

Ag & Vet Weekly



Monday April 11 – Thursday April 14, 2022

All the news on ASX-listed agriculture and veterinary companies

- * **ASX200, AVW-42 UP: CANN GROUP UP 15.5%;
- SUSTAINABLE NUTRITION DOWN 8%**
- * **CANNATREK READY FOR 16ha MARIJUANA IN SHEPPARTON**
- * **SUSTAINABLE NUTRITION: DASH, REMEDY SUPPLY DEAL**
- * **CANN GROUP MILDURA MARIJUANA PLANT OPERATIONAL**
- * **SPIRIT SUPER TAKES 13.9% OF TASFOODS**
- * **JANET CAMERON DILUTED TO 19.5% OF TASFOODS**
- * **CVC DILUTED TO 12.95% OF TASFOODS**
- * **MICRO CAP ACTIVIST FUND TAKES 6.4% OF TASFOODS**
- * **MGC LOSES CFO DANIEL KENDALL, M-D ROBY ZOMER INTERIM**

MARKET REPORT

The Australian stock market was up 0.59 percent on Thursday April 14, 2022, with the ASX200 up 44.4 points to 7,523.4 points. Eighteen of the AVW-42 stocks were up, 11 fell, 10 traded unchanged and three were untraded.

Cann Group was the best, up 5.5 cents or 15.5 percent to 41 cents, with 4.0 million shares traded.

Ecofibre and Ridley improved four percent or more; Clover, Food Revolution, Memphasys and Synlait were up three percent or more; Cann Global, Cobram and Tassal rose two percent or more; A2, Bega, Elders and Select Harvests were up more than one percent; with Apian, Clean Seas, Costa and Nufarm up by less than one percent.

Sustainable Nutrition led the falls, down 1.5 cents or 8.3 percent to 16.5 cents, with 71,034 shares traded.

Murray Cod lost 6.5 percent; Avecho shed 5.3 percent; Nanollose and Wellnex fell more than four percent; Creso was down three percent; Botanix, Bubs and Epsilon shed two percent or more; with Next Science and Tasfoods down by more than one percent.

CANNATREK

Cannatrek says it has plans for a five-stage development to build a medicinal cannabis facility in Lemnos in Shepparton, employing up to 400 people.

Cannatrek said the first stage would see the construction of a 1.5-hectare (15,000m²) outdoor grow area, which it said would have capacity for five to 10 tonnes of dried marijuana flower a year, and would create 70 local jobs.

The company said it also had plans for a 1.5ha glasshouse, with the potential to expand the project up to 16ha (160,000m²) to include indoor grow and post-harvest facility.

Cannatrek said the facility would make use of renewable energy and automation.

The company said it would use cloned plants from its harvest facility in Queensland, which conducted in-house breeding research, to ensure the control of the supply chain of genetics to “bring the project into immediate commercial production upon completion”.

Cannatrek chief executive officer Tommy Huppert said Cannatrek was committed to using renewable and low-emission energy as much as possible, including solar and hydrogen.

“Energy represents one of the highest costs of projects like this, so we are determined to have our project as much as possible behind the meter,” Mr Huppert said.

The company said part of the project funding would come from a Victoria Government Regional Jobs Fund grant over the next three years.

Victoria Minister for Regional Development Mary-Anne Thomas said the project would “contribute to our country’s cutting edge medicinal cannabis industry, while growing jobs right here in regional Victoria”.

“Cannatrek is committed to supplying goods and services by local industry and this project utilizes skillsets from local trade and suppliers to expert growers,” Mr Huppert said.

“A strong partnership with the local community is essential to us, and we want to provide opportunities for meaningful employment,” Mr Huppert said.

Cannatrek said the company had signed a memorandum of understanding with the Melbourne-based Yurringa Aboriginal labor hire and recruitment firm for “employment services, land and country awareness and community outreach”.

Cannatrek is a public unlisted company.

THE SUSTAINABLE NUTRITION GROUP

Sustainable Nutrition says it will supply Dash Brands Pacific Pty Ltd and Remedy Kombucha Pty Ltd with Australian native and fruit extracts for their drink products.

