



**KHIRON**  
LIFE SCIENCES CORP

MAY 2018

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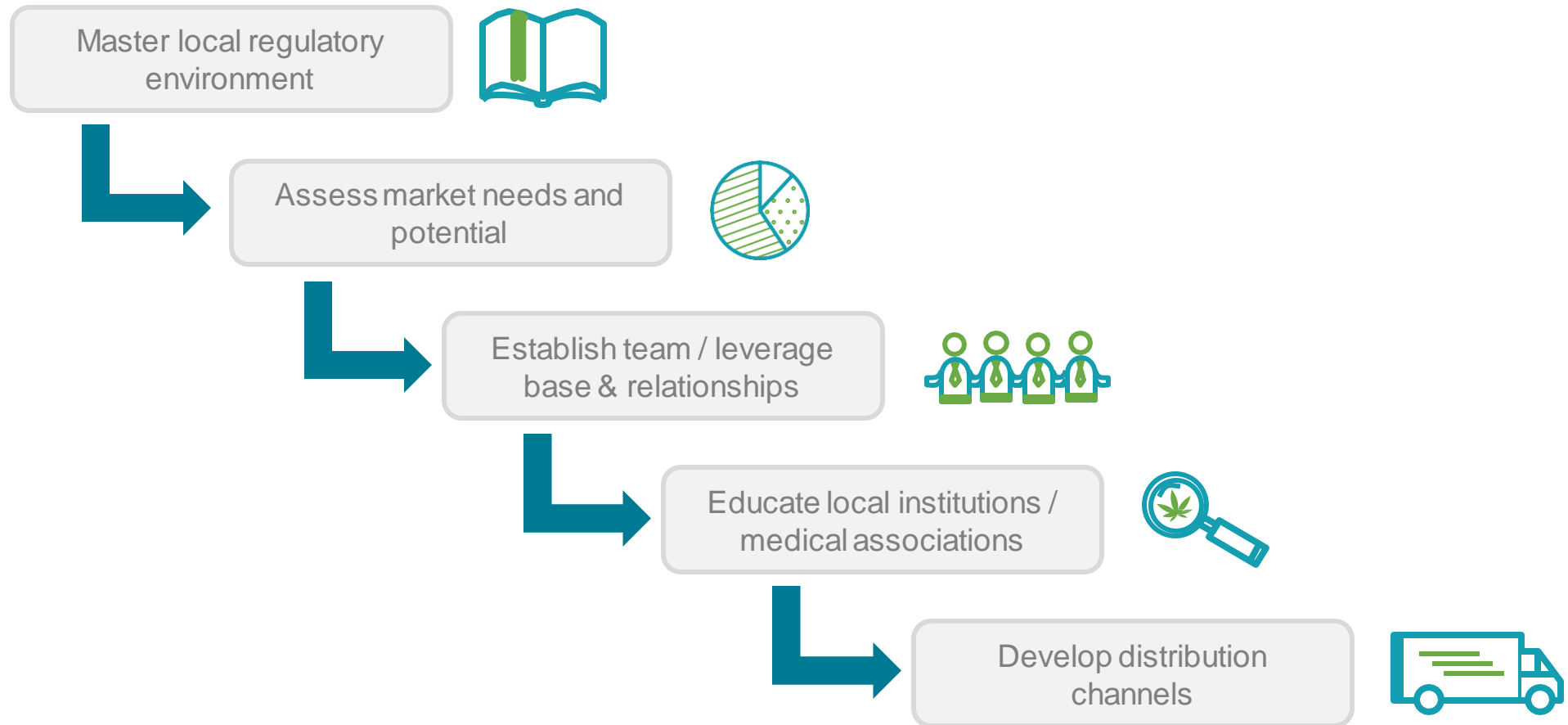
**KHIRON**  
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Khiron Life Sciences Corp. (“Khiron”) is a Canadian integrated medical cannabis company with its core operations in Colombia. Khiron combines leading international scientific expertise, agricultural advantages, and branded product market entrance experience to address the unmet medical needs in a market of over 620 million people in Latin America.

