



FOR IMMEDIATE RELEASE

News Release

February 4, 2019

Asterion Signs Heads of Agreement for the Acquisition and Preparation for Use of up to 90 Hectares of Land for its Queensland Production Facility

Vancouver, British Columbia: Asterion Cannabis Inc. (“Asterion” or the “Company”), announces that the Company, through its wholly-owned Australian subsidiary (“**Asterion (Australia)**”), has entered into a non-binding heads of agreement dated December 21, 2018, regarding the sale and purchase and preparation for use of up to approximately 90 hectares (222 acres) of farmland (the “**Property**”) in South East Queensland, Australia (the “**Heads of Agreement**”).

The Property is located near the regional hub of Toowoomba, in close proximity to the Toowoomba Wellcamp Airport, which provides access to Queensland’s only dedicated 747-F international freighter service. Wellcamp Airport is Department of Agriculture, Export Registered Premises licenced to provide perishable handling, packing and loading capabilities under the Meat, Dairy, Fish Eggs and Horticulture export programmes and has Department of Agriculture Quarantine Approved Premises permits for import cargoes. Trade routes currently connect internationally to Hong Kong with further route expansion planned into China and the Middle East.

The Heads of Agreement was entered into between Asterion (Australia) and Wagners Properties Pty Ltd (the “**Vendor**”) with respect to the sale and purchase of the Property (the “**Acquisition**”) and the preparation for use of the Property (the “**Site Preparation**”), respectively.

Asterion aims to acquire all or part of the Property to further its vision of becoming an industry leader in the production of medicinal cannabis products. Upon the completion of the Acquisition and the Site Preparation, the Company plans to use the Property to construct and house 4.3 million square feet (approximately 40 hectares (99 acres)) of cutting-edge, secure, purpose-built greenhouses for the production of high-quality organic medicinal cannabis, including a research and development facility, manufacturing facility, and administration and offices component (the “**Production Facility**”).

Terms of the Heads of Agreement

The Acquisition

The Acquisition is structured as an initial purchase by Asterion of approximately 75 hectares (185 acres) of land (the “**Primary Parcel**”), together with an option for Asterion to purchase up to an additional 15 hectares (37 acres) of land.

Subject to the completion of satisfactory due diligence by Asterion and the receipt of any required approvals, Asterion will enter into a definitive agreement (the “**Land Contract**”) to acquire an unencumbered freehold interest in the Primary Parcel for an amount in excess of \$10 million. In addition, the Vendor will provide, at its own expense, services infrastructure,

including water supply, power supply, road access and necessary data connections, to the outer boundaries of the Property in the locations specified by Asterion.

The Site Preparation

Prior to the closing of the Acquisition, Asterion's Engineering, Procurement and Construction (EPC) contractor will identify the work required to prepare the site for Asterion's proposed greenhouse facilities. A separate definitive contract for the Site Preparation (the "**Works Contract**") will be entered into concurrently with the Land Contract, or at such other time as agreed upon by the parties.

The Production Facility

The Production Facility will be developed in three stages: the first two stages each consisting of a 10 hectare (25 acre) greenhouse facility, and the final stage comprising two 10 hectare greenhouse facilities, with each stage to include ancillary buildings.

The Production Facility will be automated and powered by renewable energy and is expected to have annual cannabis production capacity in excess of 500,000 kg. The facility will include full extraction and processing equipment, as well as a research and development facility for the development of next generation cannabis products.

The Company intends that the Production Facility will materially advance the agricultural science of medical cannabis and, to that end, the facility is intended to utilize state-of-the-art plant tissue culture (PTC) technology that will eliminate the need for mother plants, provide a greater cultivation footprint, increase efficiency, lower costs and yield disease-free plantlets.

About Asterion

Asterion is a Canadian cannabis company with operations in Australia, specializing in organic medical cannabis with a goal of becoming an industry leader in next generation cannabis products. The Company is focused on the future of precision agriculture and aims to produce the highest quality genetically uniform cannabis strains, at an affordable price.

The Company is led by a team of highly experienced executives with over 120 years of combined experience in medical cannabis, renewable energy, capital markets, and other highly relevant sectors across North America, Oceania, Europe, Africa and Asia.

On Behalf of the Board of Directors

"Stephen Van Deventer"
Chief Executive Officer

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Forward-Looking Statements:

This news release contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and U.S. securities legislation, including the United States *Private Securities Litigation Reform Act of 1995*. All statements in this news release that are not purely historical are forward-looking statements and include statements regarding beliefs, plans, expectations and orientations regarding the future including, without limitation, the entering into of the Land Contract and the Works Contract, the completion of the Acquisition and the Site Preparation, the construction, functionality and production capacity of the Production Facility, and the Company’s anticipated business plans and prospect of success in executing its plans. Often, but not always, forward-looking statements can be identified by words such as “plans”, “expects”, “may”, “intends”, “anticipates”, “believes”, “proposes” or variations of such words including negative variations thereof and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. Actual results could differ from those projected in any forward-looking statements due to numerous factors including, but not limited to, the inability of the Company to, among other things, successfully negotiate and enter into the Land Contract and/or the Works Contract and to complete the Acquisition and the Site Preparation contemplated thereby, obtain the required regulatory approvals and financing required for the construction and operation of the Production Facility, execute its proposed business plans and obtain the financing required to complete the Acquisition and the Site Preparation, and carry out its planned future activities. Other factors such as general economic, market or business conditions or changes in laws, regulations and policies affecting the biotechnology or medical cannabis industry and delays in obtaining governmental and regulatory approvals, may also adversely affect the future results or performance of the Company. These forward-looking statements are made as of the date of this news release and, unless required by applicable law, the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in these forward-looking statements. Although the Company believes that the statements, beliefs, plans, expectations, and intentions contained in this news release are reasonable, there can be no assurance that those statements, beliefs, plans, expectations, or intentions will prove to be accurate. Readers should consider all of the information set forth herein and should also refer to other periodic reports provided by the Company from time-to-time.

Readers are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly, are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements.