

AusCann and Canopy Growth Partnership Expansion

Highlights

- AusCann and Canopy are working to become the leading suppliers of medical cannabis products to the Australian market
- AusCann and Canopy are proposing to enter into a supply arrangement, which will see AusCann distributing products through an expanded network and developing an expanded pipeline covering multiple disease areas
- AusCann to scale up its existing medical liaison team and building an independent clinic network of allied partners to educate doctors about the products

Tuesday, 24 April 2018 – Leading medical cannabis company **AusCann Group Holdings Limited** (ASX:AC8) ('AusCann' or 'the Company') is pleased to announce that it has received an import permit under its existing import licence and will soon receive finished cannabis oils from its major shareholder, Canopy Growth Corporation (Canopy Growth).

AusCann and Canopy Growth are pursuing opportunities in several key areas in Australia including the importation, distribution, and local production of medical cannabis products.

Importation of Canopy Products

AusCann will initially import the Canopy-supplied AusCann branded products for chronic and neuropathic pain control known as AC 5:5, AC 0:9.5, and AC 15:0, with each name representing the ratio of tetrahydrocannabinol (THC) to cannabidiol (CBD) in each product.

Canopy and AusCann are working together on developing an arrangement where Canopy will also supply AusCann with Spectrum Cannabis branded products for AusCann to distribute into the Australian market alongside existing AusCann products. Spectrum Cannabis is Canopy Growth's international medical brand, operating under a simple colour-coded system to classify its medical cannabis products.

Maximising Distribution

The intention is for AusCann and Canopy to undertake the distribution of both AusCann and Spectrum products through existing and future distribution networks, in accordance with all applicable laws.

AusCann signed a separate agreement with Australian Pharmaceutical Industries Limited ("API"), Australia's leading distributor of pharmaceutical products in January 2018 [ASX Announcement: January 22, 2018]. That agreement established a logistics relationship for the distribution of AusCann's medical cannabis products throughout API's extensive nationwide pharmacy network.

Expansion of the Medical Doctor and Clinic Network

AusCann will expand its medical liaison team to educate Australian doctors about cannabinoid medicines as a therapeutic option in a number of disease areas. The Company initially appointed three pharmaceutical industry professionals to manage doctor communications and assist in the prescription of AusCann's cannabinoid medicines in Australia in September 2017 [ASX Announcement: September 14, 2017].

AusCann and Canopy will develop a medical outreach program to educate doctors throughout Australia on cannabinoids as a therapeutic option. The medical outreach program will identify key opinion leaders in each target disease area and provide them with products, training, and clinical studies in respect to AusCann and Canopy Growth's cannabinoid medicines.

Update on Domestic Production

AusCann and Tasmanian Alkaloids entered into an exclusive strategic partnership in May 2017 [ASX Announcement: May 17, 2017] to jointly establish the cultivation, manufacturing, and distribution operations for medical cannabis in Australia and overseas. The partnership now holds all the required licences and also has Therapeutic Goods Administration (TGA) certified manufacturing facilities to cultivate and manufacture final dose form cannabis medicines. These facilities will be used to manufacture AusCann branded products for the Australian and international markets and potentially products for Canopy Growth.

AusCann Managing Director Elaine Darby: "Our ongoing relationship with Canopy Growth offers major benefits for AusCann, and we are very pleased to be working with Canopy Growth as the Australian market expands. The combination of this arrangement and our strong partnership with Tasmanian Alkaloids, positions us to be the leading supplier of affordable, effective, and clinically-validated cannabinoid medicines to the Australian market and select international markets."

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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.

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