- Fully-licenced/vertically integrated medical cannabis company with core operations in Colombia
  - Positioned to be first-to-market in most advanced regulatory jurisdiction in Latin America
  - Installed capacity of 8,000 kg/year with 7,500 square meters of cultivated area (Phase I)
  - Large domestic market of 50 million people
- Expanding to meet the medical needs of over 620 million people in LatAm
  - 68 million potential patients identified
- Strategically focused on doctor engagement to gain patient access and develop brand loyalty
  - First clinic to open Q4 2018
- Anticipated revenue generation Q4 2018

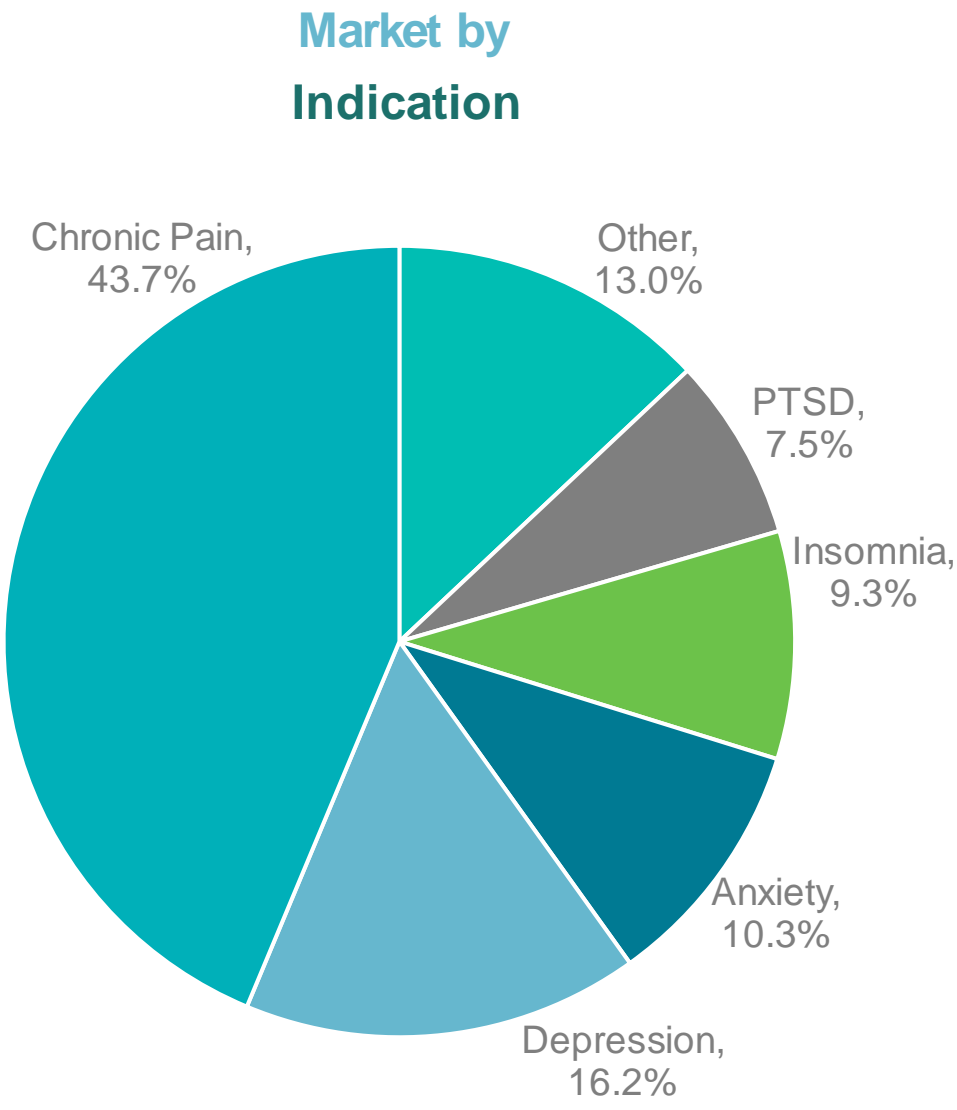
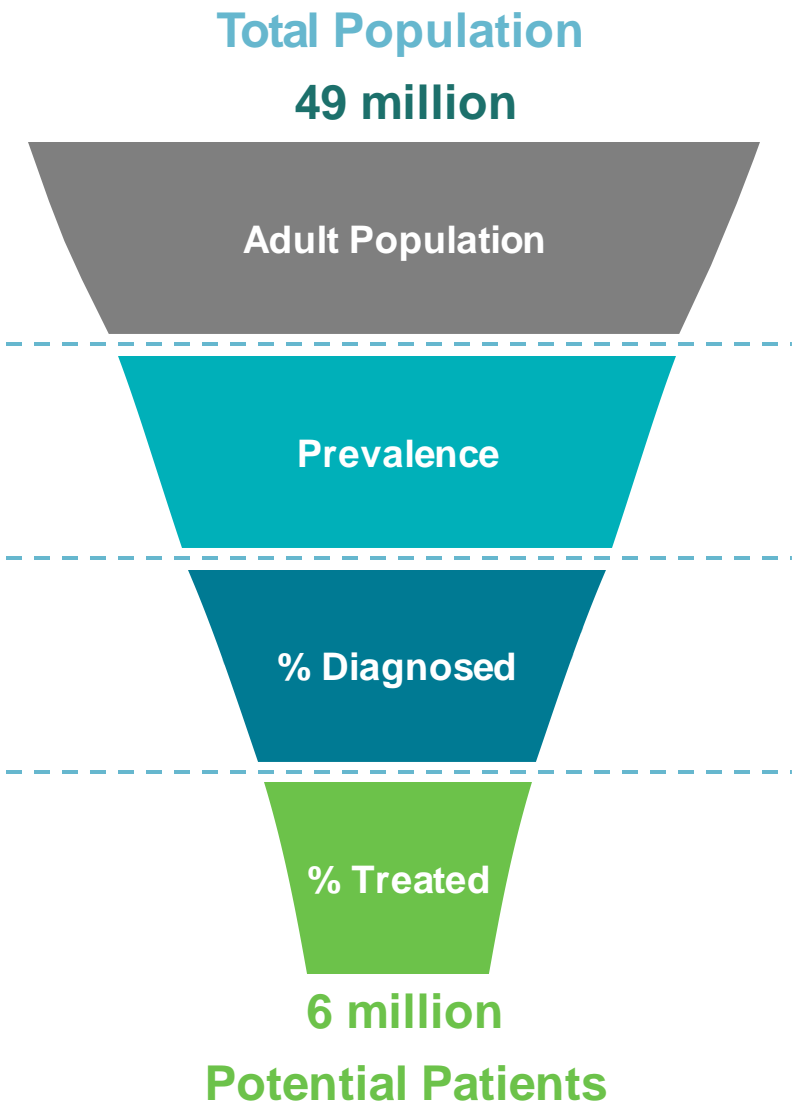
**First medical cannabis company with core operations in Colombia  
to be listed on the TSXv**

