

18 June 2015

ASX Release

MGC Signs €40,000,000 Cannabinoids Offtake Agreement

- MGC Pharmaceuticals Pty Limited (MGC) secures multi-year off-take agreement with European cosmetic production company
- Worth in excess of €40 million, MGC is the first ASX related cannabis or hemp company to sign a wholesale CBD supply contract
- Immediately accelerates commercialisation timetable and initial revenue streams
- MGC plans to supply Cannabidoil (CBD) resin extract from its growing operation to be established in Slovenia, pursuant to recent license approvals
- Off-take agreement for a minimum supply of 300kg of CBD resin per year – valued at €55,000 per kg for 100% CBD purity- for a 4 year minimum term
- Initial offtake partner produces a line of CBD cosmetic and medical products and intends to further extend its product range and supply into international markets
- MGC is now confident that it will meet or exceed its previously announced net revenue forecasts for 2016 and 2017

Erin Resources (ASX: ERI or the Company) is pleased to update investors on a commercially significant development for MGC Pharmaceuticals Pty Limited (MGC) with the execution of this multi-year, €40 million CBD offtake contract. This development follows the announcement on 18 May 2015 that Erin had entered into a binding heads of agreement with the option to acquire 100% of the issued capital of MGC.

€40 million CBD Offtake Contract Signed

MGC's has executed a heads of agreement (HOA) with Natura Laboratories Limited (Natura) to supply a minimum of 300kg of CBD resin extract per year for a minimum of four (4) years. Under the agreement MGC will supply CBD with a minimum 60% purity making the agreement worth over €40 million (AUD\$60 million), and the business is now very confident it will begin generating significant revenue from Q2/Q3 2016.

Natura Laboratories have specific clinical expertise in plant based chemical products that are developed for the cosmetics and medical industries. Natura are already producing a number of cosmetics products for sale in international markets, which include skin, facial and eye creams, hair care and oils. Natura has also developed Nano-technologies for CBD delivery, including NANOcapsules and Slow Release patches for better penetration of the CBD through the skin layer, making them the ideal solution to use in skin and facial creams.

This agreement makes MGC the first ASX related company to secure a major commercial offtake contract, supplying its CBD production to the end user, accelerating its commercialisation and providing near-term revenues. The offtake agreement will run for an initial period of 4 years and is revolving at the election of both parties.

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In addition, MGC will shortly commence its initial work programs with Natura to develop the formulas for use in the cosmetics, food supplements and medical devices in development under the Joint Venture announced on 16 June 2015, and is currently sourcing the CBD to use in this testing phase in Q3 CY2015. Until MGC's CBD resin is available from its Slovenian operations in commercial volumes during 2016, Natura and MGC will source the CBD resin extract from external sources.

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

"We have secured a financially strategic partnership with Natura Laboratories following the execution of the JV for the research and development of CBD products for the cosmetics and pharmaceutical industries. This €40,000,000 offtake agreement is of critical importance to MGC and validation of our business model and industry credentials, and is expected to rapidly accelerate our path to commercialization and secures our ability to meet or even now exceed our current revenue forecasts."

Erin Resources, Executive Director Mr. Brett Mitchell said:

"This is a significant commercial milestone for MGC. With the execution of this \$60,000,000, 4 year minimum offtake agreement, which makes MGC the first ASX related vehicle to have secured a major wholesale supply contract. In conjunction with the license approvals in Slovenia we're confident that MGC is on track to meet its initial stated goals both financially and operationally. The board believes this is a great opportunity for shareholders and I look forward to providing further updates on the progress of MGC."

-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.

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