



Investment in MGC Pharmaceuticals

Investor Presentation
May 2015



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Transaction Overview



Erin Resources Limited has entered into a binding heads of agreement under which it has the exclusive option to acquire 100% of the issued capital in MGC Pharmaceuticals Ltd (MGC), an Israeli based medical and cosmetic cannabis company

Capital Structure – post MGC acquisition

	Ordinary Shares	Listed Options	Performance Shares
Current issued capital ¹	372,134,917	135,451,635 ²	Nil
MGC Global Vendor Consideration Securities	100,000,000	Nil	200,000,000 ³
Total	472,134,917	135,451,635	200,000,000

1. The Company also currently has 53,500,000 Unlisted Options on issue

2. The Listed Options are exercisable at \$0.02 expiring on or before 30 June 2015

3. 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

Company Overview

MGC Pharmaceuticals

Capitalizing on brand Israel – world leaders in the production of medical cannabis products



MGC Pharmaceuticals Limited (MGC), is an Israeli medical and cosmetic cannabis company with collectively 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

MGC holds unique genetics consisting of an exclusive strain of "Cannabis Sativa" which comprises of very low Tetrahydrocannabinol (THC) at below 0.3% and a very high Cannabidiol (CBD) content of above 13%

Approval for a Sativa license in the EU is pending. Once approved, the license will allow MGC to produce an unlimited amount of CBD

Investment Highlights

- **Strategically positioned** to exploit the **rapidly growing demand** for medical cannabis (worth US\$2.7bn) and CBD in the cosmetic (cosmetic market globally estimated at US\$270 b and \$70 b in Europe in 2014)
- **Unique genetics** from exclusive strain of Cannabis Sativa comprising very low THC levels (<0.32) and high CBD levels (>13%) - yielding higher amounts of CBD extract from smaller crops
- **Highly scalable for future production capacity and unique commercialization model** with minimum capital intensity required for future growth
- **Leveraging Israeli industry IP**, a country with over a decade experience in the market and considered a **world leader in the industry**
- **Highly experienced team** with commercial success in the industry, and collectively over 40 years experience growing, processing, extracting and treating patients in Israel and the Czech Republic, Canada, Uruguay, Namibia and Slovenia
- **Negotiations underway for an off take agreement** with a large European distributor to supply **CBD extract at attractive current commercial rates - €55,000 per litre** (100% purity) in EU markets
- **Targeting initial production and revenues in H2 2016**, with significant revenue uplift from fully production capacity reached in mid 2017

Sources: [Credit Suisse – Market Research](#), [ArcView Group](#).

Industry Leading Expertise and Experience



Nativ Segev
Co-Founder and
Managing Director

Nativ Segev was the CEO of Israel's second largest licensed Medical Cannabis company, Cann Pharmaceuticals, known as Better Cannabis. Mr. Segev led the company from start-up through to a large US\$25m private equity investment. He recently founded MGC Pharmaceuticals to expand into the huge European market for cannabinoids in the cosmetic industry.



Roby Zomer
Co-Founder and Director of
Business Development

Mr. Zomer brings a wealth of industrial cannabis Sativa (Hemp) growing and extraction experience. He shares Mr. Segev's vision of building a large scale European extraction facility and has the necessary skills to establish and run a successful growing operation and extraction facility. He has extensive commercial business contacts in the European industry.



Mr. Yaron Blubshtin
Chief Agronomist /
Advisor

Yaron Blubshtin holds over 45 Years of cannabis cultivating experience. Mr. Blubshtin is one of the worlds most professional growers. With years of active experience in each and every phase of the commercial scale of cannabis production, Mr. Blubshtin will support the businesses agronomical operations.

Key Milestones

-  Completion of license to grow and extract CBD resin in the EU - Q3 2015 
-  Secure commercial offtake agreement with a EU distributor to supply CBD Resin Q3 2015 
-  Establishment of growing operation and planting of first crop - H2 2015 
-  Joint Venture agreement for R&D - H2 2015 
-  First harvest and extraction of CDB resin in 2016 
-  First sales and revenue generation for the business in H2 2016

Business Development Activities and Pipeline

Register genetic bank in Israel and the EU



Q3 2015

Begin first cultivation and extraction



H1 2016

First revenues from off-take agreement



H2 2016

H2 2015



Establish growing operation and planting of first crop in the EU

H1 2016



Establish growing protocols and license genetics and GMP to certified Labs in the EU

