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Approval granted for large-scale research project with Slovenian Institute of Hop Research and Brewing

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MGC Pharmaceuticals Ltd (ASX: MXC, 'MGC Pharma' or 'the Company'), a European based 'Seed to Pharmacy' bio-pharma company focused on developing and commercialising phytocannabinoid derived medicines, is pleased to announce that it has partnered with the Slovenian Institute of Hop Research and Brewing ('IHPS'), a government organisation in Slovenia, to undertake a first of its kind large-scale research project on cannabis for medical purposes. The project is to be divided into two focal points; cultivation optimisation and standardising the production process of active pharmaceutical ingredients (API) derived from phytocannabinoids.

Key Highlights:

- MGC Pharmaceuticals and IHPS granted a first of its kind approval from Slovenian Ministry of Health to conduct a comprehensive, large scale research project on the cultivation of cannabis for medical purposes, and the standardisation of post cultivation production processes, from genetics through to API
- The project will take place at IHPS's large-scale secure facility including a highly protected quarantine base for the cultivation of various strains of cannabis for medical purposes for use in pharmaceutical manufacturing, as well as a controlled storage facility
- The facility has a total area of 3,355m² and a growing area of 1,197m², creating an ideal environment for research into large scale cultivation, immediately applicable to MGC's commercial activities
- The project is to be divided in to two discrete stages;
 - Stage One – agronomic study focused on the optimisation of the cultivation process of the cannabis for medical purposes, further enhancing MGC's ability to lower costs in production, and to provide cost effective standardised affordable medicines.
 - Stage Two – studies focused on standardising the process for isolating and extracting an active pharmaceutical ingredient of various phytocannabinoids, to be used in the development of medical products by MGC Pharma, as well as giving the Company access to phytocannabinoid API's, and ability to create new suites of products reflecting emerging research into the effects of "new" phytocannabinoids.

Roby Zomer, Co-founder and Managing Director of MGC Pharma, commented: "We are delighted to have received all the necessary approvals from the Slovenian regulatory bodies required to undertake this large-scale research project with the Slovenian Institute of Hop Research and Brewing and look forward to commencing immediately. The objective of the research project is twofold – the optimisation of cultivation techniques and the isolation of an active pharmaceutical ingredient from the cannabis plant that can be utilised in the future development of medical products by the Company at our EU GMP certified facility. This furthers MGC's agenda of working to create cutting edge, cost effective standardized medicines to treat underserved indications the around the world, and to maintain our position as market leaders in research and tapping the full emerging potential of diverse phytocannabinoids as active pharmaceutical ingredients.

“Following receipt of binding commitments for our AU\$4.75 million Placement currently being completed, we are in a strong position to advance our different work streams including commencing construction of our state-of-the-art Maltese facility, a thorough commercialisation strategy and various clinical trials. Through strategic partnerships, such as with IHPS, we are able to pursue an ambitious research & development programme whilst being cost effective. I look forward to updating shareholders with the Company’s future progress in due course.”

Additional Information

MGC Pharmaceuticals and the Slovenian Institute of Hop Research have received approval from the Slovenian Ministry of Health permitting the commencement of a first of its kind large scale inter-institutional research project on the production and processing of cannabis plant material.

The project shall consist of a two-part research on cannabis for medical purposes and will include:

1. Agronomic research into cannabis for medical use, within which the selection and production optimisation will be assessed, to be conducted by IHPS
2. Research focussed on pharmaceutical uses of the resulting phytocannabinoid products

The project shall focus on the positive and negative selection of various genotypes in the cannabis plant in order to later extract an active pharmaceutical ingredient to be used in the development of a medical product. The secure facility is large with a total area of 3,355m² and a growing area of 1,197m², critical to producing strains to a consistent standard and quality as well as creating a system of standardisation.

In addition, IHPS is to extend their current facility to ensure the successful execution of the project. The large-scale secure facility (approved by the Slovenian Ministry of Health) to include a highly protected quarantine base for the cultivation of cannabis plants used in pharmaceutical manufacturing, as well as a controlled storage facility.

Prosignal dżruba za varovanje d.o.o. has been appointed as security provider for the facility and for the transportation of product from the IHPS facility to MGC Pharma’s designated regional distributor, Lenis.

About IHPS

The Slovenian Institute of Hop Research and Brewing, situated in Źalec, Slovenia, is a public research, developmental, advisory and educational organisation principally focussed on research and advise in growing plants, including the cannabis plant and hops, and the production of medicinal and aromatic plants, on an industrial scale.

In Slovenia, IHPS acts for the Ministry of Agriculture, Forestry and Food, the Ministry of Education, Science and Sport, the Chamber of Agriculture and Forestry, as well as for the needs of domestic and foreign industry. IHPS also has project partnerships with local and foreign scientific research and technical institutions.

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About MGC Pharma

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

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