



## BCC FILES Q3 2017 FINANCIALS

TORONTO, ONTARIO, February 28, 2017 – (CSE: BCC, OTC:CBICF)

**The Canadian Bioceutical Corporation** (the “Company” or “BCC”) (CSE: BCC, OTC:CBICF) today filed its financial results for the three and nine month periods ending December 31, 2016. Detailed financial statements and the Company’s management discussion and analysis (MD&A) can be found on [www.sedar.com](http://www.sedar.com)

### Q3 and subsequent highlights

- During the quarter, the Company worked towards closing the acquisition of a group of Arizona businesses active in the cannabis space
- Subsequent to the quarter, on January 23<sup>rd</sup>, the Company completed the acquisition of the Arizona assets, which includes the support of two dispensaries and one wholesale brand. The operations combined hold approximately 5% of the growing Arizona medical cannabis market
- Management anticipates the Arizona assets to generate fiscal 2017 (year ending March 31, 2017) revenues of approximately US\$19.2 million and US\$6.7 million in EBITDA.
- Work has commenced to double production capacity in Arizona to approximately 3.2 million grams of cannabis per year
- Concurrent with the acquisition, the Company completed a private placement, led by Chrystal Capital, for gross proceeds of US\$27 million
- Proceeds from the funding were used to satisfy the US\$15 cash portion of the acquisition, while the US\$10 million balance of the US\$25 total consideration is in the form of promisory note
- The balance of the funds raised will be used towards funding expansion of production capacity in Arizona, corporate development and general working capital purposes
- Shares of the Company commenced trading on the CSE on January 27, 2017
- The Company appointed Beth Stavola, one of the leading cannabis entrepreneurs in the U.S. as President of its U.S. operations
- On February 6, the Company announced the signing of a letter of intent (LoI) pertaining the acquisition of additional cannabis assets in Arizona. The transaction is to include a Management Agreement with Healing Center Wellness Center LLC (THC), a licensee under the Arizona Medical Marijuana Act (AMMA), as well as 44.3 acres of land in Chino Valley, AZ, zoned and permitted for the cultivation of cannabis

“With the acquisition of the Arizona assets, BCC has created a solidly profitable platform for growth,” said Scott Boyes, CEO of BCC. “The period under review reflects our results prior to closing of the transaction, and is not representative of the business going forward. We are very comfortable reiterating our earlier provided guidance for the Arizona business of 12-months revenues and EBITDA to March 31, 2017 of approximately US\$19.2 million and US\$6.7 million, respectively. Additionally, we have commenced expanding our production capacity, which will serve our existing dispensaries, our expanding MPX

concentrates brand, as well as the new dispensary we intend to develop following the acquisition of our third Arizona license once closed. The new dispensary will operate under the Health for Life brand and is anticipated to be operational in the Greater Phoenix Area in approximately 5-6 months following closing.”

### **About The Canadian Bioceutical Corporation**

BCC, an Ontario corporation, through its wholly owned subsidiaries in the U.S., provides management, staffing, procurement, advisory, financial, real estate rental, logistics and administrative services to two medicinal cannabis enterprises in Arizona. While the Company does not directly own, possess or sell cannabis or cannabis-infused products, it does provide substantial support and exerts considerable influence over these two businesses, which are legally authorized to sell medical cannabis and derivative products.

Under the Health for Life (“H4L”) brand, the two licensed dispensaries operate in the Mesa area, which is part of the rapidly growing Phoenix Metropolitan Statistical Area (MSA) with a population of 4.6 million people. Additionally, the Company supports the Melting Point Extracts (“MPX”) brand. The award winning MPX products have facilitated rapid growth of the brand’s wholesale business, now supplying a growing number of Arizona dispensaries.

The Company also leases a property in Owen Sound, Ontario, for which an application to Health Canada has been made for a cannabis production and sales license. In addition, the Company will continue its efforts related to its legacy nutraceuticals business.

### **Cautionary Statement Regarding Forward-Looking Information**

*This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, the Transaction and BCC's objectives and intentions. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals; those additional risks set out in BCC's public documents filed on SEDAR at [www.sedar.com](http://www.sedar.com); and other matters discussed in this news release. Although BCC believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, BCC disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.*

*On behalf of the Board of Directors*

*The Canadian Bioceuticals Corporation*

*Scott Boyes, CEO*

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