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## **CHILEAN CULTIVATION LICENCE SECURED FOR SECOND CROP**

- AusCann's 50:50 joint venture in Chile, DayaCann, has secured its second cultivation licence
- Licence allows the JV to commence cultivation activities immediately at its facility in Chile
- This is the only licence granted in Chile to cultivate medical cannabis
- Chile represents a significant market, with a large patient population, supportive regulatory framework for medical cannabis companies and wider access to Latin America
- Follows the successful harvest of the JV's first crop in Chile earlier this year of over 400kg
- Provides further support for the JV to become fully integrated across the full spectrum of the Latin America medicinal cannabis supply chain

**AusCann Group Holdings Ltd** (ASX:AC8 or 'the Company') is pleased to announce that its joint venture (JV) in Chile, DayaCann, has secured a further licence for the cultivation of medical cannabis crops at its Chilean facility.

Licences in Chile for medical cannabis cultivation activities are awarded by the Chilean Government for a one year period at a time and AusCann's JV partner, Fundacion Daya, have now been awarded the only licence every year for the past four years.

The licence will allow DayaCann to commence planting crops immediately at its licensed 30-hectare facility south of Santiago, Chile. The licence follows the successful harvest of 400 plants earlier this year that provided a range of chemotypes to be used in initial trial formulations.

Chile provides a supportive framework across the entire supply chain for medical cannabis companies, that enables the DayaCann JV to move towards becoming a fully integrated medical cannabis organisation that will produce high quality and affordable cannabinoid medications. The DayaCann JV is currently the only licensed producer in Chile, giving it a key competitive advantage in a growing market whose patient demographics are similar to those found in Australia.

Under current regulations, Chile allows the export of products, once registered as medicines with the Chilean *National Institute of Public Health*. DayaCann is well positioned to leverage the growing opportunity across Latin America, where medical cannabis is currently legal in a number of countries including Brazil, Argentina, Peru, Columbia, Uruguay, Panama, Puerto Rico and Mexico.

AusCann, and its partner DayaCann, is focused on the production of final dose forms of cannabinoid medicines for the treatment of chronic pain. The chronic pain market in Latin America is significant and the *Change Pain Latin America* (CPLA) initiative in place aims to understand the cause and effects of chronic pain in Latin America, to identify and overcome barriers to accessing medications and to address the unmet needs of patients in the region.

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Elaine Darby, Managing Director, AusCann commented: "The regulatory landscape and market for cannabinoid medications continues to evolve and grow. Chile is one of the regions at the forefront of change and access to cannabis medications for patients in need is advancing rapidly in the region. This licence allows us to commence growing our second crop in the region, building on our position in the market and expanding our supply chain as AusCann becomes a fully integrated medical cannabis company that will service both the Australian and Latin American markets."

Nicolas Dormal, Director of Development at Daya Fundacion, AusCann's joint venture partner commented: "We're pleased to have secured a cultivation licence for the fourth year in a row. It allows us to commence growing yet another crop in the region and to continue to provide local jobs to local people. We're delighted to be able to continue to provide employment to local women who have less job opportunities in these rural areas. AusCann have proven to be an excellent JV partner and together we have created a JV with significant IP and brand recognition."

The Company anticipates the planting of the next crop to commence before year end, with the harvest to be undertaken during the first half of 2018.

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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 Corporations the largest producer of medicinal cannabis globally and DayaCann, the only licensed medicinal cannabis grower in Chile.