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THC BioMed Releases Third Quarter Results

Vancouver, Canada, June 26, 2020 -- THC BioMed Intl Ltd. (CSE:THC) (“THC BioMed” or the “Company”) is pleased to report its financial results for the nine months ended April 30, 2020.

CSE.THCH

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Q3 HIGHLIGHTS

- Revenue for the quarter increased 153% compared to the same period last year
- Revenue for Q3 was lower than Q1 and Q2 due to supply chain issues as a result of the general slowdown caused by COVID-19
- Production began on our new cannabis beverage shot, *THC Kiss*, with sales to our medical marijuana patients in April, 2020.
- A new three-year lease began for a property adjacent to our production facility intended for administration, storage, and other activities not related to cannabis production in order to free up space at the production facility by constructing four new grow rooms with the space once it is renovated and approval received from Health Canada.
- Announced a Normal Course Issuer Bid to purchase up to an aggregate of 7,977,152 common shares of the Company representing 5% of the issued and outstanding common shares as at that date, of which 1,217,000 shares have been purchased to date for The price paid for all of the shares was \$163,444 at an average price *per share* of \$0.13.
- Upon the resignation of George Smitherman from the Board of Directors, Penelope Laine was appointed to the Board. Ms. Laine is an experienced and licensed pharmacist with an MBA from the University of Toronto. She has also passed the Canadian Securities Course and the Trader Training Course. Her experience in science and healthcare, combined with her education in business and finance, is a great fit for the Company.

SUMMARY OF QUARTERLY RESULTS

Quarter Ended		Revenue	Net Income (Loss)	Income (Loss) Per Share
Q3/2020	April 30, 2020 (1)	\$ 896,104	\$ (295,717)	\$ -
Q2/2020	January 31, 2020 (1)	\$ 1,246,625	\$ 88,191	\$ -
Q1/2020	October 31, 2019 (1)	\$ 1,044,510	\$ 688,925	\$ 0.01
Q4/2019	July 31, 2019	\$ 382,096	\$ (4,177,572)	\$ (0.04)
Q3/2019	April 30, 2019	\$ 354,326	\$ (4,905,797)	\$ (0.03)
Q2/2019	January 31, 2019	\$ 474,041	\$ (4,722,819)	\$ (0.04)
Q1/2019	October 31, 2018	\$ 279,140	\$ 1,106,841	\$ 0.01
Q4/2018	July 31, 2018	\$ 163,883	\$ (3,208,291)	\$ (0.02)

⁽¹⁾ Includes excise taxes

For the quarter ended April 30, 2020, we produced 347.3 kilograms of dried marijuana and sold 193.9 kilograms at an average selling price of \$3.46 per gram reflecting overall lower selling prices in the retail market.

HIGHLIGHTS SUBSEQUENT TO APRIL 30, 2020

- The Company delivered its largest single sales order subsequent to the quarter ended April 30, 2020 of just over \$550,000.
- Began shipment of our cannabis beverage shot, *THC Kiss*, to the adult recreational cannabis market
- Filed for a U.S. trademark for the use of “THC Kiss” in the U.S. THC BioMed has used the THC Kiss trademark in Canada. It owns the common-law rights and the trademark application for “THC Kiss” in Canada.
- Began production of its *Pure Cannabis Sticks*; however, delivery has been delayed due to supply chain issues as a result of the general slowdown caused by COVID-19.

MANAGEMENT COMMENTARY

“Sales in Q3 slowed down as a result of supply chain issues caused by COVID-19. These issues are being resolved. We delivered our largest single sales order of just over \$550,000 in Q4. Although the three months ended April 30, 2020 resulted in a loss of \$295,717, largely due to COVID 19 delays, the nine months ended April 30, 2020 overall were profitable, with net profits of \$481,399. Our focus now is on production of our cannabis beverage shot, *THC Kiss*, and our *Pure Cannabis Sticks*,” said THC BioMed President & CEO, John Miller.

All financial information in this press release is reported in Canadian dollars, unless otherwise indicated. This press release is intended to be read in conjunction with the Company’s Condensed Interim Consolidated Financial Statements and Management’s Discussion & Analysis for the nine months ended April 30, 2020, which has been filed on SEDAR (www.sedar.com).

