



# Corporate Presentation

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A prospective integrated cannabis company



# Disclaimer

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# Investment Overview

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# Capital Mining Snapshot

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ASX: CMY

Market Cap: AUD\$7.97 million (at 20 March 2015)

Share price: AUD\$0.006

Shares on Issue: 1,329,156,618 fully paid ordinary shares

Options: 269,336,524 listed options exercisable AUD\$0.02, exp 31 December 2016

As announced the company intends to -

- Raise \$15 million and re-comply with ASX Listing Rules Chapters 1 & 2
- Issue 75 million shares via capital raise plus 28.5 million shares and 15 million options for acquisitions

# Capital Mining Snapshot

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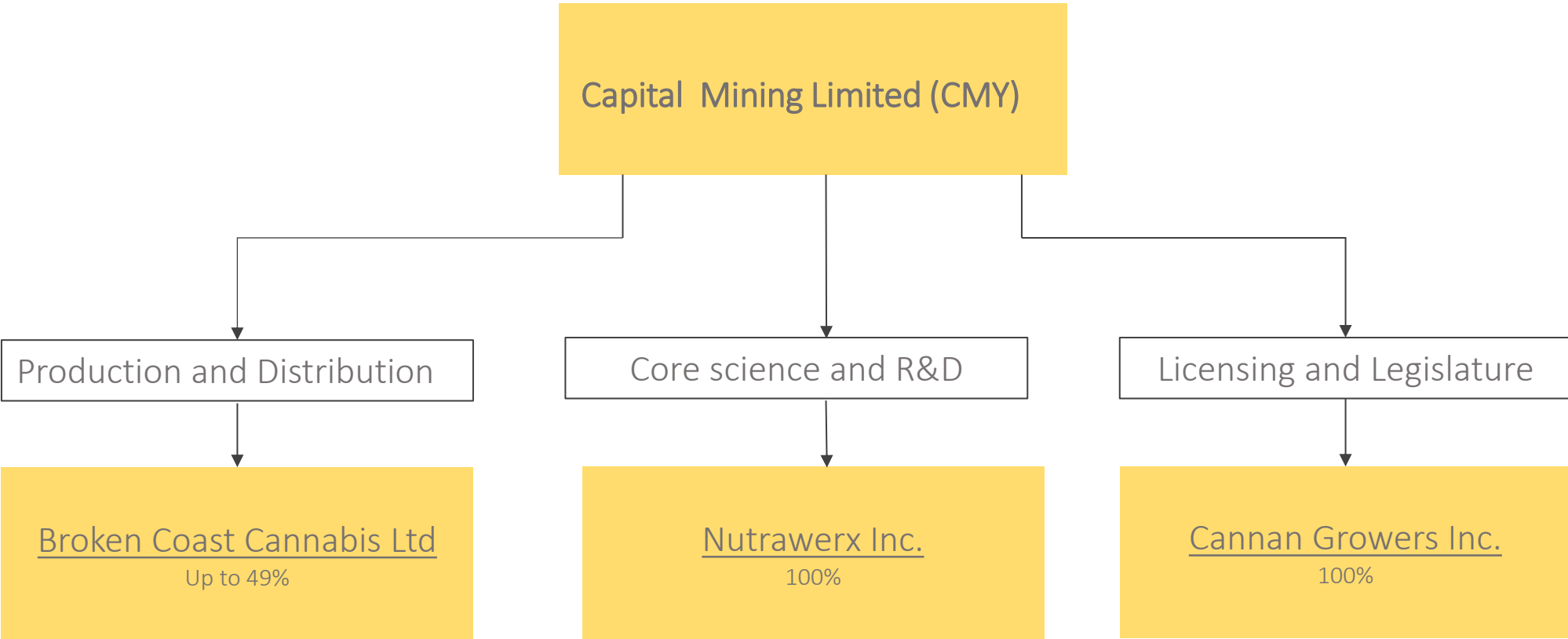
CMY intends to become Australia's first listed company with a direct stake in a revenue producing Canadian Marijuana for Medical Purposes Regulations (MMPR) licensed company through its proposed investment in Broken Coast Cannabis Ltd.

Further to this, CMY intends to purchase 100% of licensing company Cannan Growers Inc. to facilitate future applications for global licenses if, when and where legislation changes.

To become a fully integrated cannabis company, CMY intends to also purchase 100% of Nutrawerx Inc., a company focused on developing branded retail hemp based products.

Most significantly, along with the Nutrawerx acquisition Michael Sautman an industry renowned, internationally regarded cannabis expert, is proposed to become Managing Director of CMY.

# CMY Investment Proposition



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# Turnkey Expertise

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- **Production & Distribution**

Broken Coast Cannabis Ltd is a licensed medical cannabis company producing and distributing licensed product in Canada.

- **Scientific Research and Product Development**

Nutrawerx Inc. is a core science based company with an exclusive agreement to develop hemp based alternative products for mainstream US retailers with Marketing Management Inc. (MMI).

- **Licensing and Legislature IP**

Cannan Growers Inc. has a proven QA/QC model to use as a Master Drug File to enable swift applications for international licenses if, where and when they become available.

- **Industry Renowned Personnel**

A core team of experts with synergistic backgrounds and expertise across the international multi-billion dollar medical cannabis market.



