged "the exceptional service that outgoing deputy chair, Julia Hoare has made to the A2 Milk Company over many years".

A2 Milk was up two cents or 0.4 percent to \$5.34 with 4.9 million shares traded.

## CRESO PHARMA

Creso says two patients in Halucenex Life Science's 20-patient trial of psilocybin have shown "total remission" from depression and post-traumatic stress disorder (PTSD).

Creso said data from the phase II trial showed two psilocybin doses, one micro and one macro dose, administered one-week apart lead to a "marked decrease" of symptoms in patients with treatment resistant post-traumatic stress disorder.

The company said early results from the two patients included improvements in total sleep time, reduced cravings for tetrahydrocannabinol and "junk food", blood pressure was reduced from hyper-tensive to normal, and better interpersonal relationships.

Creso said it had amended the trial to allow for a larger window for pre-screening, as well as spread each patient's seventh visit over one to three days, and let Halucenex's chief science officer prepare doses without the need for a pharmacist.

The company said all patients who completed three months of assessments "reported a 95 percent reduction in symptoms at month one and a 75 percent reduction in symptoms by month three, with one patient experiencing a total remission of PTSD by month three".

Creso did not disclose the number of patients who had completed three-month assessments, but said that "of the 20 trial participants, only two patients to-date have received an initial dosing, which took place in December 2022".

The company said that after the initial low 10mg dose, there was a "nearly 40 percent reduction in PTSD symptoms" and a 25mg macro dose one week later resulted in an "immediate decrease in symptoms associated with PTSD" with both participants endorsing zero symptoms of PTSD at one-month post-macro dose".

## CRESO PHARMA

Creso says its annual general meeting will vote to change its name to Melodiol Global Health and issue shares and options to related parties of the company.

Creso said investors would vote to issue 4,000,000 shares to chief financial officer Chris Grundy and 2,000,000 options exercisable at 4.0 cents to director Benjamin Quirin.

The company said the meeting would vote to issue 4,000,000 shares to Everblu Capital Corporate Pty Ltd as lead manager to a placement.

Creso said it would issue 132,859,360 listed and 132,859,360 unlisted broker options to Everblu as placement lead managers exercisable at eight cents and three cents by January 31, 2027 and August 24, 2024, respectively.

Creso said the meeting would vote to issue 74,125,134 restructuring fee options to Everblu and 100,000,000 options to Everblu as lead manager fees for convertible notes raise, exercisable at eight cents each by January 31, 2027.

The company said shareholders would vote to issue 26,407,381 investor options exercisable at eight cents by January 31, 2027, to La Plata for a \$US1,282,500 debt.

Creso said the meeting would vote to issue 7,500,000 performance shares to chief executive officer and managing director William Lay for reaching milestones and 10,000,000 options exercisable at 20 cents by January 17, 2024.

The meeting will be held virtually on May 31, 2023 at 3pm (AEST).