



ASX & MEDIA RELEASE

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MEDLAB PREPARES TO START CANNABIS TRIAL, FIRST FOR CANCER PAIN IN AUSTRALIA

Medical life science company, Medlab Clinical Limited (ASX: MDC), is preparing to start Australia's first clinical trial using cannabis for oncology patients suffering intractable pain.

This and news on research outcomes and development of NanoCelle™, a tiny particle mouth spray for medicines, were key points from the Medlab annual general meeting in Sydney on Friday (4 November 2016).

Medlab managing director, Mr Sean Hall, told shareholders that the trial with cannabis would take place at Royal North Shore Hospital in Sydney under the supervision of Professor Stephen Clarke OAM, a medical oncologist, palliative medicine specialist and Professor of Medicine at the University of Sydney.

Commencement of the trial is subject to finalising hospital ethics approval and granting of a clinical trial number from the Federal Health department (Therapeutic Goods Administration), both of which are expected in coming months.

Features of the trial are a specially prepared formulation of the two most known cannabis extracts, CBD (cannabidiol) and THC (tetrahydrocannabinol), with it being administered by NanoCelle™.

Medlab's cannabis formulation, which it is calling Nanabis™ and which will be required to be a Schedule 8 drug as a controlled substance, will be manufactured at a GMP (Good Manufacturing Practice) facility in Melbourne.

Recent statistics regarding cancer pain indicate that it is prevalent in 64 per cent of patients with metastatic or advanced stage disease and that for one in two patients with cancer, pain is undertreated.

NanoCelle™

Apart from its cannabis application, Medlab's initial work with NanoCelle™ has been with statins, which are off-patent and do not require phased clinical trials.

Medlab has conducted blood tests, with NanoCelle™ showing superior absorption and utilisation of medicine by the body, with next steps being to test this in bioequivalent studies.

NanoCelle™ is also being developed in prototype with 23 other active pharmaceutical ingredients, allowing for multiple commercialisation opportunities, Medlab said.

Depression trials and NRGBiotic™,

Following positive results from its phase 1 clinical trials for depression, using its NRGBiotic™, Medlab is ready to start a Phase 2a trial.

The surrounding context for this development is that the World Health Organisation has predicted that by 2030, depression will account for the highest level of disability in the world.

Australian statistics indicate that over 1 million adults experience depression every year, with an estimated 45 per cent of people experiencing a mental health condition in their lifetime.

Diabetes/obesity trial and MultiBiotic™

Medlab will publish positive results from its Phase 1 diabetes/obesity trial derived from MultiBiotic™ in coming months, indicating significant reductions in insulin marker HbA1c, with a phase 2a study readying to commence.

In the US, 25-30 million people have diabetes, with 80 million having pre-diabetes, and in Australia, there are 1.7 million diabetes patients.

Nutraceutical sales

For nutraceutical products, Medlab achieved record sales in October 2016, with September quarter 2016 sales up 20 per cent on the previous quarter and 192 per cent higher than the corresponding quarter in 2015.

Medlab reports that sales growth has been assisted by new products and an expanded customer base, with sales expected to continue to grow over the next year.

Outlook

Over the next 12 months, Medlab intends to pursue further research, commercialisation and growth, with it already in discussion with several parties regarding trade agreements.

Medlab expects Nanabis™, Medlab's pain management therapy derived from cannabis, to be introduced to the Australian market some time over the next 12 months.

ISSUED FOR: MEDLAB CLINICAL LTD (ASX: MDC) – www.medlab.co

FOR FURTHER INFORMATION: MR SEAN HALL, CEO, MEDLAB CLINICAL
TEL: +61 2 8203 9520, sean_hall@medlab.co

ISSUED BY: HILL + KNOWLTON STRATEGIES, MARCHA VAN DEN HEUVEL
TEL +61 2 9286 1226 OR +61 468 960 457, marcha.vandenheuvel@hkstrategies.com

ABOUT MEDLAB – www.medlab.co

Medlab Clinical is an Australian based biotechnology company, with a certified biologics facility in Sydney and sales arms in Australia and California (Medlab Clinical US Ltd, formerly InMed Technologies). Medlab's research focus is on the role bacteria in the gastrointestinal tract play in health and disease, in five health areas: obesity, chronic kidney disease, depression, ageing and muscular skeletal health and pain management. Medlab develops and sells nutraceuticals in the US and Australia to support drug discovery and development of new medicines involving bacteria (pharmacobiotics). Medlab has a growing patent portfolio, multiple published research papers and conference presentations and the Pharmacobiotic trademark – a therapeutic term referring to both probiotics and biologics.