# Defined Market Entry Strategy








# Colombia: An Ideal Initial Market



**Positioned to produce both high and low THC extracts for domestic and international distribution.**

License	Status	Application	Entity Responsible
Low THC cultivation and production	Granted 	<ul style="list-style-type: none"><li>• Less than 1.0% THC.</li><li>• Production of low THC extracts.</li><li>• Domestic and international distribution.</li></ul>	Ministry of Justice
High THC cultivation	Granted 	<ul style="list-style-type: none"><li>• More than 1.0% THC.</li><li>• Corresponds with production license.</li></ul>	Ministry of Justice
High THC production	Granted 	<ul style="list-style-type: none"><li>• Production of high THC extracts.</li><li>• Authorizes use of high THC cultivation license.</li><li>• Domestic and international distribution.</li></ul>	Ministry of Health

## What will drive doctor prescriptions?

Increased public education through LatAm publications.  
Need for consistent and safe products in new regulatory environment.

## Khiron's leadership

### Medical Associations

Develop strong commercial relationships and provide current medical information about the benefits and applications of medical cannabis. Medical studies underway.

### Key Opinion Leaders

KOL identified and engaged across LatAm so we can deliver the message of safety, consistency and compliance.

### E-Learning Platform

Provide online modules, information and training accessible by a wide cross section of doctors.

### Medical Conferences

Sponsoring medical and scientific driven conferences across the markets we operate.

## Who best to deliver the information?



### Andrés Galofre

Launched Advil in Colombia (grew to 28% market share).



### Dr. Pablo Vega

Chief validation consultant for Sativex in Colombia.



### Danial Schechter

Physician and founder of cannabis clinics with over 25,000 patients.



### Daniel Petrov

Co-founder of Aurora Cannabis and built clinic distribution model.