# Market Analysis

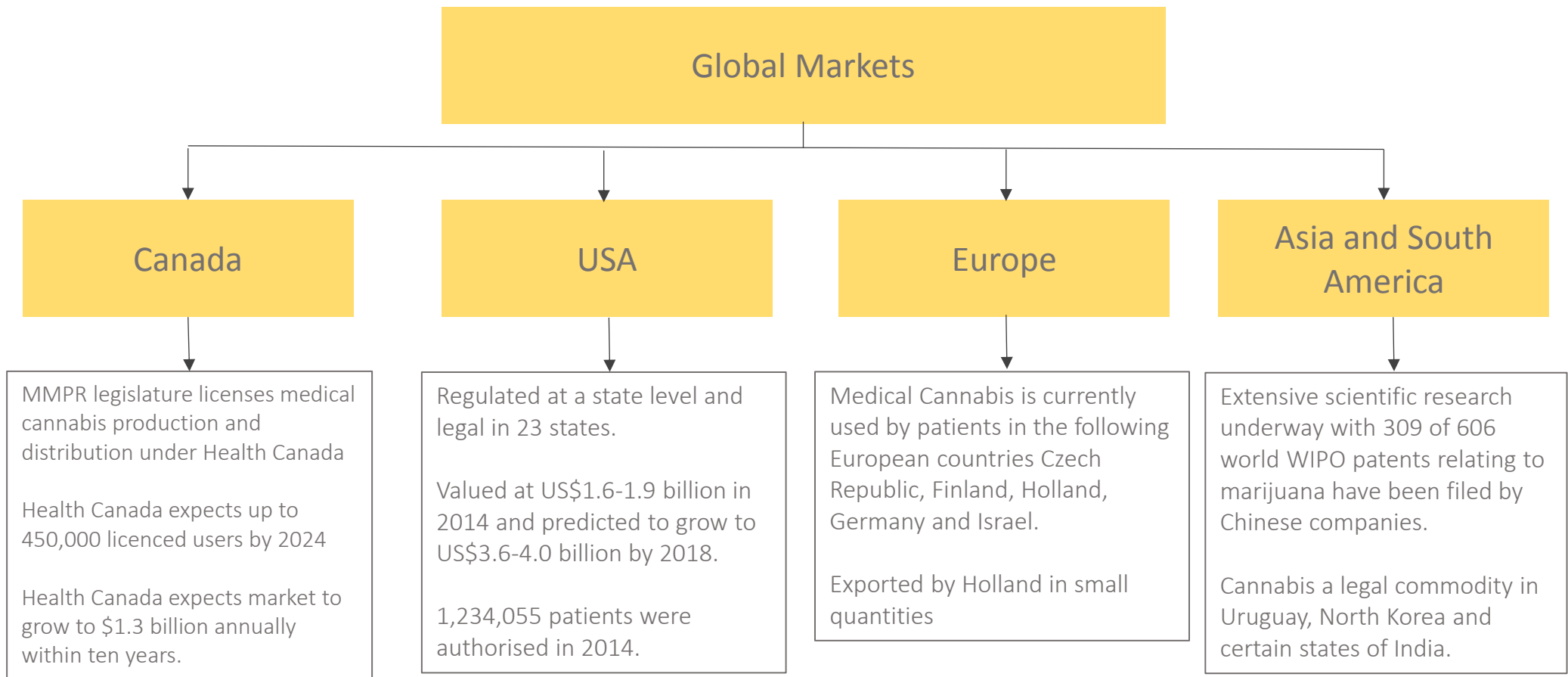
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Medical Cannabis  
Industrial Hemp





# Global Medical Cannabis Market



<https://mmjbusinessdaily.com/wp-content/uploads/2014/06/Factbook2014ExecutiveSummary.pdf>

<http://www.mpp.org/states/medical-marijuana-patient.html>

<http://www.independent.co.uk/news/world/asia/as-cannabis-is-widely-legalised-china-cashes-in-on-an-unprecedented-boom-9039191.html>

<http://www.cbc.ca/news/canada/1-3b-medical-marijuana-free-market-coming-to-canada-1.1872652>

<http://medicalmarijuana.org/en/content/20-medical-marijuana-in-europe>

# Medical Cannabis: Canada

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- In 2014, Health Canada introduced the Marijuana for Medical Purposes Regulations (MMPR) which allows for the production of cannabis for medical purposes by a limited number of commercial producers.
- MMPR requires all medical cannabis patients to purchase products only from these Licensed Producers (LPs).
- Broken Coast Cannabis holds one of only 16 MMPR licenses to cultivate, grow and sell medical cannabis to eligible people under the MMPR. The number of licenses is currently limited by Health Canada.<sup>1</sup>
- Health Canada predicts the market will grow to 450,000 patients by 2024 and reach a market value exceeding C\$1.3 billion.<sup>2</sup>

<sup>1</sup> <http://www.hc-sc.gc.ca/dhp-mps/marihuana/info/list-eng.php>

<sup>2</sup> <http://www.cbc.ca/news/canada/1-3b-medical-marijuana-free-market-coming-to-canada-1.1872652>

# Industrial Hemp

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With no known allergens and gluten-free, hemp is an ideal, non-dairy alternative for vegetarian, vegan and raw diets.

