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AUSCANN - TASMANIAN ALKALOIDS STRATEGIC PARTNERSHIP

- AusCann and Tasmanian Alkaloids have entered into a long-term exclusive strategic partnership to align their respective competencies in cultivating medicinal cannabis plants and to manufacture and distribute cannabis products within Australia, and internationally once regulations permit.
- Tasmanian Alkaloids, based in Tasmania Australia, is a global leader that develops, grows and produces Alkaloid Raw Materials from proprietary poppy varieties used for medicinal purposes throughout the world.
- The partnership also intends to jointly investigate and develop new international opportunities for cannabis products

AusCann Group Holdings Ltd (ASX:AC8 or 'the Company') is pleased to announce it has signed a Heads of Agreement to form an exclusive strategic partnership with *Tasmanian Alkaloids Pty Ltd*. *Tasmanian Alkaloids*, owned by the global private investment firm *SK Capital Partners*, is one of the world's largest manufacturers of controlled substances, producing alkaloid raw material grown in Tasmania.

Tasmanian Alkaloids is an established manufacturer of alkaloid raw materials. Operating since 1976, today *Tasmanian Alkaloids* produces approximately 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.

Through the strategic partnership, AusCann will have access to *Tasmanian Alkaloids*' wealth of expertise. 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.

AusCann will continue to import product from its partner *Canopy Growth Corporation*, North America's largest producer of medicinal cannabis, ahead of the parties being able to supply Australian medicines.

The partners welcomed the release earlier this year of the comprehensive report by the US *National Academies of Science Engineering Medicine*¹ confirming that there is substantial and conclusive evidence for the use of medicinal cannabis in the treatment of chronic pain symptoms. The need for chronic pain control in Australia is substantial and represents a market of over 3 million patients.



Studies have shown that the inclusion of medicinal cannabis into existing pain management regimes involving opiates resulted in an improvement in pain management and quality of life outcomes, and less adverse side effectsⁱⁱ. Cannabinoids and opioids share several pharmacologic properties and may act synergistically in pain treatmentⁱⁱⁱ. As such, both parties look forward to also working together to develop novel therapeutic products for the relief of chronic pain.

Elaine Darby, Managing Director, AusCann 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 are the perfect partner and strategic fit for AusCann given their expertise in the cultivation, manufacture and distribution of therapeutic pain products within Australia."

Doug Blackaby, CEO, Tasmanian Alkaloids commented: "Moving into medicinal cannabis leverages the capabilities the company has in being a world leader in agricultural R&D and the extraction and purification of high value plant derived products. Tasmanian Alkaloids is excited to work with AusCann to bring another plant based medicine to patients."

For more information please contact

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ABOUT AUSCANN GROUP

AusCann is an Australian based company that was incorporated in September 2014 with the aim of producing and providing high quality, economical and clinically validated cannabis medicines to patients. It is bringing together leading expertise and operations across all aspects of the medical cannabis value chain, beginning with cultivation and production, through to manufacture and distribution of products and has built a strong team of experts and partners with international connections. Partners includes TSX listed Canopy Growth Corporation the largest producer of medicinal cannabis globally and DayaCann, the only licensed medicinal cannabis grower in Chile. AusCann was issued an Australian medical cannabis licence by the Office of Drug Control in May 2017.

ABOUT TASMANIAN ALKALOIDS

Tasmanian Alkaloids is one of the world's largest poppy processing companies established in Tasmania for 40 years. It employs 185 Tasmanians consisting of scientists, engineers, technicians, marketers and administrators. The team can also include over 500 farmers throughout Tasmania. Its state-of-the-art GMP manufacturing facility can produce forty percent of the world's alkaloid raw material.

ⁱ National Academies of Sciences, Engineering, and Medicine (2017) The health effects of cannabis and cannabinoids: The current state of evidence and recommendations for research. Washington, DC: The National Academies Press.

ⁱⁱ Haroutounian *et al.* (2016) *Clinical Journal of Pain*, 32(12):1036-1043.

ⁱⁱⁱ Abrams *et al.* (2011) *Clinical Pharmacology & Therapeutics*, 90(6): 844