



NEWS RELEASE

EXMCEUTICALS INC. OBTAINS ITS FORMAL LICENCE IN UGANDA

10 June 2019, VANCOUVER, BRITISH COLUMBIA – EXMceuticals Inc. (CSE:EXM) (FSE:EXM), a cultivator and producer of high-grade cannabis extracted ingredients, for the pharmaceutical, nutraceutical, therapeutical and cosmetic industries, is pleased to announce that it has received its formal full authorisations and permits for its Uganda operations. This allows for the large-scale cultivation of cannabis, the extraction of cannabis ingredients and the export of the extracts.

Highlights:

- New license in Uganda enables EXM to cultivate cannabis and extract pharmaceutical, therapeutical and nutraceutical grade cannabis ingredients, including CBD, in-country.
- Cultivation will begin immediately. Initial planting will consist of 100 hectares.
- Cultivation and production facilities totalling 2,000 hectares (4,940 acres) of agricultural land available to plant and 2,000 sq. m. (21,500 sq. ft.) of lab, extraction and material handling facilities.
- The Ugandan extraction facilities to produce CBD oil have already been built, commissioned and inspected by the relevant Ugandan regulatory authorities.
- After further refinement in the EXM facilities currently being established in Portugal, CBD and other cannabis isolates extracted from the cannabis grown in Uganda will be available to be distributed worldwide.
- Brings EXM's total cultivatable licensed land to over 84,000 hectares (207,500 acres) across multiple jurisdictions where CBD and other cannabis ingredients produced under the licenses can be cultivated and extracted.
- License also allows for the importation of high-quality cannabis seeds developed in Europe
- All relevant utilities for the Project are fully budgeted, funded and planned by the Company
- EXM overall plans to create over 1,200 new jobs across Africa within the first two years of commercial production.

Through its local subsidiary, Prime Ranchers Limited, EXM will now be able to cultivate and process cannabis in Uganda at an industrial scale. The Ugandan facilities will produce and export pharmaceutical, therapeutical, nutraceutical and cosmetic grade cannabis ingredients.

Within 90 days, EXM will be able to supply Ugandan produced cannabis extracted ingredients to any pharmaceutical, therapeutical, nutraceutical or cosmetic company which is duly licensed by the proper regulatory authorities in the countries in which they themselves operate.

The new license also enables the subsidiary to import high quality cannabis seeds which have been developed in Europe in order to provide the seed-stock for the cultivation operations.

The entire land area of the project consists of over 2,000 hectares (4,940 acres), parcels of which will be put into production sequentially. Initial planting will consist of 100 hectares (247 acres) and the first plant harvest will occur within 4 months. All the relevant utilities such as power generation, water and waste management, which are required by the first phase of the Project, are fully budgeted, funded and planned by the Company.

EXM is committed to having a tangibly positive local impact and close relationships are being built with the Ugandan agriculture education institutions. The Company fully intends to foster local expertise as well as to help create technical jobs locally. EXM already directly and indirectly employs over 200 employees in Africa and plans to create a further 1,000 jobs across Africa in the next 12 months.

“This is a very major milestone for EXM as we continue to expand our operations in African countries which suit our strict operating criteria. Our aim is to be the largest volume, lowest cost producer and most secure supply-chain solution providers of cannabis extracted ingredients to the pharmaceutical, therapeutical, nutraceutical and cosmetic markets, all of which have received an explosion of demand in recent times.” said Michel Passebon, Chief Executive Officer of EXM.

He continued: “Cultivation in Uganda is a key component of our strategy, so we are excited that our initial pilot project is now entering industrial scale production levels. We believe we will have a genuinely positive impact for years to come on the local communities through job creation and our relationships with agriculture education institutions.”

About EXM

EXM’s activities are focused on the sustainable cultivation of cannabis and hemp, and the production of high-grade and hemp ingredients for the pharmaceutical, therapeutical, nutraceutical and cosmetic industries. The Company proposes to sell the produced ingredients to international markets.

EXM is in the final stage of procuring the required authorizations and permits in Portugal for its laboratory for research, and center for processing and distribution, which are currently under construction. EXM has previously completed research projects with its university partners, Universidade Nova de Lisboa and Universidade Lusofona. Pending receipt of the authorizations and permits, EXM is proceeding with its R&D program, lab work and testing under the licenses that its university partners have already obtained for the initial research projects. In addition to its more scientific mandate, the facility being built is proposed to be used by EXM as its base for distribution in the EU and North America.

EXM, through its subsidiary and in-country partner, holds the rights to a cannabis license in the Kuba Kingdom, Mweka, Kasai Province, Democratic Republic of Congo, and the rights to a land concession for the cultivation of cannabis and hemp, and processing and export of high-grade cannabis extracted ingredients.

EXM has also submitted applications and undertaken negotiations with local governments and partners in Ethiopia, Malawi, Zambia, Eswatini and Burundi, in order to obtain licences to permit the cultivation of cannabis and hemp, as well as the processing, transformation and export of psychotropic and non-psychotropic cannabinoid ingredients. In Ethiopia, EXM is in its final stage of negotiation with the government for an agro-industrial park, of 4,000 hectares (9,880 acres) encompassing a free trade zone, for which EXM has already obtain land rights over 2,000 hectares (4,940 acres) in the Amhara region.

In addition, EXM is in the process of obtaining a license in Malawi, in partnership with a large local agro producer. Please see previous press releases for more information on EXM Malawi activities.

ON BEHALF OF THE BOARD OF DIRECTORS OF EXMCEUTICALS INC.

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