



NEWS RELEASE

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EXMceuticals Inc. Announces Loan Settlement and Share Issuance

VANCOUVER, BRITISH COLUMBIA, July 28, 2020 – [EXMceuticals Inc. \(CSE: EXM\) \(FSE: A2PAW2\)](#), (the “Company” or “EXM”) is pleased to announce that further to its news release dated July 22, 2020, pursuant to certain loan agreements previously entered into between the Company and certain lenders, such lenders have participated in a qualifying equity financing to settle loans in the aggregate amount of \$4,605,171 through the issuance of 23,025,855 common shares in the capital of the Company (the “**Loan Settlement**”). All shares are subject to a four month hold period expiring on November 25, 2020.

Early Warning

Pursuant to the Loan Settlement, Jonathan Summers, Chief Executive Officer of the Company, acquired 11,270,855 common shares of the Company by way of a private placement, representing approximately 16.4% of the issued and outstanding common shares of the Company, on an undiluted basis.

Immediately prior to the acquisition, Mr. Summers owned 74,000 common shares, 88,889 warrants, 5,000,000 stock options and 2,000,000 restricted share units of the Company representing approximately 0.001% of the issued and outstanding shares of the Company at such time, on an undiluted basis, and 9.45% of the common shares of the Company on a partially diluted basis, assuming no further common shares of the Company have been issued. As a result of the foregoing acquisition, Mr. Summers now owns 11,344,855 common shares representing approximately 16.51% of the current 68,751,356 issued and outstanding common shares of the Company, on an undiluted basis, and 18,433,744 common shares representing approximately 24.31% of the common shares of the Company on a partially diluted basis, assuming no further common shares of the Company have been issued. This represents an approximate 16.51% change in Mr. Summers ownership of common shares on a non-diluted basis and an approximate 14.87% change in Mr. Summers ownership on a partially diluted basis. Mr. Summers acquired the 11,270,855 common shares at a price of \$0.20 per share for a value of \$2,254,171 in connection with the Loan Settlement. Mr. Summers has no present intention to dispose of or acquire further securities of the Company. Mr. Summers may, in the future participate in financings and/or acquire or dispose of securities.

The disclosure respecting Mr. Summer’s shareholdings contained in this news release is made pursuant to Multilateral Instrument 62-104 and a report respecting the above acquisition will be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) and will be available for viewing at www.sedar.com.

Pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) the Company advises that the loan settlement constitutes a “related party transaction” under MI 61-101 and the Company is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to section 5.5(a) and section 5.7(1)(a) of the instrument.



Pursuant to the Loan Settlement, Michael Cohen, acquired 6,250,000 common shares of the Company by way of a private placement, representing approximately 9.09% of the issued and outstanding common shares of the Company, on an undiluted basis.

Immediately prior to the acquisition, Mr. Cohen owned 1,399,100 common shares and 250,000 warrants of the Company representing approximately 3.06% of the issued and outstanding shares of the Company at such time, on an undiluted basis, and 3.59% of the common shares of the Company on a partially diluted basis, assuming no further common shares of the Company have been issued. As a result of the foregoing acquisition, Mr. Cohen now owns 7,649,100 common shares representing approximately 11.13% of the current 68,751,356 issued and outstanding common shares of the Company, on an undiluted basis, and 7,899,100 common shares representing approximately 11.45% of the common shares of the Company on a partially diluted basis, assuming no further common shares of the Company have been issued. This represents an approximate 8.07% change in Mr. Cohen's ownership of common shares on a non-diluted basis and an approximate 7.86% change in Mr. Cohen's ownership on a partially diluted basis. Mr. Cohen acquired the 6,250,000 common shares at a price of \$0.20 per share for a value of \$1,250,000 in connection with the Loan Settlement. Mr. Cohen has no present intention to dispose of or acquire further securities of the Company. Mr. Cohen may, in the future participate in financings and/or acquire or dispose of securities.

The disclosure respecting Mr. Cohen's shareholdings contained in this news release is made pursuant to Multilateral Instrument 62-104 and a report respecting the above acquisition will be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) and will be available for viewing at www.sedar.com.

On behalf of the Board of Directors of EXMceuticals Inc.

Jonathan Summers, Chairman and Chief Executive Officer

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ABOUT EXMCEUTICALS

EXM is an emerging bio-sciences company targeting the wellness and medical applications of cannabinoids and terpenes. EXM Portugal was recently granted the required authorizations and permits in Portugal for its existing laboratory and pilot refinery for cannabis research. EXM has



previously completed research projects with its university partners, Universidade Nova de Lisboa and Universidade Lusofona as well as applying for P2020 research grants. Following receipt of these unique Portuguese cannabis authorizations and permits, EXM Portugal is proceeding with its planned R&D program, lab work and testing.

In addition to this more scientific mandate, EXM is now projecting and building a significantly larger and additional facility in Portugal which will operate as an EU-GMP refinery. Once complete and licensed this industrial refinery will be used by EXM as its base for the distribution of cannabis ingredients in the EU and North America on a commercial basis. EXM's activities are focused on the production of high-grade cannabis and hemp ingredients for the pharmaceutical, therapeutic, nutraceutical and cosmetic industries. The Company proposes to sell the produced ingredients to international medical markets.

[CSE: EXM](#) | [FSE: A2PAW2](#)

Neither the CSE nor the FSE has approved nor disapproved of the contents of this news release. Neither the CSE nor the FSE accepts responsibility for the adequacy or accuracy of this release.

Certain information contained herein may constitute "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as, "will be", "expected", "proposes", "intends" or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements regarding the Company's business operations, the extraction of cannabis ingredients and the exportation of the extracts, the results of testing at our facilities established for the European market, future laws and regulations governing the sale of our products in Europe and elsewhere, and the potential to generate sales, and completion of a Qualifying Financing, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of EXM to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. EXM will not update any forward-looking statements or forward-looking information that is incorporated by reference herein, except as required by applicable securities laws.