### Adam Potts

Former Sales Executive and Sales Trainer for Tilray.



# Khiron's Medical Conferences: Doctor Outreach Program



## 1<sup>st</sup> Medical Cannabis Symposium Bogotá, Colombia, February 2018 + 400 physicians attending

- Co-sponsored by Colombian Neurological Association, one of the country's top doctor associations with over 900 KOL members
- Recognized experts from Israel, Canada and Colombia

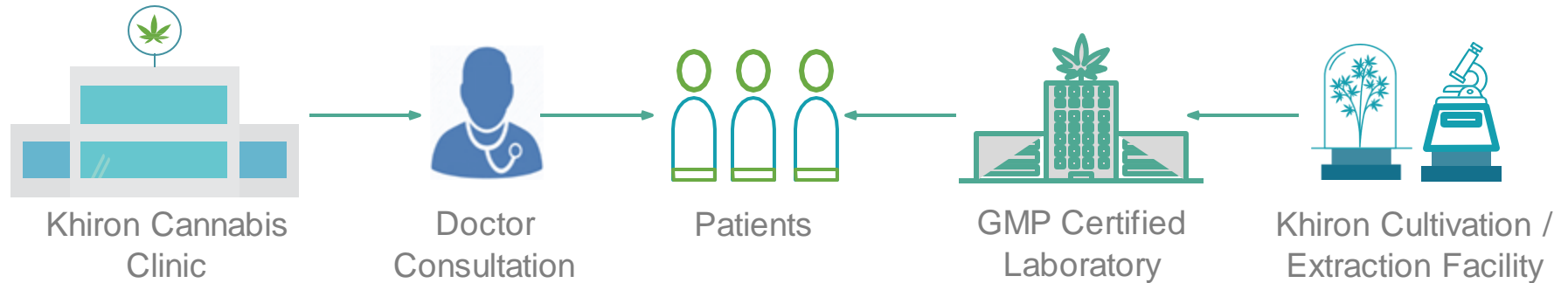


## XXVII International Congress on Pain Medellín, Colombia, May 2018 + 600 physicians registered

- Khiron exclusive sponsor of medical cannabis panel of the ACED (Colombia's Pain Association) with over 1,200 KOL members

# Q4 2018 Market Entrance: Targeted Therapeutics

## Khiron Targeted Therapeutics Model



## Why

- Build patient / doctor database to be used for future product pipeline development
- Generates strong brand awareness and patient loyalty

## How

- 1<sup>st</sup> 230 m2 clinic site located in Bogota (9 million population), currently under construction. CAPEX = \$84 / sq. ft.
- Three physicians with capacity to treat upwards of 1,600 patients / month
- Planning to roll out model to three major cities in 2019

# World Class Genetics and Operating Procedures



## Israeli MOU

- Portfolio of 11 medical grade strains with genetic history and suitability
- Full spectrum of CBD and THC genetics
- 10 years of observational clinical data across various indications
- Access to leading medical cannabis scientific research network and key opinion leader references
- Good agricultural practices developed and adjusted to specific agricultural conditions

## Best-in-class Cannabis Consultants

- Designing best-in-class SOPs across the value chain by working backwards from the target outcome of safe and quality products
  - Site design
  - Growing practices
  - Appropriate extraction and formulation process
  - GMP level lab testing (ISO 17025 standards)
  - Informational packaging
  - Physical security and logistics
  - ERP system for tracking plant to patient information



## Cultivation and extraction facility located near Ibagué, Colombia



- Established agricultural region three hours drive from Bogota
- Secure area (close proximity to military base and two police stations)
- Access to electricity and free water, and attractive lease rate of \$10,000 per year / hectare
- Phase I greenhouse of 80,000 sq. ft., with a capacity of 8.4 tonnes of dry flower = 50,000 patients / year
- COGS: \$0.35 / gram flower equivalent

**Initial 485,000 sq. ft with  
upwards of 2.1 million sq. ft  
available for expansion**

## Developing GAA compliant hydroponic cultivation facility GMP & ISO 17025 compliant extraction labs to ensure quality and consistency

