

10 April 2017
ASX Code: MXC

First Cannabinoid Extracts Successfully Produced

- MXC's first cannabinoid extracts have been produced at its newly operational European Extraction Facility
- First successful production is achieved ahead of schedule – commercial production target Q3
- Good Manufacturing Practice certification is expected to be achieved in the coming months, enabling the production of Investigational Material and API to commence
- Demonstrates the operational success of the Facility, and MXC's ability to capture the full value chain in the medicinal cannabis industry
- Panax growing operations at the Institute of Experimental Botany of the Academy of Sciences (IEB AS) remain on schedule

MGC Pharmaceuticals Ltd (ASX: **MXC** or “**the Company**”) is pleased to announce that it has successfully commenced cannabinoid extraction operations at its newly completed European Extraction Facility, ahead of schedule.

First MXC Cannabinoid Extracts

The high-quality cannabinoids CO₂ extracts fractions, depicted below, confirm both the successful operational status of the Facility, as well as its ability to produce high quality extracts to be pipelined to MGC's various projects globally. Commercial production is targeted for Q3.



Fraction 1: Thin-pasty extract of waxes and acid form of Phytocannabinoids.

A
S
X

R
E
L
E
A
S
E



Fraction 2:

**Paste of high consistency of
Phytocannabinoids.**



Fraction 3:

**Oily consistency of terpenes and
water.**



**MXC's CO₂ Extraction unit in the
European Clean Room Facility**

As previously advised, commercial production of active pharmaceutical ingredient (API) at the Facility will commence once Good Manufacturing Practice (GMP) certification is achieved in the coming months. API will be used as inputs into the Company's own medical cannabis products, including its own clinical studies, and potentially for the studies of third-parties.

Panax Growing Operations Update (MXC 80%)

Further to the Company's announcements including 7 February and 5 April 2017, the Company is pleased to confirm that its Panax growing operations at the Institute of Experimental Botany (IEB) of the Academy of Sciences in the Czech Republic are continuing on schedule. MXC currently owns 80% of Panax Pharma s.r.o., with the ability to acquire 100%.

The images below are of seedlings of high quality medical cannabis strains that have been planted and grown at the IEB facility since mid-February 2017. The Company continues its preparations to plant up to 1,000m² of cannabis plants in the Panax greenhouse facility, with these crops expected to be harvested for research purposes in Q3 2017.



**Images:
Panax Medical Cannabis
mothers plants from
different varieties**

Nativ Segev, Co-founder and Managing Director, MGC Pharmaceuticals commented:

"Producing the first cannabinoid extracts from our newly built European Extraction Facility is a significant milestone for MGC Pharmaceuticals. In addition to demonstrating the operational success of the Facility, it marks the commencement of the next phase for our Company, where we are well positioned to capture the value chain and generate revenues."

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About MXC

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MGC Pharmaceuticals Ltd (ASX: MXC) is an EU based specialist medical cannabis company with many years of technical, clinical and commercial experience in the medical cannabis industry. The Company's founders were key figures in the Israeli medical cannabis industry and the core business strategy is to develop and supply high quality Cannabinoid based pharmaceuticals products for the growing medical markets in Europe, North America and Australasia.