

GREENFERN INDUSTRIES LIMITED

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Greenfern Commissions New Cultivation Facility

Greenfern Industries is pleased to update the market on the progress it has made on its new stage 2 cultivation facility in Normanby, Taranaki.

In November Greenfern undertook a rights issue to raise funding for completion of its new commercial scale stage 2 facility and other initiatives.

“We are happy to report that as of last week we have commissioned the first of the two new grow rooms and have now populated it with around 300 plants,” managing director Dan Casey said.

“While the HVAC (Heating, Ventilation and Air Conditioning) installation has been a difficult, yet critical, piece of the infrastructure, we are now happy with how the environmental climate is controlled within the first room and will be excited to see the progress of the medicinal cannabis plants through their lifecycle.”

The second new cultivation room will be commissioned in the next few weeks which allows the team time to stagger the harvests of the rooms, which are expected to get 4-5 harvests of approximately 200-250kg kg of cannabis flower crop per room per year.

Having this control over the full environment within the rooms is the beauty of growing wholly indoors in a fully enclosed and controlled environment. With New Zealand’s very strict growing and testing regulation this is the best way to ensure a finished dose form medicinal cannabis flower crop.

While Greenfern previously met stringent European Pharmacopoeia standards regarding inhalation microbial counts without the need for irradiation treatment of the flower from its test facility, it hopes to emulate this at commercial volumes in the more sophisticated and larger new cultivation facility. This will move the company into its commercial growing phase and allows it to commence fulfilments under the offtake agreement signed with Ampyl Sciences in June last year.

Greenfern Chairman, Mr Marvin Yee says “This milestone marks Greenfern as being one of the New Zealand companies actually producing cannabis in New Zealand. We are excited at this opportunity and foresee cultivation being a strong line of business for our group”.

The Greenfern team looks forward to providing future progress updates on the cultivation front.

In other updates, Greenfern is edging closer to finalising contractual details with prospective partner Vortex Group in the upgrade of its hydro power station. “While discussions have been more detailed

and drawn out than we initially anticipated, we believe we will finalise the agreement shortly and commence the upgrade work in the coming months. This aims to more than triple our generation capacity and will resolve ongoing reliability issues experienced with the existing aging equipment. Again, we will update the market once completion of the agreement gives us a clear time frame for completion of the work.” Dan Casey said.

Greenfern is also continuing its BPA (Bioresource Processing Alliance) research alongside partner Hemp Connect and research partner Callaghan Innovation.

“To date we are into the second phase of grant funding and research for the project which is seeking commercial opportunities for value-added products created from the hemp seed and, in particular, the hemp seed hull. We are finding some very promising outcomes with potential commercial avenues; however the research still has about another 12 months to go.

“Overall, we are pleased with how the business is tracking and will continue to update the market again as matters develop.”

For further information, please contact:

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