Statement of Comprehensive Income (Loss) Summary

	For the Three Months Ended		For the Nine Months Ended	
	(Unaudited) April 30 2020	(Unaudited) April 30 2019	(Unaudited) April 30 2020	(Unaudited) April 30 2019
Revenue	\$ 896,104	\$ 354,326	\$ 3,187,239	\$ 1,107,507
Inventory expensed to cost of sales	(706,411)	(466,304)	(2,246,587)	(1,070,910)
Gross profit before fair value adjustments	189,693	(111,978)	940,652	36,597
Net change in fair value of biological assets	288,282	1,325,825	2,157,369	4,068,071
Gross margin	477,975	1,213,847	3,098,021	4,104,668
Total expenses	773,692	6,124,361	2,616,622	12,631,160
Net and comprehensive income (loss) for the period	\$ (295,717)	\$ (4,910,514)	\$ 481,399	\$ (8,526,492)

Balance Sheet Summary

As at	(Unaudited) April 30 2020	(Audited) July 31 2019
Current assets	\$ 7,963,227	\$ 5,217,996
Total assets	\$ 21,809,087	\$ 18,058,337
Current liabilities	\$ 3,666,722	\$ 3,290,724
Total liabilities	\$ 6,348,398	\$ 4,603,731
Working capital	\$ 4,296,505	\$ 1,927,272
Accumulated deficit	\$ 26,953,234	\$ 28,400,635

Cash Flow Statement Summary

	For the Three Months Ended		For the Nine Months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	April 30 2020	April 30 2019	April 30 2020	April 30 2019
Net and comprehensive income (loss) for the period	\$ (295,717)	\$ (4,910,514)	\$ 481,399	\$ (8,526,492)
Cash, end of the period	\$ 881,287	\$ 298,605	\$ 881,287	\$ 298,605

Non-IFRS Earnings Measure

	For the Three Months Ended		For the Nine Months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	April 30 2020	April 30 2019	April 30 2020	April 30 2019
Net and comprehensive income (loss) for the period	\$ (295,717)	\$ (4,910,514)	\$ 481,399	\$ (8,526,492)
Add back				
Interest	78,580	16,982	212,596	46,125
Depreciation and amortization	261,687	179,647	745,206	430,968
EBITDA⁽¹⁾ from continuing operations	44,550	(4,713,885)	1,439,201	(8,049,399)
Foreign exchange income (loss)	(509)	3,949	3,413	6,764
Realized fair value changes in biological assets included in inventory sold	327,419	31,437	1,772,459	136,699
Realized loss on sale of asset	-	(548)	-	606
Share-based compensation	84,717	1,116,433	686,780	3,121,235
Unrealized gain on changes in fair value of biological assets	(615,701)	(1,357,262)	(3,929,828)	(4,204,770)
Adjusted EBITDA⁽¹⁾	\$ (159,524)	\$ (4,919,876)	\$ (27,975)	\$ (8,988,865)

(1) These non-IFRS measures are defined in the Company's MD&A for the nine months ended April 30, 2020 ("Q3 2020")

ABOUT THC

THC BioMed is a small batch *Cannabis Act* Licensed Producer of medical and recreational cannabis. It is licensed to cultivate and sell dried, extract, edible and topical cannabis. THC BioMed is Canada's largest supplier of legal cannabis genetics. The Company is on the leading edge of scientific research and the development of products and services related to the cannabis industry. Management believes that THC BioMed is well-positioned to be in the forefront of this rapidly growing industry.

Please visit our website for a more detailed description of our business and services available.
www.thcbiomed.com

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Forward-Looking Information:

This press release may include forward-looking information within the meaning of Canadian securities legislation, concerning the business of THC BioMed Intl Ltd. ("THC"). Forward-looking information is based on certain key expectations and assumptions made by the management of THC. In some cases, you can identify forward-looking statements by the use of words such as "will," "may," "would," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "could" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Forward-looking statements in this press release include that THC will (a) focus now on production of *THC Kiss* and *Pure Cannabis Sticks* and (b) be in the forefront of this rapidly growing industry. Although THC believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because THC can give no assurance that they will prove to be correct. Forward-looking statements contained in this press release are made as of the date of this press release. THC disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

The Canadian Securities Exchange (CSE) has not reviewed and does not accept responsibility for the adequacy or the accuracy of the contents of this release.