

BCC to Acquire Massachusetts Cannabis Assets

Early Mover Advantage in Legalized Adult Use Market

First \$9.5M Tranche of Private Placement Closed

Conference Call to Discuss New Acquisition on April 4, 2017 at 10am ET

TORONTO, ON / ACCESSWIRE / April 4, 2017 / The Canadian Bioceutical Corporation (the "Company" or "BCC") (CSE: BCC, OTC PINK: CBICF) today announced that the Company, through its 100% owned U.S. subsidiary CGX, has signed a letter of intent ("LOI") pertaining to the acquisition of a 51% interest in IMT, LLC ("IMT"), a Massachusetts based company active in the cannabis industry. The Company anticipates closing of the acquisition on or before April 30, 2017.

In compliance with Massachusetts regulations, while not cultivating or selling cannabis products itself, IMT, pursuant to long-term management agreements, provides material support to Cannatech Medicinals Inc ("CMI"), a not-for-profit licensee, which can directly cultivate, produce, own, possess and sell cannabis and cannabis-infused products.

Transaction highlights

- Transaction provides access to an adult use market anticipated to grow at a compound annual growth rate (CAGR) of 113% to over US\$1 billion by 2020 (source: Arcview/Frontier Data - <http://mwne.ws/2nTgq0I>).
- State regulations limit the initial number of participants in the legalized adult use market, providing a key competitive advantage to current license holders such as CMI.
- Assets owned and/or supported by IMT/CMI include:
 - Cultivation, production and retail dispensary licenses.
 - 40,000 sq. ft. property licensed and zoned for the cultivation of cannabis and the production of derivative products, such as concentrates and edibles.
 - The license allows for the establishment up to three dispensaries, subject to local zoning and permitting:
 - One permit has been granted, and allows a dispensary use co-located with the Company's cultivation & production facility currently being completed in Fall River, Massachusetts;
 - Two additional permits for dispensaries currently under application.
- Massachusetts operations to continue under the Company's successfully established dispensary brand Health for Life (H4L) and award winning wholesale concentrates brand MPX.
- Attractive total consideration of \$5.1 million (all cash).
- Key current principals in IMT will continue with the Company, providing deep local networks, as well as important legal and project management experience.

Management commentary

"This transaction provides a very attractively priced entry with early mover advantage into what is anticipated to be a very sizeable adult use market," said Scott Boyes, CEO of BCC. "The limited number of initial market participants in the Massachusetts cannabis market provides us with significant advantages in establishing our brands and capture market share."

Beth Stavola, President of U.S. Operations, added, "Based on our deep operational experience in the Arizona market with our successful H4L and MPX operations, we will be able to transfer valuable knowledge with regards to the production, branding, and sales and marketing of cannabis products. We

believe this will accelerate development of the new assets, a model we intend to replicate in multiple U.S. jurisdictions, a key element in our strategy to become a branded multi-state cannabis operator."

Massachusetts market

In November 2015, Massachusetts, a medical cannabis market since January 2013, voted in favour of "Question 4", setting in motion the legalization of adult use. Consequently, research firm Arcview Market Research projects that the Massachusetts market will grow to over \$1 billion by 2020 at a CAGR of 113%.

Massachusetts is one of only two East Coast states to have voted for the legalization of adult use of cannabis. Being located in the very populous North Eastern region of the U.S., tourism is anticipated to be an important factor in driving market growth in a state that itself has a growing population of currently 6.8 million.

Early mover advantage

Approximately 90 licenses have been granted in Massachusetts since the implementation of medical cannabis legislation. However, only a fraction of these licensees are currently operational and/or have facilities under development.

Under the new legislation in Massachusetts, in the first year of adult use sales, the number of available licenses will be limited at 75. After the first year, the new state Cannabis Control Commission can decide whether to impose a statewide licensing cap. During this first year, only existing applicants (those who had submitted MMJ applications by Oct. 1, 2015, and obtained a provisional registration before December 15, 2016), will be considered for new licenses. CMI's provisional registration was granted prior to this deadline. Consequently, the Company anticipates it has a considerable early mover advantage to establish a strong position for its H4L and MPX brands in the Massachusetts market.

