



BCC SIGNS DEFINITIVE AGREEMENT TO EXPAND INTO SECOND ADULT USE MARKET

Acquiring award winning wholesale cannabis business in Las Vegas, Nevada

TORONTO, ONTARIO, October 13, 2017 – (CSE: BCC, OTC: CBICF)

The Canadian Bioceutical Corporation (the “Company” or “BCC”) (CSE: BCC, OTC:CBICF) today announced that, the Company, through its wholly-owned U.S. subsidiary CGX Life Sciences Inc., has entered into a definitive membership interest purchase agreement dated and effective October 11, 2017 to acquire 99% of the membership units of GreenMart of Nevada NLV, LLC (“GreenMart”), an award-winning licensed recreational and medical cannabis cultivation and production and wholesale business located in North Las Vegas, Nevada. Completion of the transaction is conditional on the approval of the Nevada Department of Taxation.

Transaction highlights

- Wholesale business selling dried flower and award-winning high-margin concentrates into the Nevada medical and adult use markets.
- Creates strong presence in Las Vegas adult use market with over 42 million visitors annually.
- Fully operational, fully staffed, state-of-the-art licensed production facility, with capacity to produce 1.6 million grams of dried flower and 85,000 grams of high-margin concentrate.
- Products include high-quality dried flower, high-margin concentrates, as well as edible and other high-margin infused products.
- In response to strong demand, wholesale prices in the Nevada market for dried flower have risen from US\$700 per pound last year, to a current average price of \$2,542 per pound or US\$5.60 (~CA\$6.97) per gram with prices up to US\$2,850 per pound or US\$6.27 (~CA\$7.81) per gram for high-quality product (source: New Leaf Data Service).
- GreenMart has commenced selling wholesale into the Nevada medical cannabis market.
- GreenMart will be applying for at least one dispensary license to enter the higher-margin retail market.
- Arcview Market Research projects annual legal cannabis sales in Nevada to grow to an estimated US\$630 million by 2020.

Management commentary

“This is a great acquisition at an attractive valuation, positioning us well in the burgeoning adult use market in Nevada, and we anticipate GreenMart to be accretive in the current financial year,” stated Scott Boyes, President and CEO of BCC. “To meet the strong demand in the local market, we are increasing

cultivation and production capacity. Our partners at MJardin are moving into the facility, providing important operational capacity, as well as introducing new cultivation techniques to increase yield. Furthermore, upon positive conclusion of our trial program with RotoGro in Arizona, we anticipate implementing this higher-yielding and low-cost technology in our Nevada facility towards the end of the year.”

Beth Stavola, President of BCC’s U.S. operations, added, “We will be applying for at least one dispensary license in Nevada when the next round of applications will be accepted towards the end of this calendar year. This will position us well for the retail market and drive further revenue growth and margin expansion. Furthermore, the competitive landscape is dominated by smaller, undercapitalized operators, providing potential for further expansion through acquisitions for companies such as BCC with access to capital and strong operational know-how.”

Background

GreenMart has developed a state-of-the-art cultivation facility based on the experience gained at Health for Life and MPX in Arizona where the Company is approaching a consistent rate of one harvest per week. Furthermore, GreenMart operates best-in-class extraction technologies, which enabled MPX to win the coveted 2016 Jack Herer Cup for best hybrid concentrate. Addressing the higher margin market of edibles, GreenMart has installed a professional-grade custom kitchen operation, branded Lucky Kitchen, enabling it to carry a well-diversified portfolio of high-end products.

Nevada market

In November 2016, Nevada voted in favor of ‘Question 2’, setting in motion the process towards legalization of adult use of cannabis in the State, with commencement of adult use sales in July 2017 under the Early Start program. While Nevada has a relatively limited population of 2.8 million, Las Vegas, where GreenMart is located, welcomes approximately 42 million visitors annually, making tourism a key driver of anticipated market growth. The Brightfield Group ranks Nevada the 4th best state in the U.S. to make cannabis related investments (source: <https://www.brightfieldgroup.com/post/ranking-of-best-places-for-cannabis-investment-4-nevada>), above Washington (5th) and California (6th). ArcView Market Research projects annual legal cannabis sales in Nevada to grow at a compound annual growth rate of 51%, to an estimated US\$630 million by 2020 (source: Arcview - <http://mwne.ws/2o0pFcR>).

Consideration

The total consideration for the acquisition is US\$17.82 million, payable as follows:

- US\$9.32 million, non-interest bearing promissory note, payable in full on or before June 30, 2018;
- US\$8.5 million in units issued at a price of CA\$0.75 per unit;

- Each unit will be comprised of one full common share and one quarter of one warrant to acquire one common share at an exercise price of CA\$0.75 per share.

The Company will determine the number of units issuable to the vendors by deeming the United States dollar / Canadian dollar currency conversion rate applicable for the issuance of units prior to closing.

About The Canadian Bioceutical Corporation

BCC, an Ontario corporation, through its wholly owned subsidiaries in the U.S., provides substantial management, staffing, procurement, advisory, financial, real estate rental, logistics and administrative services to two medicinal cannabis enterprises in Arizona operating under the Health for Life (dispensaries) and MPX (high-margin concentrates wholesale) brands. The successful Health for Life ("H4L") brand operates in the rapidly growing Phoenix Metropolitan Statistical Area (MSA) with a population of 4.6 million people. The award-winning Melting Point Extracts ("MPX") brand is carried by over 40% of Arizona dispensaries. The Company also owns assets in Massachusetts, supporting cultivation, production and up to three dispensaries in Massachusetts, as well as is supporting development of a third licensed dispensary in Arizona.

BCC continues to expand its U.S. footprint, being in the process of acquiring three dispensaries and a production license in Maryland, as well as a further operational dispensary in Arizona. The Company also leases a property in Owen Sound, Ontario, for which an application to Health Canada has been made for a cannabis production and sales license. In addition, the Company will continue its efforts to develop its legacy nutraceuticals business.

Cautionary Statement Regarding Forward-Looking Information

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, the Transaction and BCC's objectives and intentions. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, legal, regulatory and social uncertainties; litigation, legislative, environmental and other judicial, legal, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals; those additional risks set out in BCC's public documents filed on SEDAR at www.sedar.com; and other matters discussed in this news release. Although BCC believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where

required by law, BCC disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

*On behalf of the Board of Directors
The Canadian Bioceutical Corporation
Scott Boyes, President and CEO*

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