**Mother plant room**  
Fully automated for temperature  
and humidity control



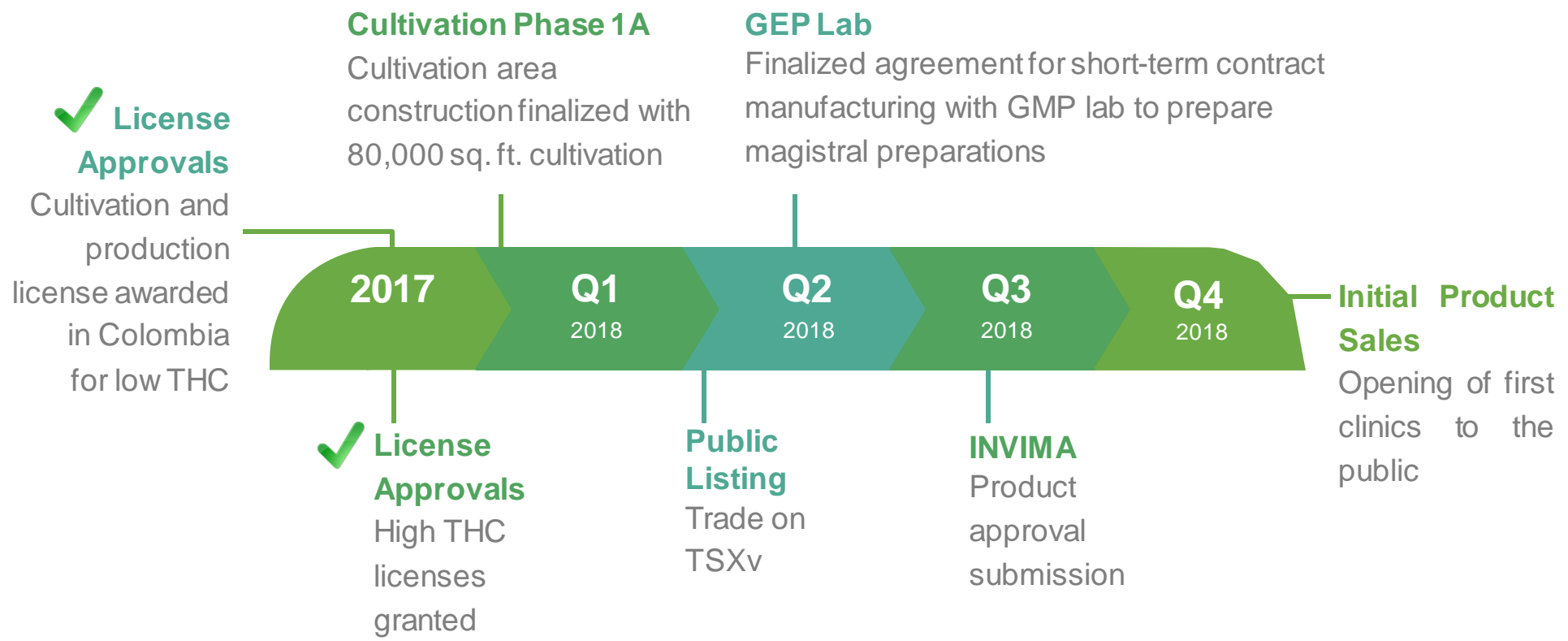
### Phase III

~170 tonnes dry flower capacity  
Incremental capital cost on greenhouse expansion of ~\$6.30 / sq. ft.  
~2 million sq. ft. of productive cultivation area  
Total capital expenditure requirement of ~\$25 million



