



## Veritas Pharma Signs Letter of Intent with 3 Carbon Extractions Inc.

VANCOUVER, British Columbia, March 08, 2018 -- **Veritas Pharma Inc.** (CSE:VRT) (OTC:VRTHF) (Frankfurt:2VP) ("**Veritas**" or the "**Company**") is pleased to announce the signing of a non-binding Letter of Intent ("**LOI**") with 3 Carbon Extractions Inc. ("**Carbon**"). It outlines the general terms and conditions upon which Veritas will be prepared to make investments in Carbon to acquire up to a 100% equity and voting interest in 3 Carbon. The Founder of Carbon, Philip Kwong, will also be joining the Company's advisory board and he will be engaged as a Consultant.

Veritas Pharma is interested in the development of cannabis extracts utilizing Cannevert Therapeutic Ltd.'s ("**Cannevert**") proprietary cannabis strains for upcoming clinical trials. The Company also thinks that 3 Carbon can benefit from its relationship with the help of Cannevert's Health Canada Dealer Licence. Through Cannevert's import of diverse cannabis strains from within and outside of Canada, it is anticipated that unique extracts will be derived with novel therapeutic benefits. Preclinical and clinical research will be formally conducted on 3 Carbon extracts with the assistance of Cannevert scientists.

### About 3 Carbon Extractions Inc.

3 Carbon Extractions is a British Columbia Incorporated entity which is in the business of designing cannabis extraction facilities and utilizing its own proprietary extraction methods and equipment supplier relationships to deliver best in class cannabis extracts to the existing medicinal marijuana sector which it intends parlay into the recreational market, when cannabis extracts are expected to become legal in Canada in 2019.

### About Philip Kwong

Philip Kwong is a certified cannabis extraction specialist who, over the last two years, has developed the proprietary formulas/recipes, safe practices and procedures for processing extracts and other products from the cannabis plant, specifically through light hydrocarbon extraction processes. Philip collaborates with Extraction Tek Solutions Inc. ("**ETS**"), the Colorado based equipment manufacturer, and a marketing representative for ETS equipment for the Canadian cannabis market. Philip has a passion for cannabis based research and the development of remedies for neurological and immune system diseases and disorders, such as multiple sclerosis and epilepsy and has been successful in producing product which has brought relief to his own Remitting-Relapsing Multiple Sclerosis.

### LOI Transaction Details:

- \$150,000 US upon the signing of the LOI
- \$150,000 US upon the signing of a Definitive Agreement
- 1,500,000 shares of Veritas Pharma Inc. subject to escrow policies as dictated by the CSE.
- Above Consideration is in exchange for a 50% equity interest in Carbon
- The remaining 50% equity interest can be acquired by Veritas based a value to be decided by qualified independent business valuator will be jointly engaged by VRT and 3 Carbon (the cost of which will be paid by VRT) to prepare a valuation report (the "**3 Carbon Valuation Report**") to determine, as at the third anniversary of the date of the Definitive Agreement, the total value of 3 Carbon (the "**3 Carbon Value**"). If the 3 Carbon Valuation Report does not state the 3 Carbon Value as a specific amount but instead expresses a range of value, the parties agree that the mid-point of the stated range shall be deemed to be the 3 Carbon Value.
- Each shareholder of 3 Carbon other than VRT (a "**Selling Shareholder**") shall have the right, for a period of 60 days following that shareholder's receipt of the 3 Carbon Valuation Report, to give notice to VRT (the "**Notice**") that it requires VRT to purchase the 3 Carbon Shares held by that shareholder (the "Seller's 3 Carbon Shares"), the purchase price for which shall be paid in cash or in fully paid and non-assessable common shares of VRT (the "**VRT Shares**") if the VRT Shares are listed or quoted for trading on a stock exchange (the "Stock Exchange"), or in a combination thereof, as may be determined by VRT in its discretion. The purchase price for the Seller's 3 Carbon Shares (the "Buy-out Price") will be determined as follows:

Buy-out Price = 3 Carbon Value x Y

where Y is the percentage of 3 Carbon Extractions Inc.'s issued and outstanding common share capital that the Seller's 3 Carbon Shares represent as at the third anniversary of the date of the Definitive Agreement. The number of VRT Shares to be issued in payment of the Buy-out Price (if applicable) will be determined by dividing the Buy-out Price by the Discounted Market Price (hereinafter defined). The, "Discounted Market Price" means the average closing price on the stock exchange on which the VRT Shares primarily trade for the period comprising the 30 trading days immediately prior to the third anniversary of the date of the Definitive Agreement, less the maximum discount allowed by the policies of such stock exchange.

- VRT shall, within 45 days of VRT's receipt of the Notice, deliver the Buy-out Price to the Selling Shareholder in exchange for the share certificate representing the Seller's 3 Carbon Shares endorsed for transfer.

The LOI was negotiated at arm's length and is effective as of March 7, 2018. The parties will use reasonable commercial efforts to enter into the Definitive Agreement within 30 days of VRT's acceptance of this LOI, or such later date as may be mutually agreed to, in writing, by the parties, which Definitive Agreement will, upon execution replace and supersede this LOI. The parties acknowledge that the Definitive Agreement will contain the covenants and conditions set out herein and additional representations, warranties and terms that are included in transactions similar to the Transaction. VRT will pay \$150,000 USD upon the signing of the LOI. The transaction will be subject to requisite regulatory approvals including the approval of the Canadian Securities Exchange (the "CSE") and other closing conditions.

#### **About Veritas Pharma Inc.**

Veritas Pharma Inc. is an emerging pharmaceutical and IP development company, who, through its 80% owned subsidiary Cannevert Therapeutics Ltd. ("CTL"), is advancing the science behind medical cannabis. It is the Company's aim, through its investment in CTL, to develop the most effective cannabis strains (cultivars) specific to pain, nausea, epilepsy and PTSD, solving the critical need for clinical data to support medical marijuana claims. CTL's unique value proposition uses a low-cost research and development model to help drive shareholder value, and speed-to-market. Veritas investment in CTL is led by strong management team, bringing together veteran academic pharmacologists, anesthetists & chemists. The company's commercial mission is to patent protect IP (cultivars & strains) and sell or license to cancer clinics, insurance industry and pharma, targeting multi-billion dollar global markets.

Veritas Pharma Inc. is a publicly traded company which trades in three countries including Canada, on the Canadian Stock Exchange under the ticker VRT; in the United States, on the OTC under the ticker VRTHF; and in Germany, on the Frankfurt exchange under the ticker 2VP.

For more information, please visit our website: [veritaspharmainc.com](http://veritaspharmainc.com)

#### **On behalf of the Board of Directors**

*"Dr. Lui Franciosi"*

Dr. Lui Franciosi

President and Chief Executive Officer

Further information about the Company is available on our website at [www.veritaspharmainc.com](http://www.veritaspharmainc.com) or under our profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the CSE website at [www.thecse.com](http://www.thecse.com).

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***The CSE has not reviewed, nor approved or disapproved the content of this press release.***