

Roto-Gro International Ltd

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RotoGro Leading the way into Canada's Recreational Cannabis Legalisation

Roto-Gro International Ltd (ASX:RGI) has signed a deal to acquire Canadian Cannabis Company Supra THC Services Inc. ("Supra THC") from Valens GroWorks Corp (CNSX:VGW).

Supra THC operates its business under a dealer's licence issued by Health Canada pursuant to the Narcotic Control Regulations of the Controlled Drugs and Substances Act (Canada).

Pursuant to the new Cannabis Act and Cannabis Regulations, Supra THC's Dealer's License allows for Standard Processing, Analytical Testing, Research, Production, Sale and Distribution. In addition to these permitted uses, RotoGro shall apply for an amendment to the license to permit Standard Cultivation.

As part of the agreement, Valens will receive a total consideration of CAD \$11 million over four milestones with 80% being paid via RotoGro shares and 20% in cash.

Supra THC's business to date has included the following revenue-generating activities:

- Scientific research and development of products and services related to the medical cannabis industry;
- The supply of a superior line of products with a measurable standard of excellence; and
- Toll processing for licensed producers (which includes the use of a proprietary process which generates 100% cannabis oil without the addition of any solvents).

Downstream value-added products and services

RotoGro managing director Michael Carli said: "The acquisition of Supra THC is a massive step forward in the company's strategic growth plan to establish itself as a global leader in the cultivation of cannabis and perishable foods.

"In addition to initiating a dialogue with Health Canada, we have identified premises where we wish to establish our cannabis operations (which are in proximity to our current facility located in Caledon, Ontario) and the design of layouts for these premises has already begun."

"We have an excellent working relationship with the management team at Valens."

"We look forward to our future business collaboration for offtake agreements and downstream value-added products and services."

Price: 0.047

Market Cap: \$7.11 m

1 Year Share Price Graph



Share Information

Code: RGI

Listing: ASX

52 week High Low
0.185 0.04

Sector: Cannabis

Website: www.rotogro.com.au

Company Synopsis:

Roto-Gro International Ltd (ASX:RGI) is listed on the Australian Securities Exchange.

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Supporters carrying Canadian styled flags during the Global Marijuana March in Toronto

More than 25 countries have legalised the medical use of cannabis or decriminalized possession of small amounts.

Canada was a pioneer in this movement, with early legalisation being passed in 2001.

It is expected that the legalisation of the recreational use of cannabis nationwide in Canada on October 17, 2018, will result in the accelerated growth of this nascent industry.

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