



## **CBD MED RESEARCH CORP**

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December 30, 2016

### **CBD MED RESEARCH CORP. ("CBM" or the "Company")**

**TSX.V NEX Symbol: CBM.H**

### **CBD Med Research Corp. Update/Change of Business, Medipacs Inc.- Contractual Impasse and Resumption of Trading Request**

December 30, 2016 - The Company reports the following update and status regarding the proposed Change of Business transaction with Medipacs Inc., a San Diego based private company focused on infusion technology configured in a small hand held device to deliver medications and biologic drugs to both humans and the animal health care markets.

CBD Med entered into binding agreements with Medipacs Inc. in November 2015.

Two contractual agreements were implemented, (i) Investment Agreement and (ii) Exclusive Distribution Agreement.

(Note - The distribution agreement also included rights to CBD to develop business for the human technology in Middle Eastern countries where a large portion of the population has high rates of diabetes and a need for effective and inexpensive insulin delivery)

CBD Med contractual obligations were as follows, (1) Investment Agreement - CBD Med to invest up to a minimum of \$110,000.00 USD into senior convertible promissory convertible notes (of preferred shares) of Medipacs between November 10, 2015 through August 1, 2017, as amended. The promissory note equity conversion was staged to accommodate Medipacs structured financing at two price points at 0.40 cents USD and 0.50 cents in tranches'.

Both of the investment rounds included a 6% per annum rate of interest as well as a 15% warrant to acquire additional Medipacs Inc. preferred shares.

CBD Med has advanced \$85,000.00 USD dollars to the investment within Medipacs at this time (\$113,802.00 Canadian Dollars) with a balance due of \$25,000.00 USD on August 1, 2017.

(2) Exclusive Distribution Agreement - Between Medipacs and CBD Med

The agreement summary called for CBD Med to organize, manage and finance two detailed programs for testing and development programs by Canadian institutions of the wearable infusion medication pumps - known as - PRN infusion device for humans and the CRI Mini-infuser device for veterinary use.

CBD Med was committed to expend \$50,000.00 CDN on each program.

(3) CBD Med was subject to stock exchange approval to issue 2,761,333 common shares from treasury to Medipacs on formal closing of the transaction.

(4) A Finders Fee of 200,000 CBD common shares payout to a third party.

None of these shares have been issued at this time to Medipacs or to the Finder

(1) Animal Health Care program - CBD Med engaged a Canadian institution to carry out testing on up to 40 canine patients at a 24/7 University animal surgical hospital.

CBD advanced \$26,000.00 CDN as phase one towards the program. At this time, it is reported that 12 canines were treated successfully with the Mini-Infusion device.

(2) Human PRN Program - CBD MED

CBD MED engaged with a top tier, non-profit Medical Device organization in Canada to develop a program with leading KOL (Key Opinion Leaders) within the Canadian medical community to introduce and explore uses and other applications for the human PRN infusion device.

CBD Med advanced \$14,000.00 CDN thus far for phase one of the program.

Both Institutional testing and KOL Programs have been suspended at this time.

#### NEW MANAGEMENT AND NON-CONTRACTUAL DEMANDS

Recently Medipacs notified the company that new management has been injected into the company.

Immediately following that, unexpected demands were recently made to CBD Med from the Medipacs existing and new management, demanding the following contractual changes to our business contracts as follows-

(1) That CBD MED increase its investment to an additional \$250,000.00 USD.

(2) That Medipacs wants the exclusive rights for sealed PRN units to be returned from CBD to Medipacs.

These requests were made on a unilateral basis by Medipacs and are not agreeable to CBD Med or in CBD Med shareholders interest.

CBD Med is prepared to defend its contractual rights with Medipacs Inc. as CBD is current and ahead of schedule with all of its contractual obligations to Medipacs Inc.

At this time CBD is not certain of the outcome or of the time frame to settle if at all with Medipacs Inc.

CBD provided notice on December 23, 2016 to Medipacs of the public disclosure requirement of CBD to publicly report and publish the status of the pending transaction and impasse.

The company has also made attempts to communicate and offer proposals to move forward with Medipacs that includes compensation to CBD.

Medipacs only response at this time is that, internal management issues within Medipacs are in flux and unresolved at this time.

At this point the company will look to the Medipacs transaction as unresolved and its investment in Medipacs remain on the CBD balance sheet.

No assurance or certainty of a settlement or outcome can be predicted at this time regarding the Medipacs transaction. Legal remedies are being reviewed.

Due to the recent uncertainty and impasse between the company and Medipacs Inc., CBD Med is requesting permission from the TSX to be reinstated back to trade on the NEX.

The company will now proceed to seek other business opportunities to present to shareholders in due course.

On behalf of the Board of Directors,

**CBD Med Research Corp.**

*"Gary F. Zak"*

President, CEO

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