



STEMCELL UNITED LIMITED
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Australian Securities Exchange

ASX ANNOUNCEMENT

Letter Agreement with iCAN Israel-Cannabis Limited and Fund Raising

Stemcell United Limited ("SCU" "the Company") is pleased to present the following developments:

Intention to cooperate with iCAN Israel-Cannabis Limited

The company has signed a Letter Agreement with iCAN Israel-Cannabis Limited ("ICAN") to negotiate and execute ("LOI"):

1. a mutually agreeable licencing and services agreement pursuant to which ICAN will provide services to SCU in respect of its business operations in Asia ("Services Agreement"); and
2. an investment agreement for SCU of between 5% to 10% stake in ICAN, subject to due diligence, and pricing being agreed. ("Investment Agreement").

The execution of definitive agreements will follow appropriate due diligence as it depends in each case on the parties reaching agreement on a number of matters.

iCAN Israel-Cannabis Limited (www.israel-cannabis.com) is an Israeli domiciled advisory and originator in relation to the development and commercialisation of Medical Cannabis product and their delivery methods and related devices.

It provides end to end services and will enhance SCU's capabilities and scope of business in Medical Cannabis field. ICAN will specifically assist an idea germination development and review through clinical trials and importantly the medical delivery systems; as well as the appropriate marketing and branding.

The signing of these agreements and the potential investment in ICAN will help SCU to explore and further expand its services offerings in eligible Asia market.

A fee of 20 million shares and 20 million options exercisable at the price of A\$0.20 will be payable to the advisors for introducing and facilitating the deal, of which 3.6 million shares will be issued upon execution of the LOI and an advisor agreement, and remaining shares and options payable upon successful completion of the Services Agreement, Investment Agreement and subject to shareholder's approval.

Updates on dendrobium and resina business

The Company has recorded its first revenue from sale of dendrobium product in the last quarter. The company will commence marketing of its dendrobium essence infused mask this quarter.

Additionally, the company is also in discussion with a Chinese Pharmaceutical company on providing consultancy services for manufacturing resina.

Fund raising

The company plans to issue up to 25 million ordinary shares at \$0.10 per share to sophisticated investors. The Shares will rank pari passu in all respect with existing shares. The funds raised from the issue will be used for Company's working capital, and corporate investments and developments, including for growing the dendrobium business and exploring opportunities in Cannabis business. The company will seek shareholder approval if the issue of the shares exceeds the 15% capacity under Listing rule 7.1. The issue will not be to a class of security holder.

Shareholders are advised to exercise prudence when investing in the Company's securities until further announcements, including with respect to the execution of definitive agreements, as referred to above.

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