AusCann Group Holdings Ltd

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AusCann Group Holdings partners with Tasmanian Alkaloids

AusCann Group Holdings (ASX:AC8) has signed a heads of agreement to form a long-term exclusive strategic partnership with Tasmanian Alkaloids, a global poppy grower and processor.

The two companies will work together to establish cultivation, manufacturing and distribution operations for medicinal cannabis in Australia and overseas.

Jointly, the two companies will secure a licence to cultivate and manufacture medicinal cannabis in Tasmania.

The Tasmanian license will be in addition to AusCann's current medical cannabis cultivation licence granted last week by the Office of Drug Control.

Elaine Darby, managing director, commented: "This partnership with Tasmanian Alkaloids significantly builds on our position within the Australian market as a leading medicinal cannabis company that intends to cultivate, manufacture and supply the Australian market with access to high quality medicinal cannabis products."

Tasmanian Alkaloids

Tasmanian Alkaloids is an established manufacturer of alkaloid raw materials, also known as poppies.

Operating since 1976, today Tasmanian Alkaloids produces circa 40% of the world's alkaloid raw material crop in Tasmania.

It boasts a modern manufacturing facility, which is fully compliant with Good Manufacturing Practice standards.

Tasmanian Alkaloids has established relationships with many of the world's leading pharmaceutical companies and is the largest producer and exporter of thebaine, and also produces oripavine and codeine at its Tasmanian facility.

AusCann and Tasmanian Alkaloids will work together to establish cultivation, manufacturing and distribution operations for medicinal cannabis in Australia and overseas.

Analysis

Tasmanian Alkaloids is an ideal partner and strategic fit for AusCann given their expertise in the cultivation, manufacture and distribution of therapeutic pain products within Australia.

Through this significant strategic partnership, AusCann will have access to Tasmanian Alkaloids' wealth of expertise.
This is a win-win deal for both companies as it also allows Tasmanian Alkaloids to move into the medical cannabis space.

Confirmation of a partnership agreement as dictated by the heads of agreement has the potential to act as a share price catalyst for Auscann.

Auscann is trading up 190% to $0.58 from its February 2017 ASX debut at $0.20.

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