- Hemp is a variety of Cannabis Sativa and of the same plant species as Medical Marijuana. It is genetically different to medical-grade cannabis as distinguished by its chemical makeup
- Industrial hemp refers to cannabis varieties that are primarily grown as an agricultural crop for food, textile and industrial applications
- Hemp plants are low in THC, the primary psychoactive chemical in medical cannabis and generally less than 1%. Industrial hemp usually has a THC quantity less than 0.3%. Medical Cannabis generally has THC levels of 10% and above<sup>1</sup>
- Hemp is considered the answer to the health concerns linked to the soy market<sup>2</sup>

1. <http://www.medicaljane.com/2015/01/14/the-differences-between-hemp-and-cannabis/>

2. [http://www.huffingtonpost.com/dr-mercola/soy-health\\_b\\_1822466.html](http://www.huffingtonpost.com/dr-mercola/soy-health_b_1822466.html)

# Industrial Hemp Market: USA

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Hemp based food, cosmetic and nutritional supplement product market currently valued at US\$620 million market, which grew 21.2% last year <sup>1</sup>

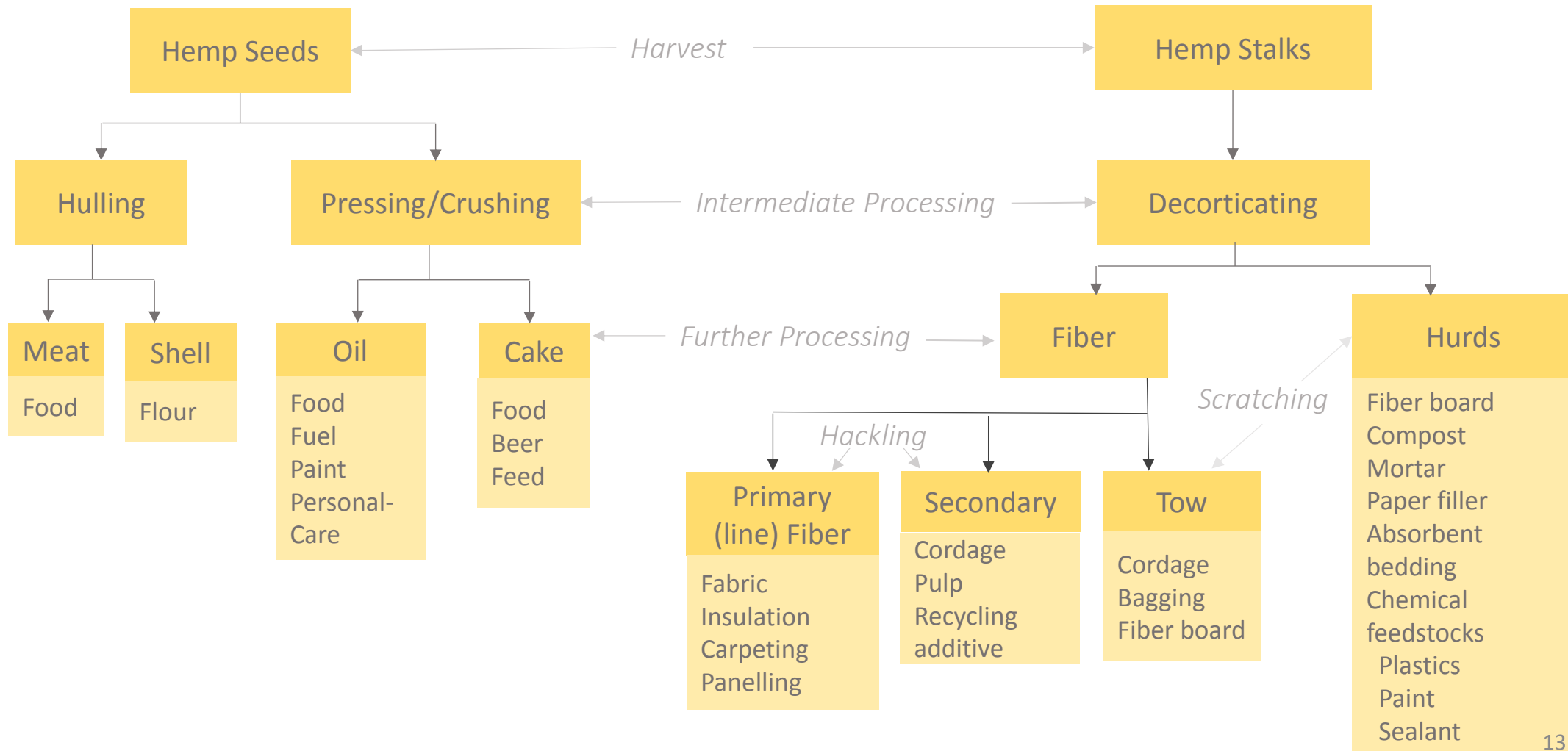
- United States Federal legislation sets a ceiling of 0.3% for a cannabis variety to be identified as hemp and excluded from marijuana legislation. <sup>2</sup>
- In the United States there is no commercial industrial hemp production and the market is dependent on imports, both as finished retail products and as unprocessed ingredients.
- Canada, Germany, England and France are the leading hemp-producing nations. <sup>3</sup>

