

AusCann Signs Cannabis Resin Supply Agreement with Canadian MediPharm Labs

21 February 2019 – Leading medical cannabis company **AusCann Group Holdings Limited** (ASX:AC8) ('AusCann' or 'the Company') is pleased to announce it has entered into a Supply Agreement to purchase cannabis resin from MediPharm Labs Corporation (TSXV:LABS) (OTCQB:MLCPF) ("MediPharm"), Canada's largest and most experienced supplier of purified, pharmaceutical grade cannabis extracts.

The agreement establishes MediPharm as a new supplier of high-grade cannabis resin to AusCann, with first supply to commence in the coming months. The resin will primarily be used in the manufacture of AusCann's first product line of hard-shell cannabinoid capsules that address the critical need for stability and consistency of dose in cannabinoid medicines.

MediPharm has a history of producing quality medical grade cannabis resins at commercial scale since 2018 and is a supplier of choice for Canopy Growth Corporation, a significant AusCann shareholder. Based in Canada, MediPharm's state-of-the-art facility is one of the most innovative and technically advanced in the cannabis industry, built to European current Good Manufacturing Practices (cGMP) requirements and designed with ISO standard cleanrooms and critical environments.

AusCann Interim CEO Dr Paul MacLeman commented: "Reliable supply of pharma-grade cannabinoid extracts through MediPharm's proprietary methodologies will support AusCann's ability to develop and deliver quality cannabinoid medicines. Critical for the Company are repeatability in manufacturing, reliable dosing, and purity assurance. These product foundations will allow delivery of effective, trusted and safe medicines for the treatment of chronic pain".

Patrick McCutcheon, CEO of MediPharm Labs added: "MediPharm has quickly established a global reputation as the go-to producer of high quality, pharmaceutical grade cannabis concentrates at commercial scale. We are thrilled to have been selected by AusCann as a supplier of choice for their medical products and clinical trials," said Patrick McCutcheon, Chairman and Chief Executive Officer, MediPharm Labs."

AusCann is working towards securing a small number of validated, safe and reliable sources of cannabis resins as ongoing inputs into its pharmaceutical product development, clinical trials and product sales activities. This multi-supplier strategy mitigates and reduces supply risks and enables AusCann to work efficiently with specialists in different types of extracts across a number of jurisdictions. In turn, this supports AusCann's focus upon novel dose form development to optimise patient outcomes and create valuable pharmaceutical products for the Australian and export markets.

ENDS

For more information, please contact:

For Investment Enquiries

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 is working 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 all necessary licenses 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.

ABOUT MEDIPHARM

Founded in 2015, MediPharm Labs has the distinction of being the first company in Canada to become a licensed producer for cannabis oil production under the ACMPR without first receiving a cannabis cultivation licence. This expert focus on cannabis concentrates from our cGMP (current Good Manufacturing Practices) and ISO standard clean rooms and critical environments laboratory, allows MediPharm Labs to produce purified, pharmaceutical-grade cannabis oil and concentrates for advanced derivative products. MediPharm Labs has invested in an expert, research-driven team, state-of-the-art technology, downstream extraction methodologies and purpose-built facilities to deliver pure, safe and precisely-dosed cannabis products to patients and consumers. MediPharm Labs' private label program is a high margin business for the Company, whereby it opportunistically procures dry cannabis flower and trim from its numerous product supply partners, to produce proprietary cannabis oil concentrate products for resale globally on a private label basis. MediPharm Labs was recently named START-UP OF THE YEAR at the Canadian Cannabis Awards. Through its subsidiary, MediPharm Labs Australia Pty. Ltd., MediPharm has also completed its application process with the federal Office of Drug Control to extract and import medical cannabis products in Australia.