Q1 2017



Apply for and obtain outdoor growing license outside the EU

- Cannabinoids are legal in 23 U.S. states and the MC market is estimated to be worth USD\$2.7 billion globally in 2014 and US\$10 billion by 2019
- In **Canada** the market for medical cannabis is expected to grow significantly, from \$144m in 2014
- Common diseases for which Cannabinoids have shown high levels of efficacy have combined sales of +US\$300 million to date

Sources: [ArcView Group](#), [The HIA](#), [Statista](#)

CBD Global Market Opportunity – Cosmetics

- In 2013 the cosmetics industry was worth US\$270 billion - over 100 times that of the medical marijuana industry for 2014.
- CBD resins used increasingly as base product in the cosmetics industry
- The skin care market is estimated to account for 37% of the cosmetics market, globally, c.US\$100 billion
- In Europe alone the cosmetics industry is estimated at US\$70 billion in 2014.
- The U.S retail market for hemp based food and health and beauty products is estimated to be in excess of US\$600 million in 2014 and growing at a rate of 25% per annum.



Sources: [Credit Suisse – Market Research](#), [Global Regulatory Services](#)

Image: Illustration from Body Shop and not associated with MGC Pharmaceuticals – Illustration only

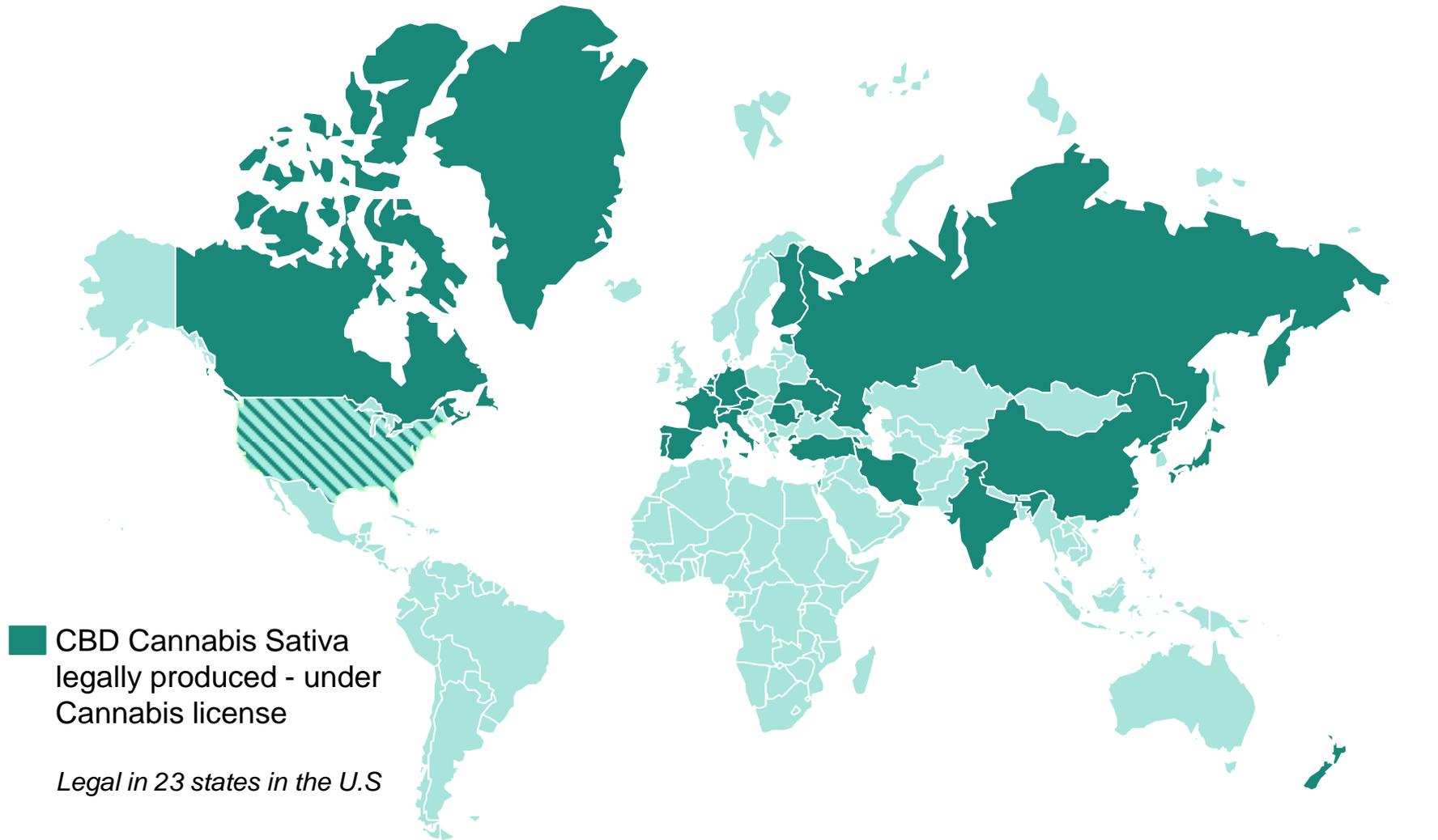
Cannabidiol (CBD) – Global Potential