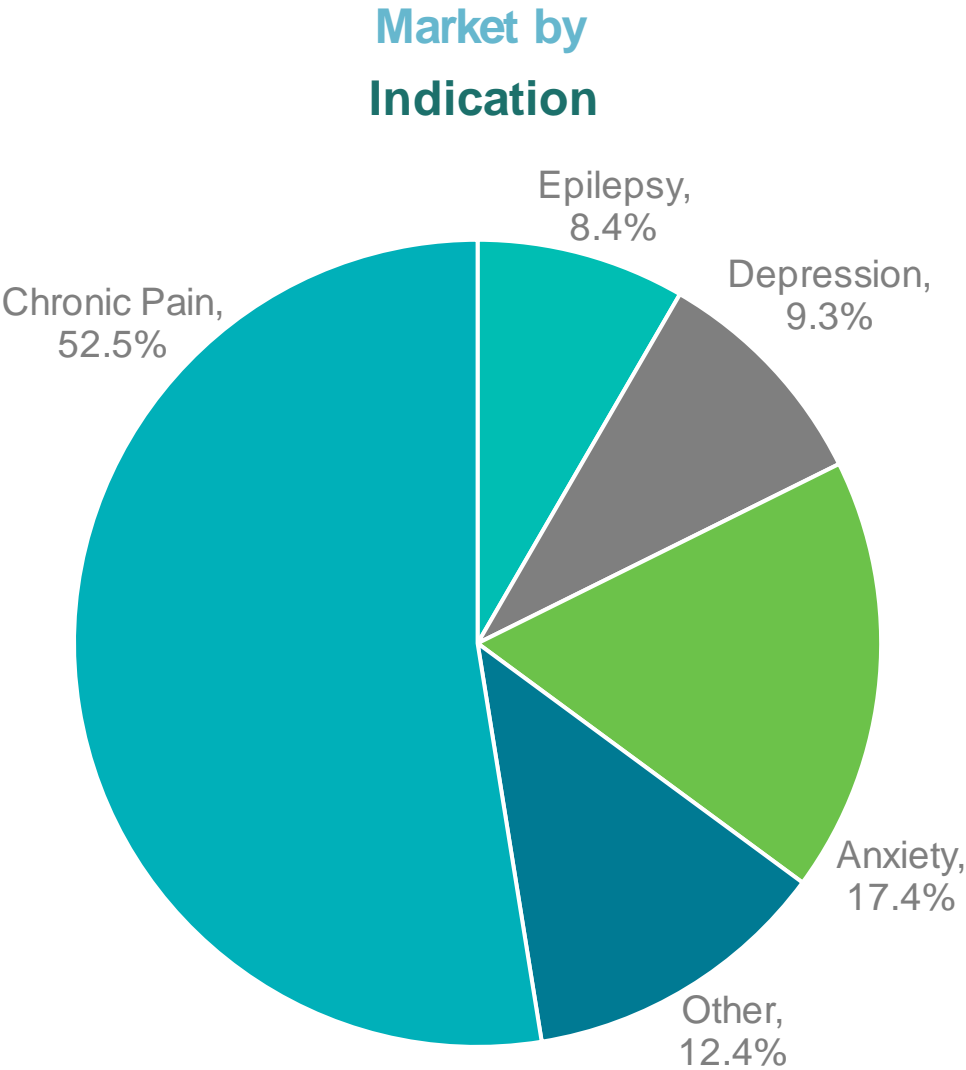
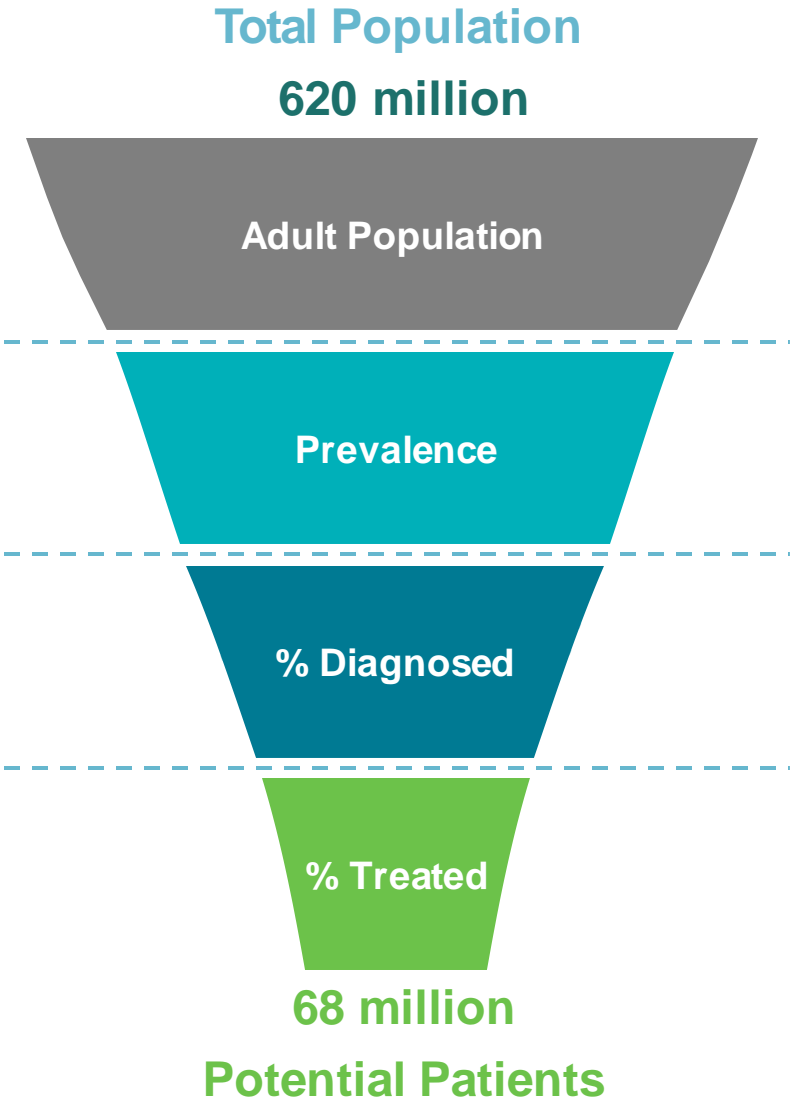


