



ASX ANNOUNCEMENT

25 AUGUST 2017

LICENSING & DISTRIBUTION AGREEMENT WITH CANNAKORP FOR CANNABIS VAPORIZATION TECHNOLOGY

25 August 2017 – Cann Group Limited (ASX:CAN) has executed a licensing and distribution agreement with CannaKorp, Inc. to import and sell CannaKorp's proprietary vaporizing system (System) as well as securing the right to produce the medicinal cannabis pods associated with the device.

CannaKorp is a Massachusetts-based technology start-up company that is simplifying and improving the inhalation process for medicinal cannabis patients. It has designed and developed vaporization technology which incorporates a desktop vaporizer device that accepts single-use pods containing precisely prepared ground cannabis.

Under the terms of the agreement Cann, through its wholly owned subsidiary Cannproducts Pty Ltd, is granted a license to import and sell the System in Australia and New Zealand, as well as manufacturing rights which includes an initial nine month exclusive right following regulatory approvals. Intended sales of the System and pods will be subject to obtaining all necessary regulatory approvals, with CannaKorp and Cann working collaboratively to obtain these. The System will be available as an open platform for licensed medicinal cannabis cultivators looking to have their cannabis available via a vaporization device. Cann also has the right to perform pod processing for other licensees.

Cann's CEO Mr Peter Crock said: "This agreement represents an important development for Cann. We look forward to working with CannaKorp to make this System available in Australia, which once approved will provide doctors with the ability to prescribe medicinal cannabis as an efficient, measured dose."

CannaKorp's CEO and Co-founder James Winokur said: "CannaKorp continues to seek high quality partners around the world such as Cann Group. Cann's vision to be a leading cultivator in Australia and desire to be a significant research contributor to the world's understanding of the medicinal benefits of cannabis is impressive. We're very pleased they view our delivery system as beneficial to their own goals and beneficial to patients in Australia."

The patent-pending vaporizing system has a hygienic, one-way valve mouthpiece that is detachable for convenient cleaning. A microprocessor controls the system to ensure optimal performance including temperature, time and air pressure. The pod system will allow doctors to prescribe appropriate strains of medicinal cannabis to suit patient requirements.

CANN

GROUP LIMITED



Sample image of CannaCloud device – final product may differ

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About Cann Group

Cann Group is building a world-class business focused on breeding, cultivating and manufacturing medicinal cannabis for sale and use within Australia. The company has established research and cultivation facilities in Melbourne and is striving to provide access to medicinal cannabis for Australian patients. Cann Group has executed collaboration agreements that will enable it to establish a leading position in plant genetics, breeding, extraction, analysis and production techniques required to facilitate the supply of medicinal cannabis for a range of diseases and medical conditions. It was issued with Australia's first medicinal cannabis research licence in February 2017, in addition to Australia's first medicinal cannabis cultivation licence in March 2017. Aurora Cannabis Inc – Canada's second largest listed medicinal cannabis company – is a cornerstone investor in Cann, with a 19.9% shareholding.



About CannaKorp

CannaKorp, Inc. is a Massachusetts-based technology start-up company that is simplifying and improving the herbal wellness experience for consumers and patients around the world. CannaKorp has developed the world's first single-use, pod-based vaporizing system, delivering unprecedented quality, convenience and consistency. The complete system includes a ground-breaking vaporizer, and single-use, pre-measured, 100% recyclable pods containing ground, natural herbal blends or cannabis depending on the jurisdictional requirements. CannaKorp, Inc. was founded on care and commitment to patients and consumers, and is guided by a philosophy of social and environmental responsibility.

For more information about CannaKorp, please visit CannaKorp.com