



NEWS RELEASE

Vinergy Resources/MJ BioPharma to Acquire Majority Stake in Multinational Plant Breeder with CAD \$14,000,000 in Annual Sales

VANCOUVER, BC, February 02, 2017 / -Vinergy Resources Ltd. ("**Vinergy**" or the "Company")(CSE:VIN)(OTCQB:VNNYF) in conjunction with its proposed acquisition of MJ Biopharma (announced December 14, 2016) is pleased to announce that it has signed a Letter of Intent (LOI) to acquire up to 51% of a European multinational plant breeding company ("Target"). The Target has audited annual sales in excess of CAD \$14,000,000 and adjusted EBITDA of over CAD \$2,000,000.

This development is a major step forward in establishing Vinergy as a leader in the global cannabis industry. The Target is a leading developer of plants and plant genetics and has been providing global customers with various commercial agriculture services for over 25 years. In 2016 they shipped over 35,000,000 plant products to the global marketplace. As part of the acquisition, Vinergy now has access to an extensive catalogue of over 2000 hemp and cannabis strains with the ability to supply those strains to customers globally.

Together with Vinergy, the Target has the capacity to expand rapidly into the hemp, cannabis and cannabinoid (CBD) sectors across Europe. "CBD is revolutionizing the global chronic pain management market and we have determined we can utilize our first mover advantage to take a leading market position in multiple countries," said Mr. Kent Deuters, CEO of MJ Biopharma. "Given the current marketplace dynamics, existing customer base and technology we now have access to; we plan to immediately roll out several new hemp and CBD initiatives. Additionally, it's important for our investors to know that we are diversified and not totally dependent on the cannabis space but have multiple complimentary revenue verticals."

The global CBD market is experiencing significant growth: Europe's market potential for CBDs is estimated to be €2 billion as a treatment for chronic diseases, according to a new report by Nova-Institute and HempConsult (both of Germany). The reports reviewed the market for non-psychoactive CBD which is increasingly in demand as a food supplement and pharmaceutical. The Hemp Business Journal estimates the total U.S. CBD market will grow to a \$2.1 billion market in consumer sales by 2020 with \$450 million of those sales coming from hemp-based sources.

"Our goal has always been to control every step of the production process from genetics, right through to extraction, ensuring only the highest quality extracts are used in the formulation of our strips, time release capsules and other products currently under development for the medical and recreational



cannabis space,” added Mr. Deuters. The Company will aim to work with large growers and provide access for them to a comprehensive catalogue of cannabis strains.

Terms and conditions of the pending acquisition were not disclosed. The transaction, which is subject to customary closing conditions, is expected to close in tranches, with the first being in Q1-2017.

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The CSE does not accept responsibility for the adequacy or accuracy of this release.

Vinergy Resources Ltd.

Glen Macdonald, Director

Glen Macdonald
e: investors@vinergyresources.com

Cautionary Statement Regarding "Forward-Looking" Information

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