1. [http://thehia.org/PR/2015-03-12-PR-2014-Annual-Retail-Sales-for-Hemp-Products-Estimated-at-\\$620-Million.html?utm\\_source=HIA+PR%3A+2014+Hemp+Product+Sales+Est.+%24620+Million&utm\\_campaign=PR-2014-hemp-sales&utm\\_medium=email](http://thehia.org/PR/2015-03-12-PR-2014-Annual-Retail-Sales-for-Hemp-Products-Estimated-at-$620-Million.html?utm_source=HIA+PR%3A+2014+Hemp+Product+Sales+Est.+%24620+Million&utm_campaign=PR-2014-hemp-sales&utm_medium=email)

2. [http://www.votehemp.com/2014\\_farm\\_bill\\_section\\_7606.html](http://www.votehemp.com/2014_farm_bill_section_7606.html)

3. [http://www.agmrc.org/commodities\\_\\_products/fiber/industrial-hemp-profile/](http://www.agmrc.org/commodities__products/fiber/industrial-hemp-profile/)

# Industrial Hemp





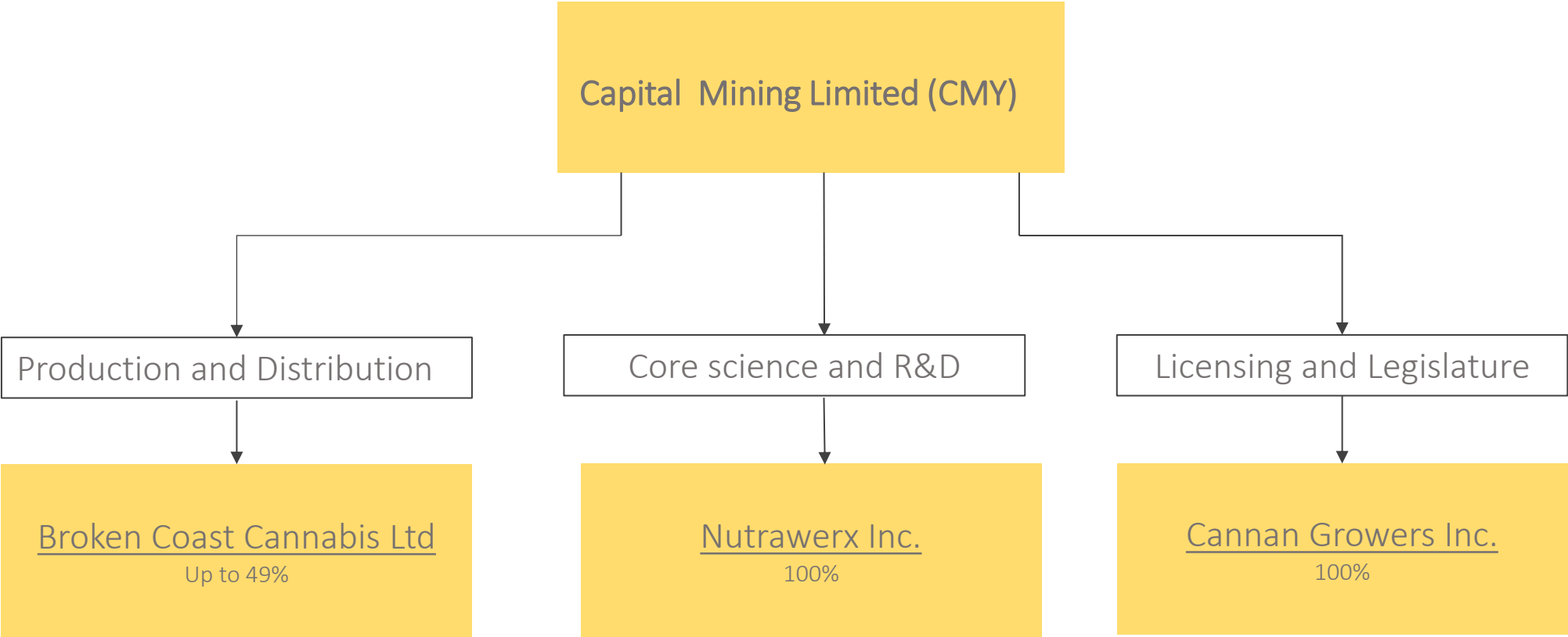
# Capturing a Market

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Broken Coast Cannabis Ltd  
Nutrawerx Inc.  
Cannan Growers Inc.