- Found only in cannabis plants, Cannabidiol (CBD) is the non-psychoactive ingredient
- Impacts pathways in the body, which control pain and support the immune system, thereby delivering significant medicinal benefits in the treatment of chronic pain
- It has a desirable safety profile and no known side-effects
- Scientific and clinical studies indicate that CBD could be effective in easing symptoms of a wide range of difficult-to-control conditions, including: rheumatoid arthritis, diabetes, alcoholism, PTSD, epilepsy, antibiotic-resistant infections and neurological disorders
- CBD has demonstrated neuro-protective effects, and its anti-cancer potential is currently being explored at several academic research centers in the U.S. and other countries.
- Cannabidiol strong antioxidant properties have been shown to play a role in the compound's neuro-protective and anti-ischemic effects



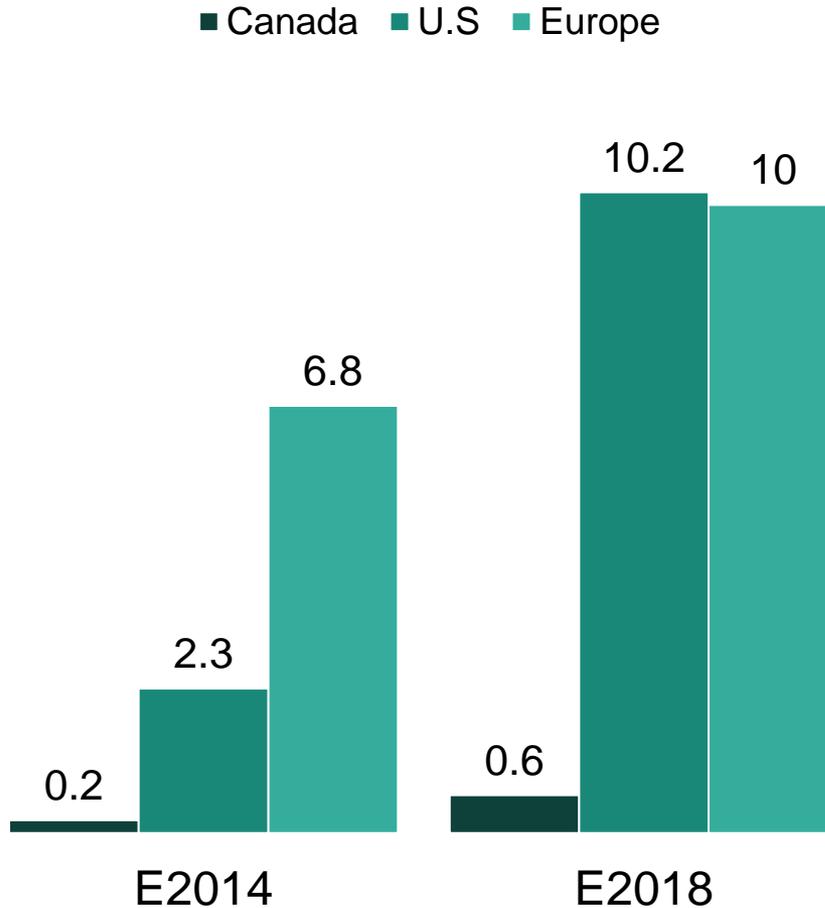
High CBD Cannabis Sativa

Wider Market Legality



CBD Market Expected to Grow

US\$ millions



Strategic and Focused Business Plan



Through the registration of CBD strains and by creating a GMP quality grow handbook MGC Pharmaceuticals will look to develop a European grow-op to produce large scale CBD for the cosmetic and pharmaceutical industry.

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