



Aura Provides Update on Pharmadrug and Its European Strategy

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TORONTO, June 05, 2019 -- Aura Health Inc. (the “**Company**” or “**Aura**”) (**CSE:BUZZ**) is pleased to provide an update on its operations and corporate strategy regarding the German medical cannabis market. As announced on May 17, 2019, the Company closed its acquisition of 80% of the equity of Pharmadrug Production GmbH (“**Pharmadrug**”), a pharmaceutical narcotics distributor licensed by Germany’s Federal Institute for Drugs and Medical Devices (“**BfArM**”) to import and distribute cannabis to pharmacies in Germany and throughout the Eurozone as markets become legalized.

Pharmadrug recently had its permitted lot size significantly increased by BfArM and the company has ordered its second cannabis shipment from Bedrocan International B.V. (“**Bedrocan**”) which is expected to be received in June and delivered to its growing number of German pharmacy customers in the coming months. The German market is suffering from supply shortages, with the majority of cannabis imports coming from Bedrocan. Canadian supply continues to grow, but is bottlenecked by shortages in Canada, compounded by the lack of facilities with euGMP certification. Aura plans to expand Pharmadrug’s business and volumes by sourcing medicinal cannabis from both Israel, Canada, and third party suppliers.

Israel passed its Cannabis export law in January and the framework is currently being put into place. It is key to note that Israel is a GMP jurisdiction in regards to cannabis cultivation and that Israeli GMP is compliant with euGMP standards. We believe Cannabis will begin flowing from Israel to Germany as early as the first quarter of 2020. Aura is in advanced supply agreement discussions with several Israeli indoor cultivators. Aura also plans to export its own cannabis from Israel via HolyCanna by the second half of 2020. HolyCanna has started to build a 60,000 square foot greenhouse in Israel and we expect completion of the build out in the first half of 2020. Aura is a debt holder of HolyCanna that converts into 54% equity (see press release dated November 23, 2018).

Aura also plans to source cannabis from Canada by helping Canadian cultivators achieve euGMP certification and registration of their products. As a licensed German cannabis importer, Pharmadrug has the ability to sponsor and register foreign producers with BfArM. The Company currently has a both a consultancy and supply agreement in place with FSD Pharma (**CSE:HUGE**), whereby the company will sponsor and assist FSD Pharma in achieving euGMP at its licensed Canadian production facility followed by a 5 year supply agreement.

On a final note, Aura has decided to end Pharmadrug’s legacy business. The company operated a mildly profitable business of exporting and sourcing pharmaceuticals for health ministries in Gulf States and African Nations. While the business did generate a modest profit, the business is lumpy due to the lengthy tender process and requires a large amount of working capital. Management is not confident the business would remain profitable. As a result, the board and management of Aura believe it makes more sense to exit the business and focus solely on the Cannabis business. As a result, Aura will not have to pay the potential 400,000 Euro earn out in one year.

Daniel Cohen, CEO of Aura, added, “We are very pleased to share our operational progress with our shareholders and demonstrate our commitment to executing our European strategy. We believe the German and European medical cannabis markets represent a significant opportunity and we continue to identify and develop the assets to seize this opportunity.”

About Aura Health Inc.

Aura Health is building an international network of vertically-integrated cannabis assets. The Company owns 80% of Pharmadrug, a German medical cannabis distributor, a convertible note to 54% of HolyCanna, a cultivation and nursery license holder in Israel, and has a binding LOI to purchase 57% of CannabiSendak, the builder of a network of dispensaries in Israel. Additionally, through significant extraction IP, Aura is dedicated to building a high-margin, downstream business of end-user products.

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