# CMY Value Proposition

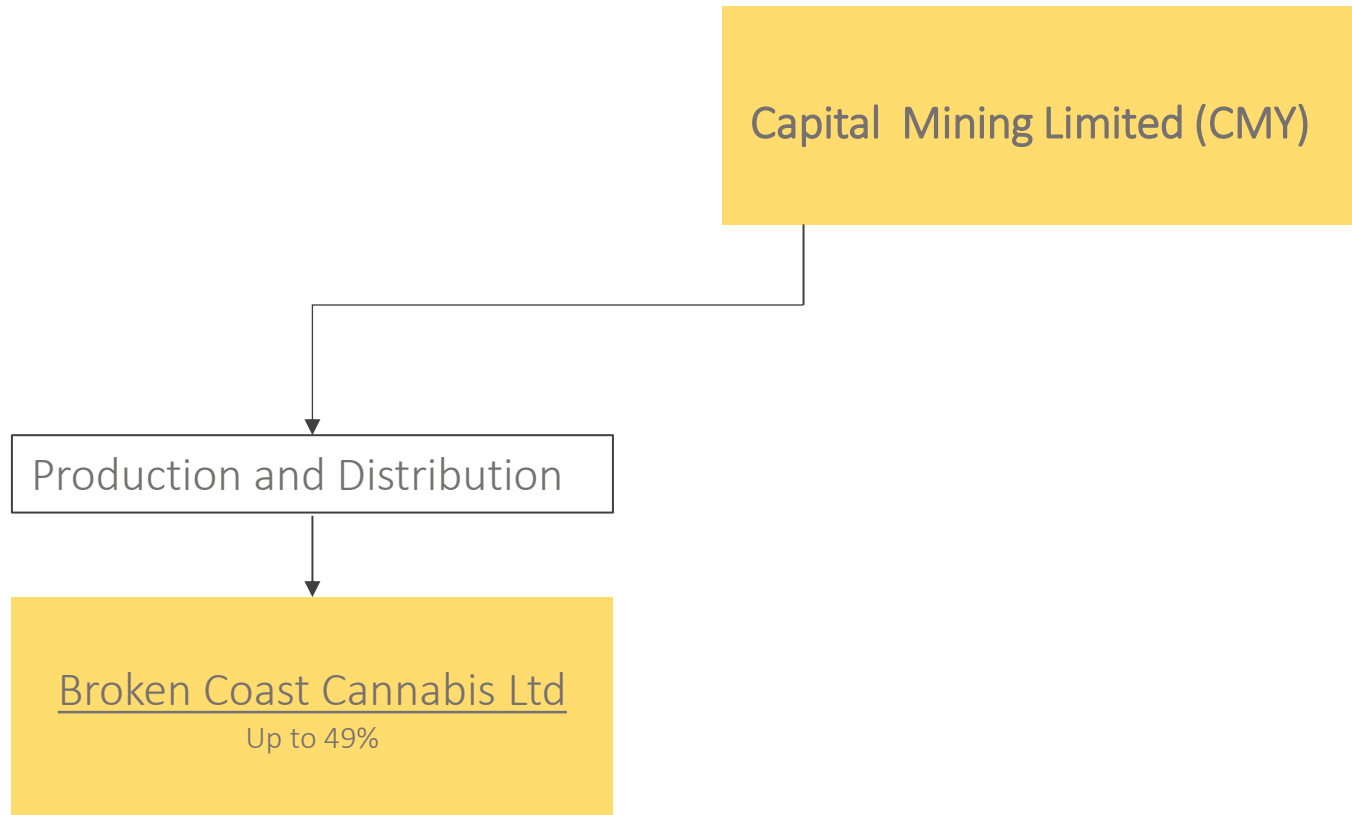


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# Broken Coast Cannabis (BCC)

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# BCC Production Expertise

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CMY to purchase up to a 49% interest in BCC, subject to agreement

## Licensing

- Health Canada awarded BCC a MMPR Medical Cannabis License October 2014 - an achievement based on their capabilities to produce a high-grade product with consistent THC content
- BCC facility is strategically located in Duncan, British Columbia, a pro-cannabis region with capacity for growth

## Production

- Production capacity currently 720,000 grams annually
- Standardized Operating Procedures for high quality, salable product
- 100% hydroponically grown in Custom built, single strain, lab-grade growing rooms

## Distribution

- Currently distributing to 300 customers
- Wholesale contracts arranged with peer MMPR LPs to keep up with growing market demand representing 30% of total production currently
- BCC is receiving between C\$7 to \$9 per gram when sold to retail patients

# BCC Production Expertise

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State of the art techniques resulting in world class product of small batch, high quality cannabis



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# BCC Plans

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- BCC currently occupies three units (approximately 13,000 sq ft) of a 10 unit industrial facility
- BCC has a lease in place for three additional units to increase the production area to 26,000 sqft
- The expansion is anticipated to boost eventual production by year end to 150,000 grams – 170,000 grams per month fulfilling a mix of retail and wholesale clients.
- Increased efficiency and new economies of scale is expected to decrease production costs.
- Production improvements are anticipated to increase the average cannabinoid content of its products.



# BCC Existing Product Suite and Specifications

Broken Coast branded MMPR Medical Grade Cannabis produced and distributed directly to registered patients



