

AusCann Share Purchase Plan

Monday, 16 July 2018 – Further to the announcement on 5 July 2018, leading medical cannabis company **AusCann Group Holdings Limited** (ASX:AC8) ('AusCann' or 'the Company') is pleased to announce a Share Purchase Plan ('SPP') to eligible existing shareholders to raise up to A\$8 million.

Up to 7,619,048 new fully paid ordinary shares in the Company ('Shares') will be issued to eligible existing shareholders under the SPP at an issue price of A\$1.05 per Share ('Issue Price'). AusCann has more than 21,000 shareholders.

The Issue Price represents a discount of 4.5% to the issue price of the share placement ('Placement') announced on 5 July 2018 ('Additional SPP Discount'), and a discount of 5.6% to the volume weighted average price of the Company's shares traded on ASX over the five days trading days prior to the date of this announcement (which was A\$1.112). The Additional SPP Discount is given to participants under the SPP in lieu of there being no attaching options under the SPP, as there was in the Placement. For the avoidance of doubt, there are no attaching options under the SPP. The Issue Price is free of brokerage and commission.

If applications to participate in the SPP are received in excess of A\$8 million, the intention of the Directors is to scale back the applications on a pro rata basis. The Directors reserve the right to increase the maximum amount to be raised under the SPP. The SPP is not underwritten.

Eligible existing shareholders with a registered address in Australia or New Zealand as at 5:00pm (WST) on the Record Date of Friday, 13 July 2018 ('Eligible Shareholders'), including participants in the Placement, have the opportunity to subscribe under the SPP for up to A\$15,000 worth of Shares (subject to scale back at the Company's absolute discretion). Participation in the SPP is optional.

In the event that less than 7,619,048 Shares are applied for under the SPP, the Directors reserve the right to place any shortfall to professional and sophisticated investors at the Directors' discretion. The issue of any such shortfall would be under the Company's placement capacity pursuant to ASX Listing Rule 7.1A.

Full terms and conditions of the SPP will be contained in an Offer Booklet which will be dispatched to Eligible Shareholders on Thursday, 19 July 2018.

Indicative timetable

It is proposed that the following timetable will apply with respect to the SPP:

Record Date (5:00pm WST)	Friday, 13 July 2018
Announcement Date of Plan	Monday, 16 July 2018
Dispatch of SPP Offer Booklet & Application Form	Thursday, 19 July 2018
Opening Date of Plan	Thursday, 19 July 2018
Closing Date of Plan (5:00pm WST)	Thursday, 2 August 2018
Issue of Shares under the Plan	Thursday, 9 August 2018
Quotation of Shares	Friday, 10 August 2018

The timetable is indicative only and subject to change. The Company reserves the right to change the timetable (other than the Record Date) at any time or cancel the SPP at any time before the Shares are issued, subject to regulatory requirements.

If you have any enquiries in relation to the SPP, please call our share registry Computershare Investor Services on 1300 850 505 (from Australia) or +61 3 9415 4000 (from overseas).

Use of Funds

It is intended that funds raised under the SPP will be used as follows:

- Clinical studies for product registration in Australia;
- Expansion of an Australian manufacturing plant for final dose form manufacturing;
- Establishment of a manufacturing facility in Chile;
- Establishment medical outreach programs in new international markets;
- Research and development of cannabinoid pharmaceuticals; and
- Costs of the offer and general working capital requirements.

AusCann Managing Director Elaine Darby: “We are very pleased to offer existing shareholders the opportunity to participate in the evolution of AusCann. The capital we secure from this raising, along with funds raised under AusCann's recent placement, will enable us to accelerate our corporate objectives and provide Australian and global markets with efficacious, clinically validated and cost-effective medicinal cannabis products.”

ENDS

For more information, please contact:

AusCann

Elaine Darby
Managing Director
elaine.darby@auscann.com.au
+61 458 372 511

For Investment Enquiries

Stewart Washer
Stewart.washer@auscann.com.au
+61 418 288 212

For Media Enquiries

Julia Maguire
Director, The Capital Network
julia@thecapitalnetwork.com.au
+61 419 815 386

Summary Information

The following disclaimer applies to this announcement and any information contained in it (the Information). The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with AusCann's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any Information contained in this announcement.

Forward Looking Statements

Any forward-looking statements that may be in this announcement are subject to risks and uncertainties relating to the difficulties in AusCann's plans to develop and potentially commercialize its product candidates, the timing of the initiation and completion of preclinical and clinical trials/studies, the timing of expected regulatory filings, expectations about our expansion plans, the establishment of medical outreach programmes, results of our research and development of cannabinoid pharmaceuticals, working capital requirements and unforeseeable events. Accordingly, you should not rely on those forward-looking statements as a prediction of actual future results.

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ABOUT AUSCANN

AusCann Group Holdings Limited (ASX:AC8) is an Australian-based pharmaceutical company that aims to produce high quality, economical, and clinically validated cannabinoid medicines. AusCann 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. Through partnerships with industry experts, existing leading market participants and doctors, AusCann is building operations and educating the medical community about the benefits of cannabinoid medicines. Incorporated in 2014, AusCann is currently the only ASX listed company with the full set of necessary licences to grow and manufacture cannabinoid medicines in Australia. The company is initially targeting medications for neuropathic and chronic pain in Australia and Chile, whilst exploring global export opportunities.