

AusCann Joint Venture commences first cultivation activity with Khiron Life Sciences Corp

22nd January 2019 – Leading Australian medicinal cannabis company **AusCann Group Holdings Limited** (ASX:AC8) (AusCann or 'the Company') is pleased to announce its DayaCann joint venture is to commence its first third party cannabis cultivation activity with Khiron Life Sciences Corp (TSXv:KHRN) ('Khiron').

Khiron is a Canadian listed medicinal cannabis company with core operations in Colombia. AusCann announced an MoU between DayaCann and Khiron on 1 October 2018 to collaborate on the development of medicinal cannabis products and market in Chile. This includes cultivation, manufacturing, scientific and commercial activities that support cannabinoid medicines as a valued medicinal option.

DayaCann is a 50:50 joint venture formed by AusCann and Chilean partner Fundación Daya in 2016 and is the only company in Chile to hold a medicinal cannabis production license.

Under the terms of the agreement, DayaCann will provide cultivation and potentially manufacturing services to Khiron. DayaCann is now preparing for cultivation of cannabis plant material to be used for patients and clinical trials, resulting in staged payments by Khiron to DayaCann of USD1,200,000 (A\$1.67m).

AusCann Executive Director and interim CEO, Dr Paul MacLeman, said: "We are extremely pleased to see the MoU with Khiron progress towards the commencement of cultivation activity on the ground for the 2019-2020 season. This will result in supply of quality medicinal cannabis material to Khiron, allowing them to help Chilean patients. This is the first step in our collaboration, and we look forward to continuing to work together to address unmet medical needs in the Latin American market."

ENDS

For more information, please contact:

For Investment Enquires

Quentin Megson
Chief Operating and Financial Officer
info@auscann.com.au
+61 8 9561 8834

For Media Enquiries

Elodie Castagna
FTI Consulting
elodie.castagna@fticonsulting.com
+61 8 9321 8533

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 holds 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.