**Valdes – “Purple Kush”**  
THC: 12-22% | CBD: <0.05%  
CBN: 1%  
80% Indica  
20% Sativa



**Lasqueti – “God Kush”**  
THC: 12-22% | CBD: <0.05%  
CBN: 1.06%  
80% Indica  
20% Sativa



**Texada – “Super Lemon Haze”**  
THC: 14-22% | CBD: TBA  
CBN: TBA  
80% Indica  
20% Sativa



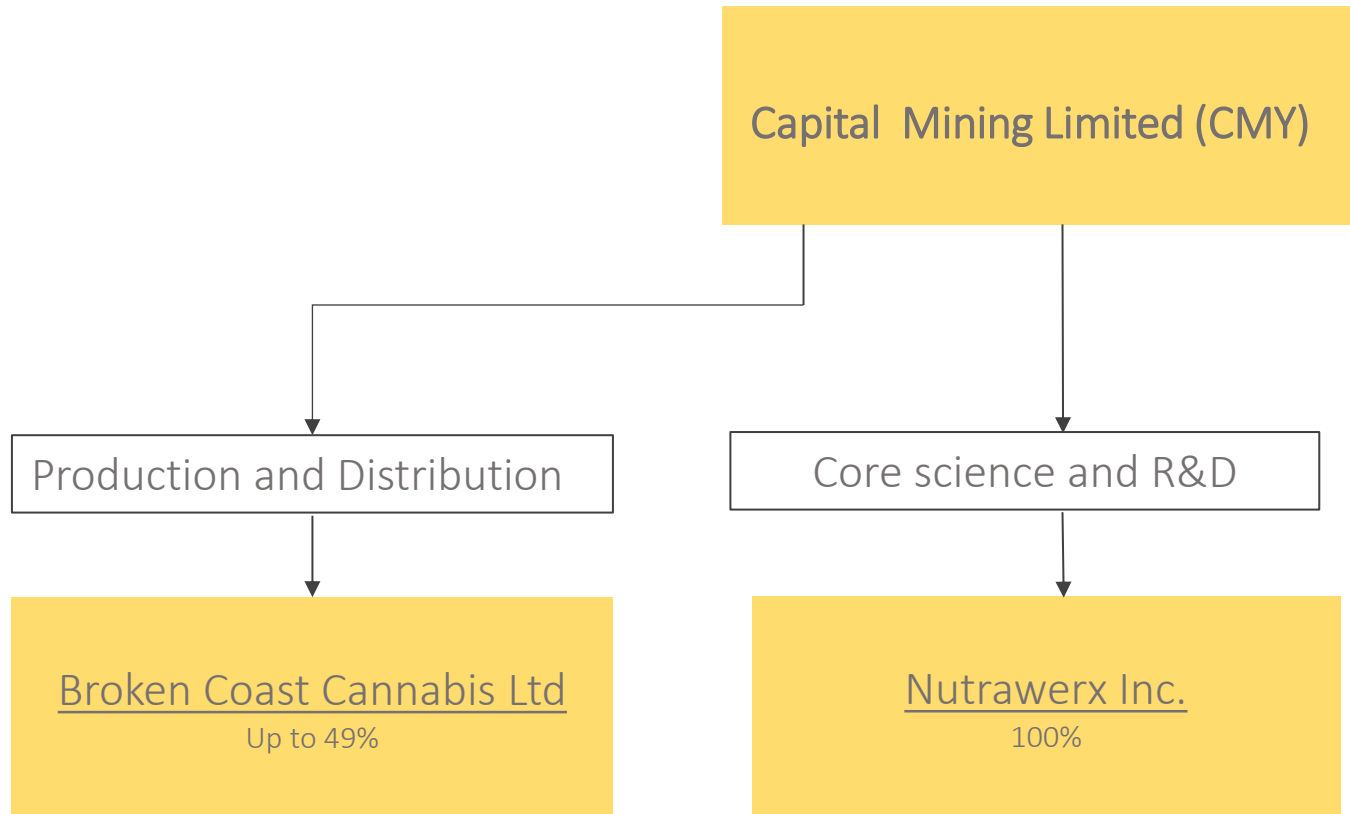
**Saturna – “Purple Lightning”**  
THC: 13-18% | CBD: <0.05% |  
CBN: 1%  
60% Indica  
40% Sativa

(THC – Tetrahydrocannabinol, CBD – Cannabidiol, CBN – Cannabinol)

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# Nutrawerx Inc.



# Nutrawerx Development IP

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- Nutrawerx is a science driven, Colorado-based, corporation focusing on cannabis research and derivative product development.
- The company places an emphasis on unlocking the therapeutic potential of cannabinoids, with a focus on cannabidiol, or CBD.
- Nutrawerx has proven expertise in developing mainstream, pharmaceutical-grade, GMP, FDA, and ISO compliant hemp supplements.



# Nutrawerx Joint Venture

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Nutrawerx has entered into joint venture agreement with Marketing Management Inc (MMI) to develop branded mainstream hemp products for the rapidly expanding retail market

- MMI is the second largest private label food brokerage and marketing company in the United States providing concept-to-consumer services for the development of private and national brands.
- MMI has a comprehensive list of multibillion-dollar, high profile distribution companies.<sup>1</sup>

