

24 April 2019

Trial Farm Expansion to Implement Agronomy & Agtech Expertise

Highlights

- **Industrial Hemp Trial Farm increases from 150 to 500 acres**
- **Expansion allows vertical integration of CropLogic's agronomy and agtech expertise**
- **Multiple growing conditions to be tested**
- **Target production rates 800,000 to 1,100,000 pounds of industrial hemp biomass**
- **Drone Technology to be trialled over acreage**
- **In addition to 100,000 acres serviced in Washington State**
- **Production fully financed via equity and non-dilutive debt funding**

CropLogic Limited (ASX: CLI) (CropLogic or Company), the award-winning global agricultural technology company providing cutting-edge technology to growers for decision support, advises that it has agreed terms to increase its Industrial Hemp Trial Farm in Central Oregon, USA, from 150 to 500 acres to further vertically integrate its agronomy and agtech expertise.

The increase in size will enable CropLogic's wholly owned subsidiary, LogicalCropping, to evaluate and produce reference data for different growing conditions such as soil types, land contours and elevation in order to optimise crop yields. Discussions with local hemp growers confirmed the need for representative data across various conditions. A variety of irrigation systems and genetics will also be used.

These elements enable CropLogic to validate its agronomy expertise and suite of ag-tech technologies in a variety of scenarios, adding greatly to CropLogic's proprietary scientific knowledge.

CropLogic will monitor the production rates from each of the different growing environments over the 500 acres, including the variety of applications, topography and soil types.

The Company believes this knowledge can be applied to CropLogic's customers not only in USA and Australia, but also to the emerging industrial hemp market outside these areas.

CropLogic's drone technology will also be utilised this season at the Industrial Hemp Trial Farm.

Drone technology is particularly applicable to high value crops such as industrial hemp, but interest has also been shown by other CropLogic clients in the grape industry in Australia and the apple and row crop industry in Washington State.

James Cooper-Jones, CropLogic CEO, said, "Although this Trial Farm of 500 acres is modest when compared with the approximately 100,000 acres CropLogic services in Washington State each year, we feel the varying growing environments presents an opportunity for CropLogic to further vertically

integrate its agronomy and agtech expertise greatly - enhancing our scientific knowledge of not only an emerging crop such as Industrial Hemp, but also generally.”

CropLogic will apply its agronomy expertise, utilising its proprietary CropLogic realTime¹, CropLogic Aerial Imagery and CropLogic GrowerView.

CropLogic expects production rates to be between 800,000 and 1,100,000 pounds of industrial hemp biomass for the total 500 acres. The price of hemp biomass varies between grade and variety, but prices of USD\$35 and USD\$45 per pound were reported in CropLogic’s recent investigations into the industry. The indicative cost to produce the Industrial Hemp Biomass will be in the vicinity of US\$5- US\$7 per pound.

AUD\$4m in Funding Secured

CropLogic is pleased to further announce that it has secured firm commitments from institutional and sophisticated investors to raise \$3 million (before costs) through a placement of 75,000,000 fully paid ordinary shares at an issue price of \$0.04 per share in 2 Tranches (**Placement**). For every two shares issued under the Placement, the Company will issue one unquoted option, exercisable at \$0.06 each with an expiry date two (2) years from date of issue (**Options**).

Tranche 1 of the Placement will utilise the Company’s Listing Rule 7.1 placement capacity of 42,490,411 shares raising approximately \$1.7 million. Receipt of Tranche 1 funds and issue of the Tranche 1 shares is expected to be completed within the next week.

The remaining 31,509,589 shares raising approximately \$1.3 million (Tranche 2) and the 37,500,000 Options will be issued subject to shareholder approval at an upcoming Extraordinary General Meeting (EGM) to be held in May 2019.

The Company advises that certain Directors of the Company have also committed to participate in the Placement for a total of \$240,000. The issue of shares and Options to the Directors will be subject to shareholder approval at the Company’s upcoming EGM.

Furthermore, CropLogic has secured bridging finance for A\$1 million and has engaged Hunter Capital to also secure a further USD\$2 million (approx. AUD\$2.8 million) of debt finance. This will see the trial farm financed into production. The key terms of this bridging finance are attached to this announcement.

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¹ **CropLogic realTime** – The hardware technology monitors and tracks key crop metrics, such as soil moisture and irrigation, and converts observations into data 24/7. This information is then collated in a concise and accurate format, providing actionable insights for users to make cost-saving decisions. Users can view this data in a user-friendly application called CropLogic GrowerView, which can be accessed via desktop, as well as on both Android and Apple iOS. CropLogic has developed this tool with the expertise of leading agronomists, leveraging over 30 years of research.

About CropLogic

CropLogic is an award-winning global agricultural technology company listed on the Australian Securities Exchange (ASX). After launching its product into Washington State, USA in 2017, CropLogic is currently servicing a significant portion of horticultural growers in this region, with a market share as high as 30% in some crops. Following significant growth (2017-2018) in Washington State and Northern Oregon, in 2018, CropLogic expanded into the Idaho market. CropLogic offers growers of irrigated crops with digital agricultural technology expertise based upon scientific research and delivered with cutting edge technology – science, agronomy and technology interwoven into an expert system for decision support. For more information, please visit: <http://www.croplogic.com/>

Forward Looking statements

This announcement contains forward-looking statements that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

Bridging Loan Facility Key Terms

Financier	Australian based sophisticated investor.
Amount	AUD\$1,000,000
Maturity Date	Settlement of Tranche 2 Placement or 30 June 2019, whichever is the earlier.
Interest Rate	Variable rate of total loan amount of not more than 11% plus 1,000,000 CropLogic fully paid ordinary shares to be issued subject to shareholder approval on repayment.
Loan Early Redemption	CropLogic may repay the facility at any time.
Security	The loan is unsecured.