



## **BCC SECURES US\$25 MILLION CREDIT FACILITY TO FUEL FURTHER EXPANSION**

*Closes book on equity private placement*

TORONTO, ONTARIO, May 3, 2017 – (CSE: BCC, OTC:CBICF)

**The Canadian Bioceutical Corporation** (the “Company” or “BCC”) (CSE: BCC, OTC:CBICF) today announced that the Company has arranged a US\$25 million revolving credit facility with Hi-Med, LLC of Florida. With the funds now available through the credit facility, Management has decided, despite considerable expression of interest, to cap gross proceeds of the private placement, originally announced on March 30, 2017, at an aggregate of US\$11,229,350.

### **Background & use of funds**

BCC has embarked upon an aggressive growth strategy that combines organic growth with transactional expansion to become a branded multi-state cannabis operator. The Company’s first acquisition in Arizona has provided BCC with a profitable platform for growth. The Company subsequently acquired an additional dispensary license in Arizona, which it currently is developing. As well, as originally announced on April 4, 2017, it is in the process of acquiring cannabis assets in Massachusetts, a state implementing legalization of adult use, and BCC continues to target further acquisitions in additional states.

Funds drawn down against the line of credit will be earmarked specifically for making further acquisitions, as well as, where needed, the development of assets obtained in any transaction. The first such approved use of funds regards the Massachusetts acquisition. Upon completion of the transaction, the Company will be investing in the completion of a 2.5 million grams per annum cultivation and processing facility and a retail dispensary, as well the creation of two additional dispensaries in Massachusetts. BCC anticipates further expanding its footprint in the U.S. cannabis sector during the coming weeks and months.

### **Management commentary**

“Cash flow from our operations is more than sufficient to carry operating expenses, so funds available through the credit facility will provide us with considerable firepower, on excellent terms, to exclusively fuel our expansion strategy,” stated Scott Boyes, CEO of BCC. “We have a strong pipeline of potential transactions, comprised of both established, accretive operations, and high-potential early-stage assets.”

Beth Stavola, President of U.S. operations, stated, “The funds available to us through the credit facility and the private placement will not only help to expand our geographic reach, but also fuel considerable organic growth. Our existing Arizona operations and the Massachusetts cultivation and production assets, when fully-operational, will have a combined capacity of approximately 5.7 million grams of

flower and approximately one million grams of high-margin concentrate. This will substantially increase our potential to grow revenues and cash flow, especially considering our expanding retail presence.”

### **Line of Credit**

The amount available from the credit facility with Hi-Med, LCC of Florida, is for a total of up to US\$25 million. The principal amount remaining from time to time unpaid and outstanding shall bear interest at seven percent (7.0%) per annum. The principal remaining, and any interest accrued, shall be repayable, in full, 36 months from the date of closing. In connection with the facility, BCC shall pay a 2.0% arrangement fee on each advance made to the Company by the lender.

### **Conversion**

The lender shall have the following rights to convert outstanding principal amounts into common shares of the Company, as follows:

1. Up to an initial US\$10 million of the principal outstanding, shall be convertible into Common Shares at a conversion price of CAD\$0.50 per common share.
2. Any principal drawn down in excess of the initial US\$10 million, and less than US\$20 million, shall be convertible into Common Shares at a conversion price of CAD\$1.00 per common share.
3. Any principal drawn down in excess of US\$20 million, and less than US\$25 million plus outstanding interest payable on the outstanding loan amount shall be convertible into Common Shares at a conversion price of CAD\$1.50 per common share.

Further details with regards to the credit facility can be found in the Company’s materials filed on [www.sedar.com](http://www.sedar.com).

### **Private placement**

Concurrently with the arrangement of the credit facility, the Company has closed the book on the second and final tranche of its private placement of common shares (the “**Offering**”) as originally announced on March 30, 2017, and following the closing of the first tranche of the Offering on April 4, 2017. The Company will proceed to close the second and final tranche of the Offering Friday, May 5, 2017 pursuant to the rules of the Canadian Securities Exchange.

Once closed, the Company will have received aggregate gross proceeds of US\$11,173,700 and issued 29,851,533 common shares at a price of CAD\$0.50 per common share. The Company paid US\$3,000 cash and issued 40,786 common shares as a finder’s fee for the second tranche of the Offering. Following the closing of the Offering, the Company will have a total of 257,310,473 common shares issued and outstanding.

The Company determined the number of common shares issuable pursuant to the Offering based upon the prevailing Bank of Canada United States dollar / Canadian dollar currency conversion rate prior to the closing of the second tranche of the Offering.

### **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 medicinal cannabis enterprises in Arizona.

The Company supports two dispensaries in Arizona under the Health for Life (“H4L”) brand, with a third under development. Additionally, the Company supports Melting Point Extracts (“MPX”), an award-winning concentrates brand carried by over 40% of Nevada dispensaries. The Company is also acquiring these additional cannabis assets in Massachusetts, that will allow BCC to develop a 2.5 million grams per annum cultivation and production facility, as well as to build out and operate three retail dispensaries. Further acquisitions in other geographies are being targeted.

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](http://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*

For further information please contact:

Scott Boyes, President and CEO

The Canadian Bioceutical Corporation

[info@canadianbioceutical.com](mailto:info@canadianbioceutical.com)

[www.canadianbioceutocal.com](http://www.canadianbioceutocal.com)

Marc Lakmaaker  
NATIONAL Equicom  
T: +1 416 848 1397  
[mlakmaaker@national.ca](mailto:mlakmaaker@national.ca)