Khiron is focused on the following material corporate objectives in the next year and building on the team’s accomplishments to date





# Positioned for Latin American Expansion



# Emerging Policy Opportunities

License held Evaluating

## Colombia

- April 2017: Decree passed by government legalizing medical cannabis.
- World Health Organization level 4 reference agency (expedited product approvals in other countries).

## Perú

- September 2017: Defense Commission approves draft law authorizing the importation, cultivation, production of cannabis oil for patients with chronic diseases.
- Cultivation of up to 6 plants per household authorized. Importation based on medical need.

## Chile

- April 2015: Health Commission of the Chamber of Deputies legalizes for personal and medicinal purposes.
- Cultivation of up to 6 plants per household. Importation based on medical need.

## Mexico

- December 2016: Mexican Senate voted to legalize medical cannabis.
- Ministry of Health implementing regulations, including the production of pharmaceutical products.
- Products <1% of THC currently permitted for domestic production and importation.

## Brazil

- May 2015: Congress approved importation of CBD products based on medical need.
- January 2017: ANVISA approved Mevatyl (Sativex).

## Argentina

- March 2017: Senate approved the law allowing the medicinal use of cannabis
- National Program of the Ministry of Health was created, providing free Access to hemp oil and other derivatives

Officers and board own 31.0% of the company post qualifying transaction and financing. Trading on TSXv in May of 2018 (Symbol: KHRN)

## Pro Forma Capitalization

Total PF Shares Outstanding	#	%
Current Khiron Shares	34.9	74.6%
Adent Shares (Shell)	0.7	1.5%
Sub Receipts Shares from Offering	11.2	23.9%
<b>Total PF Shares O/S</b>	<b>46.8</b>	<b>100.0%</b>
Total PF Dilutives Outstanding	#	Strike
Khiron Warrants – Tranche 1	0.3	\$0.70
Khiron Warrants – Tranche 2	0.8	\$1.00
Khiron Warrants – Tranche 3	3.3	\$1.05
Khiron Warrants – Tranche 4	0.9	\$1.20
Khiron Options	3.0	\$1.00
Sub Receipt Warrants	11.2	\$1.20
<b>Total / Weighted Average</b>	<b>19.5</b>	<b>\$1.12</b>
Total PF Cash	\$	
Total Khiron Cash	0.5	
Total Adent Cash	0.1	
Net Subscription Receipt Proceeds	10.1	
<b>Total PF Cash</b>	<b>10.7</b>	

Note: Shares outstanding does not include 1.75m common shares issuable to Israeli partner upon closing of joint venture.

## Appendix: Board and Advisors

# Management Team



## Alvaro Torres – CEO & Director

- 15 years of experience in Colombian infrastructure projects and project finance, management leadership and strategy, engineering, and mergers and acquisitions. Grew SNC-Lavalin, Colombia from inception to ~2,000 person corporation.
- BEng, MEng, Rensselaer Polytechnic Institute & MBA, Georgetown University.



## Andrés Galofre – VP, Commercial

- 15 years leadership experience in pharmaceutical marketing, brand management, and distribution of ethical drugs and consumer products in Latin America. Led Advil launch in Colombia that reached 28% of domestic market share from inception.
- MBA, La Trobe University & BBA, CESA.