Assets, Development & Timelines

The transaction includes a 40,000 square foot property zoned and licensed for cannabis cultivation and retail dispensary sales, which is partially developed. The Company has finalized plans for completion of the facility and anticipates production to commence January 2018. At full capacity, the facility is projected to produce approximately 2.25 million grams of high end flower and 500,000 grams of high margin concentrates.

Additionally, the Company will be developing an on-premise dispensary, with commencement of sales anticipated early in 2018.

One of the current IMT principals, who will remain with the Company, has 35 years of construction experience, and will provide on-site project management for the build-out. This will be done in close collaboration with the teams responsible for the development of the state-of-the-art cultivation and dispensary operations in Arizona, as well as the GreenMart of Nevada facility. Management anticipates that adoption of its best-practices, as established at its highly profitable Arizona operations, will create significant efficiencies in establishing its commercial operations in Massachusetts.

Consideration and development costs

The consideration for the transaction, is US\$5.1 million. The Company will support application and buildout for two additional dispensary locations currently in process in the amount of US\$2.0 million in the aggregate. Consequently, the total consideration for the transaction potentially is US\$7.1 million.

The Company anticipates that completion of the production facility and the first dispensary will require approximately US\$7.3 million to complete. The funds for completion will be forwarded by BCC to IMT in the form of an 8% per annum loan, repayable prior to any distributions from operations to the selling partners.

Development of each additional dispensary, upon receipt of the required permitting, is estimated at US\$1.3 million.

First Tranche Private Placement Closed

Additionally, the Company is pleased to announce it has closed the first tranche of its non-brokered private placement offering (the "Offering") announced on March 30, 2017. Closing of the first tranche of the Offering resulted in the issuance of 25,250,992 common shares at a price of \$0.50 per common share for gross proceeds of US\$9,490,000. The common shares are subject to the usual four months and one day resale restrictions until July 2, 2017. The Company intends to use the proceeds of the Offering to satisfy the purchase price for and development of IMT, and general asset development and working capital purposes. The Company issued 1,000,000 common shares as a finder's fee for the first tranche of the Offering.

The Company determined the number of common shares issuable pursuant to the Offering by deeming the United States dollar / Canadian dollar currency conversion rate applicable for the issuance of common shares to be 1.3304.

Conference call & webcast

Scott Boyes, CEO and Beth Stavola, President of U.S. Operations, will host a live conference call on Wednesday, April 5 at 10am ET to discuss the acquisition.

Call details

Participants calling from Canada or the United States should call toll-free at: 1-888-231-8191.

Participants calling from the United Kingdom should call toll-free at: 0-800-051-7107.

Callers from other locations may call in at: 1-647-427-7450.

Conference ID: 59653567

It will be possible to follow the call live via webcast.

Webcast Details

Webcast URL <http://bit.ly/2o3HnPi>

The conference call will be archived for replay until Tuesday, April 11, 2017 at midnight. To access the archived conference call, dial 1-855-859-2056 or 1-416-849-0833 and enter the replay passcode 2520755.

About The Canadian Bioceutical Corporation

BCC, an Ontario corporation, through its wholly owned subsidiaries in the U.S., provides management, staffing, procurement, advisory, financial, real estate rental, logistics and administrative services to two medicinal cannabis enterprises in Arizona. While the Company does not directly own, possess or sell cannabis or cannabis-infused products, it does provide substantial support and exerts considerable influence over these two businesses, which are legally authorized to sell medical cannabis and derivative products. The Company is currently developing a third dispensary in the greater Phoenix Area following the acquisition of an additional license.

Under the Health for Life ("H4L") brand, the two licensed dispensaries operate in the Mesa area, which is part of the rapidly growing Phoenix Metropolitan Statistical Area (MSA) with a population of 4.6 million people. Additionally, the Company supports the Melting Point Extracts ("MPX") brand. The award winning MPX products have facilitated rapid growth of the brand's wholesale business, now supplying a growing number of Arizona dispensaries.

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 related to 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 and social uncertainties; litigation, legislative, environmental and other judicial, 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, CEO

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