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AUSCANN - TASMANIAN ALKALOIDS LICENCES SECURED

- Australian medicinal cannabis licence, and a research and development licence, granted to AusCann's strategic partner Tasmanian Alkaloids
- The licences are a significant milestone in the AusCann and Tasmanian Alkaloids strategic partnership
- The strategic partnership is now well placed to progress its strategy to become a leading supplier of Australian produced high quality, clinically validated and affordable medicinal cannabis to Australian patients

AusCann Group Holdings Ltd (ASX:AC8 or 'the Company') is pleased to announce its strategic partner *Tasmanian Alkaloids Pty Ltd* has been granted a medicinal cannabis licence and a research and development licence from the Office of Drug Control.

AusCann and Tasmanian Alkaloids entered into an exclusive strategic partnership in May (see announcement dated 17 May 2017) to jointly establish cultivation, manufacturing and distribution operations for medicinal cannabis in Australia and overseas.

Tasmanian Alkaloids, owned by the global private investment firm *SK Capital Partners*, is one of the world's largest manufacturers of controlled substances, producing medicinal opiates grown in Tasmania. Operating since 1976, today *Tasmanian Alkaloids* produces approximately 40% of the world's opiate crop in Tasmania. It boasts a modern manufacturing facility which is fully compliant with Good Manufacturing Practice standards.

Tasmanian Alkaloids has established relationships with many of the world's leading pharmaceutical companies and is the largest producer and exporter of thebaine, and also produces oripavine and codeine at its Tasmanian facility.

The Tasmanian licences are in addition to AusCann's current medical cannabis cultivation licence granted in May by the Office of Drug Control.

Elaine Darby, Managing Director, AusCann commented: "This is a major milestone for the strategic partnership and represents significant progress in our joint strategy to become a leading producer and supplier of high quality medicinal cannabis to Australian patients."

AusCann will import medicines from its partner *Canopy Growth Corporation*, North America's largest producer of medicinal cannabis, ahead of the parties being able to supply Australian medicines, to address immediate need.

The comprehensive report by the US National Academies of Science Engineering Medicine released earlier this year confirmed that there is substantial and conclusive evidence for the use of medicinal cannabis in the treatment of chronic pain symptoms. The need for chronic pain control in Australia is substantial and represents a market of over 3 million patients.

Studies have shown that the inclusion of medicinal cannabis into existing pain management regimes involving opiates resulted in an improvement in pain management and quality of life outcomes, and less adverse side effects.¹ Cannabinoids and opioids share several

¹ Haroutounian et al. (2016) Clin J Pain, 32(12):1036-1043

Abrams DI et al. (2011) Clinical Pharmacology & Therapeutics, 90(6):844

AusCann Group Holdings Ltd A.C.N: 008 095 207

<http://www.auscann.com.au/>

Email: info@auscann.com.au

Phone: +61 (0) 8 9561 8834

Registered Office: 85 Carabooda Road, Carabooda, Western Australia, 6033

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pharmacologic properties and may act synergistically in pain treatment.² As such, both parties look forward to also working together to develop novel therapeutic products for the relief of chronic pain.

For more information please contact

AusCann

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

For Investment Enquires

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

For Media Enquiries

Caroline Zielinski
Media & Capital Partners
Caroline.zielinski@mcpartners.com.au
+61 400 172 145

ABOUT AUSCANN GROUP

AusCann is an Australian based company that was incorporated in September 2014 with the aim of producing and providing high quality, economical and clinically validated cannabis medicines to patients. It 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 and has built a strong team of experts and partners with international connections. Partners includes TSX listed Canopy Growth Corporations, the largest producer of medicinal cannabis globally and DayaCann, the only licensed medicinal cannabis grower in Chile. AusCann was issued an Australian medical cannabis licence by the Office of Drug Control in May 2017.

ABOUT TASMANIAN ALKALOIDS

Tasmanian Alkaloids is one of the world's largest poppy processing companies established in Tasmania for 40 years. It employs over 180 Tasmanians consisting of scientists, engineers, technicians, marketers and administrators. The team can also include over 500 farmers throughout Tasmania. Its state-of-the-art GMP manufacturing facility in Tasmania can produce forty percent of the world's opiate crop.

² Haroutounian et al. (2016) Clin J Pain, 32(12):1036-1043
Lucas, P et al. (2015) Drug and Alcohol Review

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