

20 October 2015

CBD Skin Care Formula Completes Phase 1 Testing - Excellent Results

- MGC's new cannabidiol (CBD) based skin care formula completes first stage of testing, demonstrating excellent results following successful testing with Psoriasis patients
- 93% of cases showed a visible improvement to the skin condition and over 70% sustained the improvement for up to 87 days after the last treatment
- Skin care formula proven to be an effective relief for Psoriatic skin
- Next stage of testing to commence shortly ahead of the final testing phase in Q1 2016 with product sales to commence in mid-2016
- This skin care formula for Psoriatic skin is being developed in addition to the 15 CBD based cosmetic products set for commercial launch in Q4 2015, as detailed in the announcement dated 28 September 2015
- Forms a key part of the Company's strategy to build its own range of compliant over-the-counter CBD based dermatological products as part of its proprietary cannabis medical product range

Erin Resources Ltd (ASX: ERI or the Company) is pleased to provide investors an update on the development of MGC Pharmaceuticals' (MGC) new CBD based skin care formula for the effective relief for Psoriatic skin.

The formula in development is designed to help relieve and protect the skin from redness; scales, flaking, irritations and can potentially reduce a number of skin ailments. This will be the first regulatory compliant over-the-counter dermatological product available as part of MGC's product range, which is in addition to the 15 CBD based cosmetic products that are set for first sales to be achieved by December 2015.

The trial took place in a clinical laboratory across 75 participants over a 30 day period. The trial participants each had varying levels of Psoriasis from topical small areas; knees and elbows to some, where the condition had spread wider.

Through MGC's strategic Joint Venture with Natura Laboratories Ltd (Natura), MGC has now progressed an initial formula to the second stage of testing, following positive results from the initial testing phase, which demonstrated positive results on the skins condition on over 93% of the 75 volunteer sample. Of the 93% over 70% no longer showed visible scales, redness of irritation of the skins and the reduction was sustained for up to 87 days from the final treatment.

The skin care formula was proven to be easy to apply, with no adverse effects observed and has the potential to be an effective relief treatment for Psoriatic skin.

The second stage of testing will include safety assessments required under EU regulations and after care observation of the trial volunteers to determine the impact of the formula over an extended period of time.

Following a successful second stage only one stage of trials remains and is expected to commence in Q1 2016, with the expectation of having this specific skin care product to provide effective relief for Psoriatic skin available to the market as early as Q2 2016. This will be the first regulatory compliant over-the-counter dermatological product available as part of MGC's product range.

MGC has a further more than 20 formulas undergoing trials with human volunteers. Those formulas which demonstrate positive results will also progress to further second stage testing.

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

“The progression of our CBD based skin care formula to provide effective relief for Psoriatic skin into the second stage of testing following a positive result in the initial testing stage is an exciting development. The trials are progressing on schedule and the results have been ahead of expectations so early on in the testing phases.

“As the second stage of testing commences we’re hopeful of the formula’s ability to positively effect a number skin ailments and expect to commence the final stage of testing in Q1 2016, with a view to having MGC’s first OTC products available by Q2 2016.”

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About MGC Pharmaceuticals

MGC Pharmaceuticals Limited (MGC) is EU based medical and cosmetic cannabis company with over many 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.

About Erin Resources to Acquire MGC Pharmaceuticals

Erin Resources executed 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 has been exercised and the Company has convened a shareholder meeting to complete the acquisition on 16 November 2015, including the Company’s name change to MGC Pharmaceuticals Ltd.