<sup>1</sup> <http://mmimarketsolutions.com/retailer>

# Product Development

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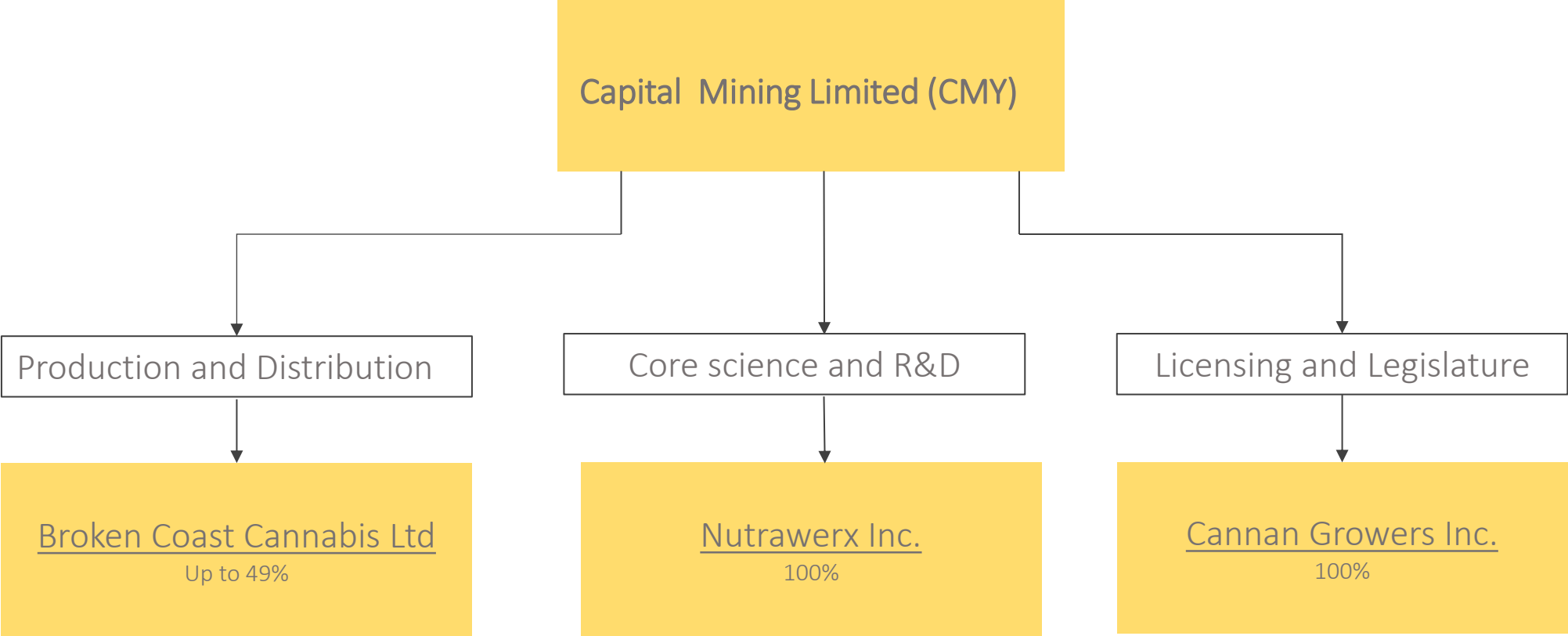
Alongside MMI, Nutrawerx is aiming to achieve a projected prominent market share.

Prototypes of a robust category list may be available to present to customers during the second quarter of 2015 including:

- Hulled seeds (nuts)
- Protein powders
- Meat substitutes
- Oil and butter
- Non-dairy beverages
- Cereals
- Snack bars
- Cosmetics
- Skin care items



# Cannan Growers Inc. (CGI)



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# Cannan Growers Inc.

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CGI are experts at compliant production methods for obtaining medical cannabis licensing

- CGI has a proven QA/QC model to use as a Drug Master File to enable swift applications for international licenses as and if they become available.
- They developed Standardised Operating Procedures (SOP) and proprietary extraction processes, designs and cannabinoid compounds to facilitate mass production of a consistent, pharmaceutical-grade product.
- These procedures assisted an MMPR licensed company in attaining their full growing and selling license.
- Cannan has an MMPR license application pending under the Cannan Grower's brand in relation to a facility located in North Saanich, Vancouver. Cannan has a long dated option to buy this facility for C\$1.2 million.
- CMY envisions using Cannan's IP and skill set to apply for one of Australia's first medical cannabis license if legislation permits. There is no current legislation allowing the sale or use of medical cannabis in Australia.



# Renowned Personnel

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Michael Sautman  
Tamar Wise  
Darwin Millard



# Proposed Managing Director of CMY

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## Michael Sautman

Michael Sautman is an industry renowned medical cannabis expert. He has over 25 years of experience in natural product manufacturing.

As CEO of California Cashmere Co. Inc., (1990–2005) Sautman became a recognized expert in the production of rare animal fibre products including cashmere, silk and camel hair. He founded manufacturing operations in Mongolia, Tibet, China and the U.S.

Sautman then held the position of CEO of Bedrocan International, Inc.; a joint-venture with Bedrocan BV, the only licensed company in The Netherlands to grow cannabis for medicinal use by patients. He consulted with lawmakers and regulators in Canada, Israel and several U.S. states regarding the production and distribution of medical marijuana in The Netherlands. He initiated Bedrocan International's medical marijuana drug approval program with Health Canada, the Canadian Ministry of Health. Michael has a comprehensive understanding of cannabis legislation and manufacturing processes from around the world.

Before joining Nutrawerx, Michael was CEO of the Canadian Cannabis Research Institute Ltd. in Victoria, B.C. Sautman is a graduate of U.C. Berkeley, and holds a Master's Degree in International Administration from The School for International Training located in Vermont.

