



CBD MED RESEARCH CORP

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CBD MED RESEARCH ANNOUNCES LETTER OF INTENT FOR REVERSE TAKEOVER TRANSACTION WITH WORLD CLASS-EXTRACTIONS

August 15, 2018 - Vancouver, British Columbia – CBD Med Research Corp. (NEX: CBM.H) (the “**Company**” or “**CBD**”) is pleased to announce that it has entered into a non-binding letter of intent (the “**LOI**”) dated August 8, 2018, with World Class Extractions Inc. (“**World Class Extractions**” or “**WCE**”) whereby the parties will complete a business combination by way of a transaction that will constitute a reverse takeover of the Company by World Class Extractions (the “**Transaction**”). Pursuant to the Transaction, the Company will apply to list on the Canadian Securities Exchange (the “**CSE**”).

The resulting issuer that will exist upon completion of the Transaction (the “**Resulting Issuer**”) intends to apply for listing of its common shares on the CSE. The final structure of the Transaction will be determined by the parties following receipt of tax, corporate and securities law advice and is subject to the approval of the CSE. The Transaction is an arm’s length transaction. Upon the closing of the Transaction (the “**Closing**”) and after giving effect to the maximum Private Placement (each defined below), it is expected that former shareholders of World Class Extractions will hold 85.83% of the common shares of the Resulting Issuer (the “**Resulting Issuer Shares**”), the current shareholders of the Company will hold 8.58% of the Resulting Issuer Shares (on a non-diluted basis) and the subscribers of the Private Placement will hold 5.59% of the Resulting Issuer Shares (on a non-diluted basis).

Description of World Class Extractions and its Business

World Class Extractions is a Canadian based, Ontario incorporated, developer of an innovative extraction process for both the hemp and cannabis industry. World Class Extractions intends to provide single step continuous flow extraction services to the hemp and cannabis industry. Using patent pending technology, WCE’s results produce higher yields and better quality crude hemp oil at faster rates. The technology allows the extraction of CBD Oil and other related extracts from wet or dried natural plants. WCE can save its clients floor space, utility drying costs, equipment and processing labour costs.

Share Split and Exchange of Securities

Pursuant to the terms of the LOI, the Company will effect a share split (the “**Share Split**”) of its issued and outstanding common shares (the “**CBD Shares**”) prior to Closing on a 1:2 basis resulting in approximately 15,343,050 CBD Shares outstanding on a post-Share Split basis. The 2,000,000 issued and stock warrant of the Company (“**CBD Warrant**”) will be split into 4,000,000 CBD Warrants. Each CBD Warrant will be exercisable for one CBD Share at an exercise price of \$0.125 per share on a post-Share Split basis.

In accordance with the terms of the Transaction, the Company shall acquire all of the issued and outstanding common shares in the capital of **World Class Extractions** (the “**WCE Shares**”) in exchange for CBD Shares on a one-for-one basis. The deemed exchange price for the CBD Shares will be \$0.15 per CBD Share, or such other price as permitted by governing regulatory bodies.

CBD Shareholder Meeting

Prior to the Closing, the Company will call a meeting of its shareholders for the purpose of approving, among other matters (collectively, the “**CBD Meeting Matters**”):

- a change of name of the Company to “World Class Extractions Inc.” or such other name as is directed by WCE and acceptable to applicable regulatory authorities effective upon Closing;
- the Share Split;
- the de-listing of the CBD Shares to the extent required by the TSX Venture Exchange;
- the approval of a new stock option plan to be effective upon Closing;
- the election of a slate of directors appointed by WCE, which elections will be effective upon Closing;
- the appointment of a new auditor; and
- if required by governing regulatory bodies, the approval of the Transaction.

The Transaction is an arm’s length transaction. The Company will, however, prepare and file with the CSE a CSE Form 2A listing statement or other principal disclosure document (the “**Listing Statement**”) providing comprehensive disclosure on World Class Extractions and the Transaction in connection with the CSE listing.

Trading Halt

Trading in the CBD Shares was halted on August 7, 2018 and is expected to remain halted until following Closing.

Management of the Resulting Issuer

If the Transaction is completed, it is anticipated that the board of directors of the Resulting Issuer shall be reconstituted to consist of such directors as CBD and WCE shall determine, and certain officers of CBD shall resign and be replaced with officers appointed by the new board of directors.

WCE Private Placement

World Class Extractions intends to complete a non-brokered private placement (the “**Private Placement**”) prior to Closing of WCE Shares for aggregate gross proceeds of between \$1,000,000 and \$3,000,000, at a price of \$0.15 per WCE Share.

Closing Conditions

The completion of the Transaction is subject to a number of conditions, including but not limited to the following:

- the execution of a definitive agreement;
- completion of mutually satisfactory due diligence;
- completion of the Share Consolidation;
- the de-listing of the CBD Shares; and
- receipt of all required regulatory, corporate and third party approvals, the approval of the shareholders of CBD and WCE, and the fulfillment of all applicable regulatory requirements and conditions necessary to complete the Transaction.

Sponsorship

The Company will be seeking an exemption or waiver from any sponsorship requirement. There is no assurance that such an exemption will be granted.

Further information

Upon entering into the definitive agreements in respect of the Transaction, CBD intends to issue a further news release which will disclose, among other things, details of insiders and proposed directors and officers of the Resulting Issuer, and a summary of financial information pertaining to WCE.

ON BEHALF OF THE BOARD

“Gary F Zak”

Gary F. Zak, Chief Executive Officer

For further information, please contact: Gary Zak gzak1@shaw.ca or 604-802-7551

Cautionary Notes Regarding Forward-looking Statements

This news release contains “forward-looking information” within the meaning of applicable securities laws relating to the proposal to complete the Transaction and associated transactions. Any such forward-looking statements may be identified by words such as “expects”, “anticipates”, “believes”, “projects”, “plans” and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements. Statements about, among other things, the closing of the Transaction, expected terms of the Transaction, the number of securities of CBD that may be issued in connection with the Transaction, the ownership ratio of the Resulting Issuer post-closing, shareholder approval, WCE’s strategic plans and the parties’ ability to satisfy closing conditions and receive necessary approvals are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management’s reasonable assumptions, there can be no assurance that the Transaction will occur or that, if the Transaction does occur, it will be completed on the terms described above. CBD and WCE assume no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance, if required, and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.”;