



ABN 30 116 800 269

Level 7, 1008 Hay Street  
Perth WA 6000  
PO Box 7209  
Cloisters Square WA 6850

Ph +61 8 9389 2000  
Fax +61 8 9389 2099  
info@erinresources.com

23 June 2015

ASX Release

## **Underwritten Exercise of Listed Options - Calibre Investments and Merchant Corporate Engaged to Underwrite and Lead Manage**

- Additional working capital of \$2.7m secured through options underwriting at 2.0 cents/ share
- Funding now in place to facilitate the potential acquisition of MGC Pharmaceuticals pursuant to the executed HOA, and to progress with its strategic growth plans
- Underwriting support from two well respected investment houses provides a strong endorsement of the company's strategic direction with MGC Pharmaceuticals and its associated investment potential

Erin Resources (ASX:ERI or the Company) is pleased to advise that Calibre Investments and Merchant Corporate have entered a mandate agreement to be joint Lead Managers and Corporate Advisors to the Company in full support of the Company's corporate strategy and the potential acquisition of MGC Pharmaceuticals.

As part of this engagement, Merchant will underwrite the conversion of any of the 135,451,635 listed 2 cent options (ASX: ERIOB) which expire on 30 June 2015 that are not exercised by existing optionholders. The mandate is subject to the parties finalising formal Underwriting and Sub-underwriting documentation in the coming few days. The full value of the underwritten ERIOB options is \$2,709,033 before costs, which will augment the Company's existing working capital.

Under the agreement signed on 18 May 2015, the Company has a 6 month option to acquire 100% of MGC Pharmaceuticals Ltd. On exercise of this option to acquire MGC during this period, any additional working capital the Company would be required to raise under the ASX Listing Rules and pricing, would be determined at such time.

Erin Resources Chairman, Mr Brett Mitchell commented:

*"This is a significant milestone for the Company and provides sufficient funding to facilitate Erin Resources potential acquisition of MGC Pharmaceuticals and progress with its strategic growth plans.*

*"Furthermore, the underwriting support received from two very well respected investment houses provides a strong endorsement of the company's strategic direction with MGC Pharmaceuticals and its associated investment potential."*

## Calibre and Merchant

Both Calibre and Merchant have a strong track record of being cornerstone seed and IPO investors in early stage technology and biotechnology related ASX listed companies.

The Capital Structure of the Company following the exercise of the options, and including the consideration to be issued on completion of a full acquisition of MGC is set out below:

	Ordinary Shares	Performance Shares	Unlisted Options	Cash
Current issued capital	372,134,917	Nil	53,500,000	~\$500,000
Issued on exercise of listed options	135,451,635	Nil	Nil	\$2,709,033
MGC vendor consideration securities	100,000,000	200,000,000 <sup>1</sup>	Nil	Nil
<b>Total</b>	<b>607,586,552</b>	<b>200,000,000<sup>1</sup></b>	<b>53,500,000</b>	<b>~\$3,200,000</b>

1. This includes 100,000,000 Class A Performance Shares and 100,000,000 Class B Performance Shares as set out in the ASX announcement 18 May 2015

*Note- On completion of acquisition, MGC vendor securities will be escrowed pursuant to Ch 1&2 of the ASX Listing Rules*

## About MGC Pharmaceuticals

MGC Pharmaceuticals Limited (MGC) is an EU based medical and cosmetic cannabis company whose management collectively have 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.

**-Ends-**

### For further information please contact:

#### Media Enquiries

Asher Moses  
 Director  
 Media and Capital Partners  
 +61 438 008 616  
[Asher.moses@mcpartners.com.au](mailto:Asher.moses@mcpartners.com.au)

#### Erin Resources Limited

Brett Mitchell  
 Executive Chairman  
 +61 8 9389 2000  
[info@erinresources.com.au](mailto:info@erinresources.com.au)