Sustainable Nutrition said the two-year agreement with London’s Dash Brands included the supply of fruit extract ingredients for its fruit-infused sparkling water products.

The company said the two-year agreement with Melbourne’s Remedy Kombucha included the supply of “three native extracts for its Remedy Kombucha and Remedy Switchel ACV beverage products”.

Sustainable Nutrition said both contracts had minimum order quantities and fixed prices.

Sustainable Nutrition managing-director Neale Joseph said Dash and Remedy were “both important innovators in the better-for-you beverage consumer market”.

“We believe incorporating our native ingredients into their products will be an attractive offering to their customers and provide further competitive differentiation for their products in market,” Mr Joseph said.

“Together these agreements with leading players in the beverage market, demonstrate the potential for expansion of the Australian Superfood Co products into a range of new markets and the future revenue potential we identified at the time of acquiring the Australian Superfood Co last year,” Mr Joseph said.

Sustainable Nutrition fell 1.5 cents or 8.3 percent to 16.5 cents.

CANN GROUP

Cann Group says it has begun growing marijuana and manufacturing Satipharm cannabidiol (CBD) capsules in Mildura and manufactured dried flowers in Melbourne. Cann Group said about 4,000 cuttings were propagated in the Southern Melbourne facility and transferred to Mildura, with the harvest expected in June.

The company said its Southern Melbourne facility had released its first batch of good manufacturing practice dried marijuana flower products, "demand ... remains high" and it had increased production of high tetrahydrocannabinol (THC) cultivars to help meet the demand.

Cann Group said that its Mildura factory had begun production of Satipharm cannabidiol capsules in preparation of schedule 3 registration with the Australian Office of Drug Control.

Cann Group chief operating officer Shane Duncan said that with the Mildura facility coming online it was "pleasing to see the company move to producing medicinal cannabis products at scale".

"Work is continuing in Mildura with the installation and commissioning of table automation and processing systems as the first commercial crop goes through vegetative and flowering stages over the coming weeks," Mr Duncan said.

Cann Group was up 5.5 cents or 15.5 percent to 41 cents, with 4.0 million shares traded.

TASFOODS

The Motor Trades Association of Australia and Spirit Super say they have increased their holding in Tasfoods from 33,779,638 shares (10.7%) to 55,493,605 shares (13.9%).

The Canberra-based Motor Trades Association said that on April 11, 2022 it bought 21,713,967 shares for \$1,519,978, or 7.0 cents a share, the same price as the recent \$5.5 million placement capital raise (AVW: Apr 1, 2022).

Tasfoods fell 0.1 cents or 1.3 percent to 7.4 cents.

TASFOODS

Janet Cameron says her 78,010,137 shares in Tasfoods have been diluted from 22.17 percent to 19.54 percent in a recent share issue (see above).

TASFOODS

The Sydney-based CVC says its 51,669,199 shares in Tasfoods have been diluted from 14.71 percent to 12.95 percent in a recent share issue (see above).

TASFOODS

Melbourne's Micro Cap Activist Fund says it has become substantial in Tasfoods with 25,413,994 shares or 6.36 percent.

The Micro Cap Activist Fund said it bought shares between December 15, 2021 and March 10, 2022 at prices ranging from 7.7 cents to 10 cents, with 21,428,572 shares acquired on April 8, 2022 at seven cents a share in the company's recent \$5.5 million placement (see above).

The substantial shareholder notice said that the Lee laFraté was the chair of the Fund. Mr Fraté is also the chair of Melbourne's Armytage Private at the same Collins Street address.

MGC PHARMACEUTICALS

MGC says that Daniel Kendall has “ceased in his role as chief financial officer” with managing-director Roby Zomer acting as the interim chief financial officer.

MGC said that “due to the significant increase in the company’s European Union and Israeli manufacturing and research operations, [it] has determined that it is best served with a London based [chief financial officer] to manage the financial and accounting operations of the rapidly growing MGC Pharma business”.

The company said that following its listing on the London Stock Exchange in early 2021, a number of the corporate functions of the business had been transferred to London and that the soon to be appointed chief financial officer and Mr Zomer would “relocate there shortly”.

MGC was unchanged at 2.2 cents with 4.1 million shares traded.