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ASX Release

MGC Executes Joint Venture Agreement for Development of Cosmetics and Medical Device Products

Highlights:

- Joint Venture agreement signed with European research and development business, Natura Laboratories Ltd, ("Natura"), to exclusively research and develop formulas for cosmetic products, food supplements and over-the-counter medical devices
- Natura headed by industry expert in R&D of cosmetics and medicines- previous roles include Head Formulator of natural and organic cosmetics for Elizabeth Arden
- Natura is well credentialed in the research and development of plant-based chemical products for the cosmetics and medical industries
- Agreement expands MGC's business model, to potentially develop and market its own product range of cosmetic products
- First key commercial agreement for MGC in the European cosmetic and pharmaceutical sectors- additional contract opportunities being pursued by MGC executive team
- MGC now well positioned to achieve commercialisation- first revenues expected within 6 months and target of +US\$10m net revenue in CY2017

Erin Resources (ASX:ERI or the Company) is pleased to announce that MGC Pharmaceuticals Limited (MGC) has entered into a Joint Venture Agreement (JV) for the research and development of Cannabinoid (CBD) based cosmetics, food supplements and over-the-counter (OTC) medical devices within the European Union (EU).

This announcement follows the key announcement on 11 June 2015 confirming that MGC had secured licenses in Slovenia and is now fully permitted it to grow, extract, import and export Cannabis Sativa L (Hemp). This was a ground breaking development for the company, allowing MGC to become the first ASX related entity to be granted a Cannabis *Sativa L* (Hemp) growing license and licences to sell CBD resin within the EU.

The intention of this JV is to exclusively research and develop formulas for cosmetic products, food supplements and over-the-counter medical devices based on CBD extract and Nano-technologies, which have been developed to enable the CBD to better penetrate the skin layers with an industry leader.

The JV to be formed is with Natura Laboratories Ltd (Natura), a Slovenian based cosmetics business. Natura is headed up by Mr. Genin Oded, an expert in the R&D of cosmetics and medicines based on plant extracts. Mr. Oded has held various positions in the industry including Head Formulator of natural and organic cosmetics for some well-known cosmetics companies, including Elizabeth Arden, the Head Chemist of Kordan Group and E.L Erman Cosmetics Ltd. He has also established an R&D facility in Slovenia for Nano production and Nano-encapsulation techniques.

The formulas and products to be developed as part of the JV will become Intellectual Property of the JV and each party will receive royalties attributable to the formulas and products developed.

The JV will be established with a 51% equity interest held by MGC and 49% to be owned by Natura. Each party has the right to nominate one director representative to the JV Company.

The parties will jointly fund the JV's activities on a pro-rata basis, including outsourcing an R&D team, laboratory operating costs and the cost of CBD samples.

Nativ Segev, Co-founder and Managing Director, MGC Pharmaceuticals Limited commented:

"I'm delighted to be entering into a joint venture with Natura Laboratories to develop high quality products for the cosmetics and pharmaceutical industries. Natura brings a wealth of experience researching and developing formulas for the industries and our partnership accelerates MGC's development and roll-out of our own cosmetics and medical products range in the future."

Mr. Genin Oded, Head Formulator and Director, Natura Laboratories Ltd. commented:

"The partnership with MGC is an excellent opportunity for Natura Laboratories and I look forward to beginning our work together. MGC's licenses in Slovenia make it the only company in the region who can both grow and extract CBD on site, which sets the business apart from others in the region."

-Ends-

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About MGC Pharmaceuticals

MGC Pharmaceuticals Limited (MGC) is an EU based medical and cosmetic cannabis company with over 40 years of technical and commercial experience in the medical and cosmetics cannabis industry. The Company's core focus and strategy is to develop and supply high quality non-psychoactive Cannabinoid resin extract ("CBD") to the growing European cosmetics market, through its industry experienced Israeli executive team.

About Erin Resources Option to Acquire MGC Pharmaceuticals

Erin Resources has entered into a binding heads of agreement with the option to acquire 100% of the issued capital of MGC Pharmaceuticals, as announced on 18 May 2015. The Option may be exercised within six months by Erin Resources from the date of HOA execution. The exercise of the Option will trigger the formal acquisition process and a full re-compliance with the ASX listing rules.