## Juan Diego Alvarez – VP, Regulation

- 10 years of legal experience. Authority in Colombian medical cannabis regulation. Appointed by Minister of Health to create and draft regulations for legalization of medical cannabis.
- LLM, Columbia University, JD, Tulane University & LLB, Universidad de Los Andes. PhD law candidate.



## Darren Collins – Chief Financial Officer

- 12 years of experience in finance and capital markets with investment firms and public issuers. Former CFO of global e-commerce company and one of largest cannabis market revenue producers.
- BComm in finance, Dalhousie University.



## Dr. Paulo Vega – VP, Medical

- 25 years experience as a neurologist. Specific experience in validation studies approval process at INVIMA.
- MD, University of Rosario & MBA, Deusto Business School.



## Carlos Orbegoza – VP, Operations

- 18 years of pharmaceutical experience in Latin America. Kaizen process expert with a 17-year career at Merck, as Director for Mexico, Central America and the Caribbean.
- Expert in leading operations, sales & marketing, quality & controls, and Good Manufacturing Practices, ISO 9001, ISO 14001, and ISO 17025.



## Matthew Murphy – VP, Compliance

- 25 years with the U.S. DEA. Served in variety of positions, including Chief of Pharmaceutical Investigations, prior to founding the Pharma Compliance Group.
- Criminal Justice, Northeastern University & Masters (Education), University of Virginia.



## Dr. Ana María Borda – Scientific Manager

- 15 years of agricultural experience in Colombia. In-depth knowledge of regional growing conditions.
- PhD in horticultural science, University of Florida, MSc in agricultural studies, University of Queensland, BSc in biology, Los Andes University.



## Sidney Himmel – Chairman

- 30 years of corporate experience in the capital markets. Expert in project development, board governance, and finance.
- Executive and director of public companies, and senior corporate finance, institutional sales and research experience with notable investment banks including Merrill Lynch Canada Inc., TD Securities.
- BSc (Chemistry), University of Toronto & BA (Finance), University of Toronto. Received the Chartered Accountant designation in 1981.



## Peter Simeon

- 15 years of experience in corporate commercial and securities law.
- Partner in Gowling WLG (Canada) LLP's Toronto office. Focuses his practice on corporate finance, mergers and acquisitions, and structured products.
- Works closely with issuers, underwriters, and other corporate clients. Extensive experience working with cannabis focused issuers.
- BA (Political Studies), Queen's University & LLB, Osgoode Hall.



## Mark Monaghan

- 25 years investment banking and merchant banking experience as advisor, founder and board member.
- Previously partner/senior executive of UK and Canadian investment and advisory firms. Currently Managing Partner of Panama based Dalvay Capital Corp, an investment and advisory firm focused on LATAM growth opportunities. Integral in completing billion-plus worth of capital raises and M&A transactions as principal, board member or advisor.
- BA (Economics), Queen's University & BComm, University of Windsor.



## Alvaro Yañez

- 15 years of commercial and legal experience in Colombia and internationally.
- Currently Legal Manager of Pacific Exploration and Production, a Canadian oil company, considered one of the most important independent oil companies in Latin America. Formerly with legal firms including Yañez & Asociados and in Arrieta, Mantilla & Asociados.
- Universidad del Rosario, LLM in corporate law, Instituto de Empresa.





## Dr. Danial Schecter

- Recognized medical expert in the field of prescription cannabinoids and medical marijuana.
- Founder of Cannabinoid Medical Clinic as the first referral only clinic in Ontario, Canada.



## Nubia Martínez

- 25 years of experience in international business development and sponsorship. Formerly President of Procolombia, Colombia's import-export agency.



## Daniel Petrov

- Currently CEO of Aura Health Studio and former EVP/founder of Aurora Cannabis, one of the largest licensed producers of medical cannabis in Canada.
- BSc (Computer Science), University of Alberta.



## Mauricio López Obregón

- 30 years of experience in a number of businesses in Colombia. Owner of large agricultural companies.
- Member of the Advisory Committee of the David Rockefeller Center for Latin American Studies at Harvard. Member of Laspau's Executive Committee.



## Adam Potts

- 15 years of experience in pharmaceutical sales, including the last 4 years spent devising market development and sales strategies for medical cannabis.
- BSc, Queen's University.



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