



ROTOGRO

30 April 2018

Quarterly Activities Report for the Period Ended March 31, 2018

Roto-Gro International Limited (“ASX:RGI”, “Roto-Gro” or the “Company”) is pleased to provide its quarterly activities report for the period ended March 31, 2018.

Quarter Highlights

- RotoGro secure \$2.3M purchase order with Miracle Valley Medicinal Alternatives
- Roto-Gro complete buildout of first grow room at manufacturing facility
- The Company is developing design specifications for a 40,000 sq. ft. perishables facility
- The Company is designing an onsite laboratory for the testing and scientific analysis of lawful cannabis and perishable foods
- The Company continues to work towards a strategic acquisition in the fertigation space

Operational Overview

During the quarter, Roto-Gro World Wide (Canada) Inc., a wholly owned subsidiary of Roto-Gro International Limited (“ASX:RGI”, “RotoGro” or the “Company”), undertook the design and build-out of two grow rooms at Roto-Gro’s new showroom and manufacturing facility located in the Town of Caledon, Ontario, Canada. These state-of-the-art grow rooms have been designed to showcase the significant space, cost and yield advantages of the RotoGro Hydroponic Garden System; demonstrating such advantages using a side-by-side comparison with a traditional ‘flat deck’ system occupying the same amount of floor space.

The Company is working to strengthen its management and operations team to service increased sales enquiries, ramped-up production and other operational demands. The areas of expertise include sales, administration, technical operations, financial management, botany, agriculture, and research and development.

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Directors

Michael Carli (Managing Director)
Michael Slater (Executive Director)
David Palumbo (Non-Executive Director)
Julian Atkinson (Non-Executive Director)

Company Secretary

David Palumbo





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Following the end of the quarter, the Company undertook an investor roadshow with strategic brokers and key financial institutions across Australia, which will be followed by a roadshow through Europe with a focus on those investing in agriculture, technology and engineering.

Production and Sales Pipeline

During the quarter, the Company continued working with several of its clients assisting them with design and fit-out proposals for their lawful cannabis growing facilities. These efforts included the delivery of demonstration units to two listed and three unlisted companies; and providing continuous support to these companies during their trial and testing phase. The Company continues its working relationship with MPX on a non-exclusive basis for Nevada and Arizona. The Company is also assisting a perishables grower with the design specifications for its 40,000 sq. ft. facility. The requirements for this facility have provoked design and technical modifications for the cultivation of organic produce.

Following the end of the quarter, the Company received the balance of Miracle Valley's first \$1M deposit in relation to the secured \$2.3M purchase order. The receipt of the first \$1M triggers the production of RotoGro Hydroponic Garden Systems which are required by Miracle Valley to complete the buildout of its lawful cannabis growing facility. The first delivery of RotoGro Hydroponic Garden Systems will commence at the end of Quarter Two, with subsequent deliveries being made on a room-by-room basis throughout the second half of 2018.

Design Services, Research & Development

During the quarter, the Company's design services and growing management know-how was instrumental in securing a \$2.3M purchase order from Miracle Valley. The Company's holistic approach (from concept to harvest, integrating design and growing expertise) has enabled RotoGro to engage prospective clients very early in their application and design phase. This approach ensures that the design of their facilities maximises the advantages of the RotoGro Hydroponic Garden System.

Both of the Company's state-of-the-art grow rooms have been designed as separate dedicated growing environments for perishable foods and lawful cannabis. First seedlings for lawful cannabis

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and perishable foods were planted after the quarter and are expected to be transplanted into RotoGro Hydroponic Garden System during the first week of May 2018. The Company is also designing an onsite laboratory for the testing and scientific analysis, and the study of different plants and strains in both the lawful cannabis and perishable foods space. In addition to on-site growing, the Company is exploring independent partnerships in the United States of America and Australia to further enhance its research and knowledge base.

Strategic Partnerships and Complimentary Acquisitions

The Company continues to work towards a strategic acquisition in the fertigation space that will enable the Company to provide holistic solutions to the agriculture industry at large (encompassing traditional field farming, greenhouses, flat deck cultivation and rotational gardens). A successful acquisition in fertigation will further expand the Company's revenue streams and its footprint as a global solutions provider to the agricultural industry. Fertigation is the injection of fertilizers, soil amendments, and other water-soluble products into an irrigation system. A fertigation acquisition will provide the Company with design solutions for water softening, water treatment, nutrient management and pH balance for all agricultural applications (from lawful cannabis to pharmaceuticals, health and nutrition supplements, nutraceuticals and perishable foods).

The Company also continues its search and evaluation for the acquisition of (or a white-labelling agreement with) a nutrients business in order to meet the Company's ongoing growing management service needs which arise after the order, delivery and setup of customer operations utilizing RotoGro Hydroponic Garden Systems. The Company has determined that there is a valuable revenue stream in offering nutrients and supporting the Company's licensed iGrow™ software management system.

Managing Director, Michael Carli states, "We are very pleased with the progress achieved in this quarter. Securing the Miracle Valley order is the result of our strategy to engage with emerging lawful cannabis aspirants and early stage applicants. We will maintain focus on our prospective sales pipeline and we will continue to provide support and technical know-how for the design of state-of-the-art rotational garden facilities. We are excited about the next quarter as we look to expand into our third vertical of agricultural services, and equity participation in a lawful cannabis license."

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About Roto-Gro International Limited

Roto-Gro International Limited is an Australian-based company with licensed, proprietary, patented, and patents-pending technology in the stackable rotary hydroponic garden space. RotoGro holds worldwide exclusive licenses for lawful medicinal and recreational cannabis markets, and worldwide licences for all other purposes including pharmaceuticals, health and nutrition supplements, nutraceuticals and perishable foods.

The Company is focused on expanding into industry synergistic opportunities; exploring strategic partnerships and complimentary acquisitions in related markets, which include, growing management services, world class fertigation systems, industry leading nutrients, emerging tissue culture expertise and other supporting faculties of hydroponic growing.

This announcement includes forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, the statements are not guarantees or predictions of future performance, and involve both known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. As a result actual results or developments may differ materially from those expressed in this announcement. Investors are cautioned that statements contained in this announcement are not guarantees or projections of future performance, and actual results or developments may differ materially from those projected in this announcement.

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