

AusCann Joint Venture Signs MoU with Colombian based Khiron Life Sciences Corp

Highlights

- AusCann's Chilean joint venture DayaCann has signed a non-binding MoU with Canadian listed medical cannabis company Khiron Life Sciences Corp. (TSXV:KHRN)
- AusCann and Fundación Daya formed DayaCann in late 2016 and have completed two harvests at DayaCann's 30-hectare facility yielding a total of over 1000kg of dried cannabis
- Khiron has its core medicinal cannabis operations in Colombia, where it is fully licensed for the cultivation, production, distribution and export of both tetrahydrocannabinol (THC) and cannabidiol (CBD) medical cannabis
- Under the MoU, DayaCann, Fundación Daya and Khiron will collaborate on the development of social, pedagogical, scientific, commercial and political activities to support cannabinoid medicines as a medical option

Monday, 1 October 2018 – Leading medical cannabis company **AusCann Group Holdings Limited** (ASX:AC8) (AusCann or 'the Company') is pleased to announce that its Chilean joint venture DayaCann has signed a non-binding Memorandum of Understanding (MoU) with Canadian listed medical cannabis company Khiron Life Sciences Corp. (TSXV:KHRN) ('Khiron').

The MoU contemplates a method of collaboration through which DayaCann, Fundación Daya and Khiron can offer new alternatives of medical cannabis to patients in Chile in addition to those currently provided by DayaCann and Fundación Daya.

To achieve this, the parties will engage in cultivation, manufacturing, pedagogical, scientific, commercial and political activities that present cannabinoid medicines as a viable medical option that meets the highest standards of quality and safety. As part of the agreement, Khiron will provide funds to support the development of these activities.

DayaCann is the only company in Chile to hold a medical cannabis production licence. AusCann and Fundación Daya formed DayaCann in 2016 [ASX Announcement: November 10, 2016] with the aim of becoming Latin America's leading medicinal cannabis group. Under the MoU DayaCann will provide cultivation and manufacturing services to Khiron.

DayaCann has since completed two harvests at its 30-hectare facility yielding a total of over 1000kg of dried cannabis flower. A portion of this cannabis is being used by Chilean pharmaceutical manufacturing group, Knop Laboratories, to create medical cannabis products available to Chilean patients via a special access scheme.

Khiron has its core operations in Colombia and aims to address the unmet medical needs in a market of over 620 million people in Latin America.

AusCann Managing Director Elaine Darby: "We look forward to working with Khiron through our joint venture DayaCann. To be supplying them high quality cannabinoid medicines and working together on addressing the needs of the Latin American market. The

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MoU will not only expand DayaCann's presence in Chile, but also give DayaCann wider access to the Latin American market."

ENDS

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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 holds 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.

About Khiron Life Sciences Corp.

Khiron Life Sciences Corp. is positioned to be a leading integrated medical cannabis company in Latin America. The Company has core operations in Colombia and is fully licensed in the country for the cultivation, production, domestic distribution, and international export of both tetrahydrocannabinol (THC) and cannabidiol (CBD) medical cannabis. In May 2018, Khiron listed on the TSXV, becoming the first Colombian based medical cannabis company to trade on any exchange globally.

With a focused regional strategy and patient oriented approach, the Company combines global scientific expertise, agricultural advantages, branded product market entrance experience and education to drive prescription and brand loyalty to address priority medical conditions such as chronic pain, epilepsy, depression and anxiety in the Latin American market of over 620 million people. The Company is led by Co-founder and Chief Executive Officer, Alvaro Torres, together with an experienced executive team, and a knowledgeable Board of Directors that includes former President of Mexico, Vicente Fox.

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