



## Aura Health Announces \$5 Million Brokered Subscription Receipt Financing

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TORONTO, Feb. 04, 2019 -- Aura Health Inc. (the “**Company**” or “**Aura**”) (**CSE:BUZZ**) is pleased to announce that it has engaged Mackie Research Capital Corporation (the “**Lead Agent**”) to act as lead agent and sole book runner, along with Haywood Securities Inc., PI Financial Corp., and Foundation Markets Inc. (together with the Lead Agent, the “**Agents**”) to sell, by way of private placement, on a “best efforts” basis (the “**Offering**”) up to \$5,000,000 of subscription receipts of Aura (each, a “**Subscription Receipt**” and collectively, the “**Subscription Receipts**”) at a price per Subscription Receipt, which will be determined in the context of the market (the “**Issue Price**”). The Offering is being completed in connection with the proposed acquisition of an 80% equity interest in Pharmadrug Production GmbH (the “**Acquisition**”), previously announced in a press release dated January 25, 2019.

As previously announced, Pharmadrug is a cash flow positive German pharmaceutical distribution company with over 20 years of operating history and a Schedule I European Union narcotics licence that allows it to distribute medical cannabis to pharmacies in Germany and throughout the Eurozone as markets become legalized. Pharmadrug currently has supply agreements with Bedrocan International B.V. and with a Canadian Licensed Producer, and is expecting its first cannabis shipment shortly.

Daniel Cohen, CEO of Aura, commented, “We are very excited about this transformative transaction and believe that this is a major building block to establishing Aura as a leading medical cannabis supplier to the European markets. Pharmadrug fits well strategically with our Israel business. With the imminent opening of the Israeli export law and Israeli GMP complying with European GMP, we will have a strategic avenue to export cannabis from Israel into the European Union.”

The net proceeds of the Offering will be placed in escrow with an escrow agent on behalf of the purchasers of the Subscription Receipts and will be released to Aura upon satisfaction of certain escrow release conditions (the “**Conditions**”), which will include the completion of the Acquisition on or before 5:00 p.m. (Toronto time) on March 29, 2019 (the “**Termination Time**”). Should the Conditions not be satisfied prior to the Termination Time, the Subscription Receipts will be cancelled and all proceeds from the Offering will be returned to the subscribers. Notwithstanding the foregoing, upon closing of the Offering, \$2,400,000 will be released from escrow to be used for payments associated with the Acquisition, which amount will be reimbursed in full by the Company to the purchasers of the Subscription Receipts in the event the Conditions are not satisfied.

Each Subscription Receipt will entitle the holder thereof to receive, without any further action on the part of the holder or payment of any additional consideration, upon satisfaction of the Conditions prior to the Termination Time, one unit of Aura (each, a “**Unit**”) consisting of one common share in the capital of the Company (each, a “**Common Share**”) and one-half of one common share purchase warrant (each whole common share purchase warrant, a “**Warrant**”), with each Warrant exercisable at a price to be determined in the context of the market, into one Common Share for a period of 24 months from the date of satisfaction of the Conditions.

The Lead Agent will have an option (the “**Agent’s Option**”) to offer for sale up to an additional 15% of the number of Subscription Receipts sold in the Offering at the Issue Price, which Agent’s Option is exercisable, in whole or in part, at any time up to 48 hours prior to the last closing of the Offering.

In connection with the Offering, the Agents will be paid a cash commission equal to 7% of the gross proceeds of the Offering (including, pursuant to any exercise of the Agent’s Option) (the “**Cash Fee**”), which at the option of the Agents, may be paid by way of issuance of Common Shares at the Issue Price. Upon closing, the Agents will also receive compensation options (each, a “**Compensation Option**”) in a number equal to 7% of the number of Subscription Receipts sold under the Offering (including, pursuant to any exercise of the Agent’s Option), with each Compensation Option being exercisable to purchase Subscription Receipts, or Common Shares and Warrants (if the Subscription Receipts have converted into Units as of the time of exercise of the Compensation Options), at the Issue Price for a period of 24 months from the date of closing of the Offering.

The Offering is expected to close during the week of February 25, 2019 (the “**Closing Date**”) and is subject to receipt of all necessary regulatory approvals, including the approval of the Canadian Securities Exchange. All securities issued pursuant to the Offering will be subject to a four month and one day hold period, from the Closing Date, in accordance with applicable Canadian securities laws.

**About Aura Health Inc.**

Aura Health is building an international network of vertically integrated cannabis assets. Through an established product line of cannabis-infused edible products and oil extracts, Aura is dedicated to building a high margin downstream business in the medical marijuana sector. The Company holds convertible debt that converts to 54% equity of HolyCanna, a cultivation and nursery license holder in Israel. The Company also owns a 30% interest in four medical marijuana clinics in the U.S. Sun Belt.

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