Kaneh Bosm BioTechnology Inc.
810 – 789 West Pender Street
Vancouver BC V6C 1H2
Tel: 604.687.2308

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NEWS RELEASE

KANEH BOSM ADDS SLOVENIA CBD PRODUCTION TO COLOMBIA, GREECE, LESOTHO LICENSES

HIGHLIGHTS:

- **Enables Kaneh Bosm to expand their existing product lines, distribution channels and sales network across greater Europe**

- **This transaction marks another global acquisition for Kaneh Bosm, further developing their global portfolio and extensive network**

VANCOUVER, British Columbia, July 12, 2018 (Globe Newswire)- Kaneh Bosm BioTechnolgy Inc.(CSE:KBB) ("Kaneh Bosm" or the "Company") is pleased to announce that it has entered into an agreement (the "Agreement") to acquire 100% of Farmakem Ltd. ("Farmakem").

Farmakem is a revenue generating, licensed, medical cannabis company based in Slovenia. Its focus is on research and development ("R&D"), production, supply, distribution and commercialisation of active pharmaceutical ingredients, medical devices and food supplements within the medical cannabis/hemp industry.

Farmakem has obtained licences for the international wholesale, import and export of more than 150 APIs (including CBD and some narcotics and psychoactive substances), medical devices and food supplements. It is the first company in Slovenia to obtain approval to import medicinal cannabis and delta 9 Tetrahydrocannabinol ("THC") of natural origin.

Farmakem has a range of GMP products with various novel delivery technologies for both the human and veterinary market currently for sale and in R&D stages. With a budget of $1.3 trillion in health care spending, European government-subsidized health care systems are set to become the largest single-market for cannabis in the world as the liberalization of regulations in favour of plant-based medicine continue.

The acquisition of Farmakem represents another significant stride for the Company within the European marketplace, which is a priority for the Company.

Kaneh Bosm's wholly owned subsidiary, Marathon Global Inc. has agreements in place with a European based pharmaceutical distributor, to procure and distribute medical cannabis products and all cannabis derivatives in approved countries within its distribution network. This partnership will enable Farmakem to expand their distribution channels on a global scale and leverage off the other companies within Kaneh Bosm's network.

Eugene Beukman, CEO of Kaneh Bosm said; "This acquisition provides a vertically integrated product line manufactured in the EU to help build out a robust portfolio of offerings into our network of circa 35,000 pharmacies. The Cebexan and Dronaxan product families within Farmakem, as well as new products utilizing multiple delivery systems are very exciting."

Bernard Fridrih, CEO of Farmakem said, "We are highly enthusiastic about bringing Farmakem under the Kaneh Bosm umbrella and the acquisition allows Farmakem to tap into their extensive network whilst allowing them to leverage off the scope and breadth of our products and distribution in Eastern Europe".

Farmakem's Existing Research and Distribution Agreements

Farmakem together with Salus Ljubljana ("Salus") was appointed as the chosen supplier of CBD (Cebexan®) to the University Clinical Centre, Ljubljana for a term of up to 4 years (1+3 years) which commenced on January 10, 2018.

Salus agreements – Farmakem entered into several exclusive agreements with Slovenia's second largest wholesaler Salus, operating throughout Slovenia and the Balkans. Farmakem intends to further expand into this market, for the development, production and sale of CBD and other cannabis products through the rights attributed in these agreements.

Farmakem has entered into a distribution agreement with an Italian distributor specialising in CBD products; negotiations are presently underway for distributors from Germany and other EU countries.

Farmakem has an exclusive agreement with a Czech partner for the supply of starting material required for the manufacture of Cebexan© and an exclusive agreement with a Czech partner for the production of Famarkem's GMP pharmaceutical grade products.

Terms of the Acquisition:

Under the terms of the Agreement, the Company will issue 19,133,333 shares and pay consideration of $985,000 over the course of several relevant milestones.

A finder's fee will be payable on this transaction.

About Farmakem:

Farmakem is a medical cannabis company based in Slovenia. It is currently focused on R&D, production, supply, distribution and commercialisation of active pharmaceutical ingredients (API), medical devices and food supplements with a focus on the medical cannabis/hemp industry. Farmakem is trading pharmaceutical ingredients, raw pharmaceutical materials, medical devices and food supplements from established EU providers and then supplies and sells these on to customers predominantly in Slovenia. R&D is at the core of Farmakem's current business, seeking to develop and grow its product and service offerings.

About Kaneh Bosem:

Kaneh Bosm specializes in the acquisition of marijuana projects and cannabis related companies. The Company, through its subsidiaries have agreements in place for European based pharmaceutical distribution, working interests in industrial hemp licenses in Greece, licences to cultivate, produce, hold, sell and export cannabis and its by-products in Colombia and the Kingdom of Lesotho, Africa.

Kahen Bosm is listed on the Canadian Securities Exchange ("CSE") and its common shares trade under the ticker symbol "KBB". Additional information relating to the Company is available on SEDAR at www.sedar.com and on the CSE at www.theCSE.com.

On behalf of the Board of Directors of Kaneh Bosm Biotechnology Inc.

"Eugene Beukman"

Eugene Beukman
Director
EBeukman@pendergroup.ca
604-687-2038

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This news release includes certain statements that may be deemed "forward-looking statements". The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "would", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Although the Company believes that the

expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this News Release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents which can be found under the Company's profile on www.sedar.com