# Proposed Chief Science Officer of CMY

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## Tamar Wise, B.Chem, MCDB

Tamar Wise was the Head of Science at Dixie Botanicals, formerly part of Dixie Elixirs, a leading producer of cannabis infused, lab tested products in the U.S. At Dixie Botanicals, Tamar led the formulation of medicine delivery systems and oversaw the scientific education outreach program.

As an early member of Colorado's Medical Marijuana Enforcement Division's Lab Rules and Regulations Committee, Wise has been an active participant in the state's evolving legislation. Currently, Wise is involved in leading the Hemp Industries Association Cannabinoid Committee. This committee is actively shaping and advising the evolving legislation and regulations surrounding cannabinoid therapies state by state and nationally.

Wise has a dual degree from the University of Colorado in Biochemistry and Molecular, Cellular and Developmental Biology. Her specialty is in formulation of natural nutraceuticals from *Cannabis* for use in proactive preventative care and overall wellness.

# Proposed CMY Chief of Extraction Engineering

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**Darwin Millard, ME, Ex. E**

Darwin Millard was a key member of the Science Division at Dixie Botanicals with responsibility for extraction methods and Standardized Operating Procedures. Millard was an important part of the team that developed and introduced the first hemp-based cannabinoid dietary supplement products onto the world market.

Millard is a strong proponent of cannabinoid-based treatment therapies as a replacement for pharmaceutical drugs. Through Nutrawerx, his efforts are directed towards developing commercially viable extraction methods for utilizing supercritical CO<sub>2</sub> in the isolation of mono-specific cannabinoids from non-psychoactive varieties of cannabis, aka Hemp.

Millard has a degree in Mechanical Engineering and specializes in mechanical and solvent-based extraction methodologies for isolating highly volatile terpenophenolic secondary metabolites from botanicals. He has spent the last eight years focusing on the extraction of cannabinoids and other molecular constituents from the Cannabis plant.

# Current Board of Directors

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## **Dr James Ellingford - Non-Executive Director**

Dr Ellingford holds a Post Graduate in Corporate Management, a Masters in Business Administration as well as a Doctorate in Management. Dr Ellingford also lectures MBA students in Corporate Governance at a leading Sydney University and has a keen interest in ethics and governance. Formerly President of an international publicly listed multi-billion dollar business with its headquarters in Geneva, Switzerland and New York, USA.

## **Mr Robert McCauley - Executive Director**

Robert McCauley is a Chartered Surveyor and Management Consultant with over 37 years experience in the mining, engineering and construction industries. Over the past 7 years Mr McCauley has been engaged in senior management roles for ASX listed companies.

Over the previous 30 years Mr McCauley has been involved in planning and infrastructure development of major mining and engineering projects with companies such as Worsley Alumina, Sir Alexander Gibb & Partners (UK), BHP and Boral including the Boddington Gold Mine WA; Monasavu Hydro Electric Scheme, Fiji and the North West Shelf Liquefied Natural Gas Project WA.



# Current Board of Directors

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## **Mr Peter Torney - Non-Executive Director**

Mr Torney is a stockbroker with over 10 years' experience in the Australian financial services industry during which time he has been involved in a number of successful stockbroking & equity capital markets businesses. Prior to entering the Equity market Mr Torney has been involved in the advertising, real estate, finance, publishing & beef cattle production industries.

## **Mrs Elizabeth Hunt - Company Secretary**

Elizabeth has over fifteen years' corporate and accounting experience with a particular interest in governance. Elizabeth's knowledge includes IPO management, governance & risk, company secretarial matters, ASX listing requirements, ASIC and other statutory reporting requirements, and financial accounting and reporting.

Elizabeth holds a BSc degree in Sustainable Development and has completed a Master of Accounting, the Governance Institute of Australia Certificate in Governance and Risk Management, and is a Graduate of the Australian Institute of Company Directors.



# Industry Comparables

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# Industry Comparables

Company	Ticker	Description
CannaVest (US focused)	CANV - OTC	<ul style="list-style-type: none"> <li>Market Cap of US\$1 billion</li> <li>U.S based, creates products that are infused with cannabidiol (CBD)</li> </ul>
Privateer Holdings (MMPR producer and seller)		<ul style="list-style-type: none"> <li>Private Equity with over \$500 million raised, investors include Peter Thiel</li> <li>Owner of Tilray, Canada's largest MMPR licensed producer</li> <li>Owner of leafly.com</li> </ul>
Tweed Inc. (MMPR producer and seller)	TWD – TSX V	<ul style="list-style-type: none"> <li>Market Cap of C\$100 million</li> <li>Market Leading listed producer in Canada,</li> <li>Previous Quarter's revenue C\$641,309; Previous year revenue of CA \$1,145,662</li> </ul>
Cannabis Satvia (US focused)	CBDS – OTC	<ul style="list-style-type: none"> <li>Market Cap of US\$85 million</li> <li>Developing product line of ready to eat Cannabis based products</li> <li>No current sales.</li> </ul>
Mettrum (MMPR producer and seller)	MT – TSX-V	<ul style="list-style-type: none"> <li>Market Cap of C\$70 million</li> <li>MMPR licensed producer and seller based in Ontario</li> <li>Q3 results, \$689k in revs with \$1.3 million in losses</li> <li>2,200 current retail clients</li> </ul>