



FOR IMMEDIATE RELEASE

News Release

April 24, 2019

## **Asterion Signs Land Purchase Agreement for 75 Hectares of Land for its Queensland Medicinal Cannabis Facility**

**Vancouver, British Columbia: Asterion Cannabis Inc.** (“Asterion” or the “Company”), announces that, further to its news release dated February 4, 2019, the Company’s wholly-owned Australian subsidiary (“Asterion Australia”) has entered into a land purchase agreement dated April 16, 2019 (the “**Land Purchase Agreement**”) with Wagners Properties Pty Ltd (“Wagners” or the “Vendor”) for the purchase (the “**Property Purchase**”) of approximately 75 hectares (185 acres) of farmland located in South East Queensland, Australia (the “**Property**”). The Company plans to use the Property to construct and house approximately 40 hectares (99 acres) of cutting-edge, secure, purpose-built greenhouses for the production of high-quality organic medicinal cannabis (the “**Production Facility**”).

### ***Land Purchase, Infrastructure and Site Preparation***

Under the terms of the Land Purchase Agreement, Asterion Australia is required to pay a series of non-refundable deposits to the Vendor upon the occurrence of certain Property development milestones. The closing the Property Purchase and the payment of the final purchase price instalment is expected to occur on or about October 14, 2021 or such earlier date as may be mutually agreed upon by the parties. The Property is located near the regional hub of Toowoomba, Queensland in close proximity to the Toowoomba Wellcamp Airport, which provides access to Queensland’s only dedicated 747-F international freighter service.

Pursuant to a separate infrastructure services agreement (the “**Infrastructure Services Agreement**”) to be entered into between the parties, the Vendor has agreed to construct certain services infrastructure to the external boundary of the Property in locations approved by Asterion (Australia), including water supply, data connections and a new access road and bridge over Westbrook Creek, which runs between the Wellcamp Airport and the Property (collectively, the “**Services Infrastructure**”) at a cost in excess of AUD \$5 million. The Vendor has also agreed to incur the cost of a substation to supply power to Asterion’s facility at a cost that will be in excess of AUD \$6 million.

Stephen Van Deventer further stated, “We would like to thank Wagners for their hard work and assistance in helping us select the appropriate piece of land from their portfolio for this significant and innovative project which has recently received Major Project Status from the Australian Government.”

John Wagner, director of Wagners, stated, “We are delighted to be a party to the development of this project, it fits our long term strategy as Australia’s premier logistics hub, especially for

high value exports, and compliments the area surrounding the airport as a major centre for innovation and education.”

Prior to the closing of the Land Purchase Agreement, Asterion’s engineering, procurement and construction (EPC) contractor will identify the Site Preparation work required to prepare the site for the Production Facility. The Site Preparation will be contemplated under a separate definitive agreement (the “**Works Contract**”).

### ***Production Facility***

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

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

Asterion intends for the Production Facility to materially advance the agricultural science of medical cannabis and, to that end, the Production Facility is expected to utilize state-of-the-art plant tissue culture (PTC) technology with the aim of eliminating the need for mother plants, providing a greater cultivation footprint, increasing efficiency, lowering costs and yielding disease-free plantlets.

### ***About Asterion***

Asterion is a Canadian cannabis company with operations in Australia, specializing in medical cannabis and is focused on 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”*

Chairman & 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 closing of the Property Purchase, the entering into of the Service Infrastructure Agreement and the Works Contract, the construction and functionality of the Services Infrastructure and capital costs in connection therewith, the construction, development functionality, productivity, production capacity and features of the Production Facility and the efficacy, consistency and quality of the cannabis products produced at 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 "will", "plans", "expects", "may", "intends", "anticipates", "believes", "proposes", "estimates" 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. Forward looking statements are based on certain assumptions regarding the Company, including expected growth, results of operations, including the development of the Production Facility, performance, industry trends, growth opportunities, that the Company will be able to complete the Property Purchase and negotiate the Infrastructure Services Agreement and the Works Contract and that the Company will be able to obtain the financing required to carry out its planned future activities, retain and attract qualified personnel and obtain and/or maintain the necessary rights or permits they need to carry out its future business activities.

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, close the Property Purchase and enter into the Infrastructure Services Agreement and the Works Contract, complete the Services Infrastructure, the Site Preparation and construct the Production Facility, including as a result of the Company's inability to obtain the required regulatory approvals and financing required for same, execute its proposed business plans, and obtain the financing required to carry out planned future activities. Other factors such as general economic, market or business conditions, future prices of cannabis, changes in the financial markets and in the demand and market price for cannabis, or changes in laws, regulations and policies affecting the biotechnology or medical cannabis industry, and delays in obtaining governmental and regulatory approvals, including for the Site Preparation, the Services Infrastructure and Production Facility, 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.