



## **QUADRON TO ACQUIRE INTEREST IN GENETIC PROPERTIES INC.**

**Vancouver, British Columbia, October 25, 2018** – Quadron Cannatech Corporation (the “Company” or “Quadron”) – (CSE: QCC), is pleased to announce that it has entered into a binding letter of intent dated October 24, 2018 with Genetic Properties Inc. (“GPI”) and its shareholders, pursuant to which Quadron will acquire up to a one-third equity interest in GPI (the “LOI”).

GPI, a private company based in Toronto, Ontario, is applying for a non-cultivation processing license with Health Canada under the *Cannabis Act* (the “License”). GPI currently owns a free-standing 25,000 square foot state of the art facility, previously used for pharmaceuticals manufacturing.

As part of the build out of the facility, GPI will acquire from Quadron, all equipment required for the deployment of an extraction and processing facility within the GPI building, capable of handling up to one hundred thousand kilograms of cannabis per year.

Once GPI is in receipt of the License, its activities will focus on the commercial production and supply of cannabis derived products such as gel caps, tinctures, oils, vapour oils, edibles, and other permitted consumables as they become legal. GPI intends to enter into a number of extraction and processing supply contracts on a strategic relationship basis.

Rosy Mondin, CEO of Quadron commented, “We have always believed that the concentrates market is the backbone and future of the cannabis industry. Health Canada’s most recent statistics show that cannabis oil sales are already overtaking dried flower in the medical cannabis market. We are excited to enter into this space with GPI; this strategic investment allows Quadron to gain a foothold in the Canadian market and showcase our technologically advanced and best-in-class equipment.”

GPI CEO Howard Goldman noted, “We are excited to enter into this partnership with Quadron, as a means of ensuring that our lab facilities for the processing of cannabis will be state of the art. Quadron continues to make significant strides in differentiating its extraction equipment and processing formulations from others in the market and we see tremendous value in partnering with them at our facility.”

The transaction will be completed through a definitive agreement which will contain the principal terms of the LOI in addition to industry standard terms and certain other terms to be agreed upon (the “Definitive Agreement”).

Under the Definitive Agreement, Quadron will acquire an aggregate of approximately 33.33% of GPI. Quadron will, on or before November 15, 2018, issue an aggregate of 6,250,000 common shares to the existing GPI shareholders, in exchange for approximately 20.8% of GPI’s outstanding Class A shares. In addition, Quadron will issue 3,750,000 common shares to GPI, in exchange for 750,000 preferred shares of GPI (the “Preferred Shares”). The Preferred Shares

will be non-voting and redeemable by GPI at a price of \$1.00 per share in certain circumstances and will pay a dividend. Quadron has also committed to advance GPI \$100,000 by way of a loan with interest at the rate of 7.5% per annum.

Upon GPI obtaining the License, Quadron has agreed to acquire an additional 12.5% of GPI's outstanding Class A shares from the GPI shareholders, by the issuance of additional common shares of Quadron, valued at valued at \$750,000, provided that the Quadron Share value shall be no less than \$0.20 per share. Quadron will also issue \$1,250,000 in common shares to GPI, in exchange for an additional 1,250,000 Preferred Shares. At such time, certain GPI shareholders will also transfer \$750,000 in Quadron common shares, to GPI, in exchange for 750,000 Preferred Shares.

Completion of the transaction is subject to the entering into of the Definitive Agreement and related transaction documents including a unanimous shareholders agreement which will govern the operations of GPI.

**About Quadron:** Quadron provides equipment, products and service solutions for the authorized cannabis industry by providing a full array of end-to-end extraction and processing solutions, including sales of end user delivery options (such as vapor pens) for medical and recreational consumers.

For more information, visit: [www.quadroncannatech.com](http://www.quadroncannatech.com)

On behalf of the Board of Directors of  
QUADRON CANNATECH CORPORATION

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Statements included in this announcement, including statements concerning our plans, intentions and expectations, which are not historical in nature are intended to be, and are hereby identified as "forward-looking statements". Forward-looking statements may be identified by words including "anticipates", "believes", "intends", "estimates", "expects" and similar expressions and includes statements about the Company's expectations of completing the Definitive Agreement, GPI's expectations of being issued the License, the Company's plans to supply and install extraction and processing equipment in GPI's building as well as its capacity, and GPI's intentions to enter into extraction and processing supply contracts with third parties. The Company cautions readers that forward-looking statements, including without limitation those relating to the Company's future operations and business prospects as well as the items noted above, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements, including economic events and circumstances beyond the control of the Company. Readers should not place undue reliance on any forward-looking statements, which are made as of the date of this press release and reflect the Company's best estimates as to the occurrence and effect of future events. The Company undertakes no obligation to update publicly any of these forward-looking statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable laws. If the Company does

update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements.