



December 13, 2016

CSE:SL

Supreme Pharmaceuticals Closes \$55 Million Offering

Toronto, ON – December 13, 2016 – Supreme Pharmaceuticals Inc. ("**Supreme**" or the "**Company**") (CSE: SL) is pleased to announce the closing of its \$50 million bought deal private placement (the "**Brokered Offering**") and concurrent \$5 million non-brokered private placement (together with the Brokered Offering, the "**Offering**") for aggregate gross proceeds of \$55 million.

Pursuant to the Offering, the Company issued a total of \$55 million of 10% unsecured convertible debentures ("**Debentures**") and 42,350,000 common share purchase warrants ("**Warrants**"). Please refer to the Company's new releases dated November 14, 16, and 17 for further details on the Offering terms.

The Company intends to use the net proceeds of the Offering to expand the operating footprint of the Company's Hybrid Greenhouse facility in Kincardine, Ontario and for general corporate and working capital purposes.

The syndicate for the Brokered Offering was led by Canaccord Genuity Corp. and included Dundee Securities Ltd., Beacon Securities Limited and Cormark Securities Inc.

All securities issued in the Offering are subject to a statutory four month hold period in accordance with Canadian securities law.

About Supreme

Supreme is a Canadian publicly traded company committed to becoming a leading supplier of affordable medical cannabis through its wholly-owned subsidiary 7 ACRES. 7ACRES is a federally licensed producer of medical cannabis pursuant to the *Access to Cannabis for Medical Purposes Regulations* operating a 342,000 sq. ft. Hybrid Greenhouse facility. The Hybrid Greenhouse combines the best technology of indoor production with the efficiencies and sustainability of a greenhouse, in a single large-format production footprint. Please visit www.supreme.ca and www.7acres.com for more information.

Forward Looking Statements

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in the Company's periodic filings with Canadian securities regulators. When used in this news release, words such as "will, could, plan, estimate, expect, intend, may, potential, believe, should," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements including the anticipated closing of the above-referenced offerings and anticipated use of proceeds and other statements of fact.

Although the Company has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on obtaining regulatory approvals; limited operating history; reliance on management; requirements for additional financing; competition; hindering market growth due to inconsistent public opinion and perception of the medical-use marijuana industry; and regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. The Company disclaims any intention or obligation to update or revise such information, except as required by applicable law, and the Company does not assume any liability for disclosure relating to any other company mentioned herein.

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The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.