



CBD MED RESEARCH CORP

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CBD Med Research and World Class Extractions Announce Signing of Definitive Agreement

Toronto, ON – February 13, 2019 – CBD Med Research Corp. (“**CBD**”) and World Class Extractions Inc. (“**World Class**”) are pleased to announce, further to the parties’ press release dated August 15, 2018, the execution of a definitive business combination agreement (the “**Combination Agreement**”) on February 13, 2019 which, subject to certain conditions and applicable shareholder and regulatory approvals, will result in a reverse takeover of CBD by World Class (the “**Proposed Transaction**”). The resulting issuer that will exist upon completion of the Proposed Transaction (the “**Resulting Issuer**”) intends to apply to the Canadian Securities Exchange (“**CSE**”) for approval for listing its common shares on the CSE.

About World Class

World Class is a Canadian based, Ontario incorporated, developer of an innovative extraction process for both the hemp and cannabis industry. World Class intends to provide single step continuous flow extraction services to the hemp and cannabis industry. Using patent pending technology, World Class’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. World Class can save its clients floor space, utility drying costs, equipment and processing labour costs.

The Combination Agreement

Under the terms of the Combination Agreement, the Proposed Transaction will be completed by way of a “three-cornered amalgamation” under the provisions of the *Business Corporations Act* (Ontario) (“**OBCA**”), whereby CBD Acquisition Corp., a wholly-owned subsidiary of CBD, will amalgamate with World Class and continue as one amalgamated corporation (“**Amalco**”) as a wholly-owned subsidiary of CBD. In connection with the Proposed Transaction, CBD will reconstitute its board of directors and change its name to “World Class Extractions Inc.” or such other similar name as may be accepted by the relevant regulatory authorities (the “**Name Change**”) and the Resulting Issuer will carry on the business of World Class under the new name.

The Combination Agreement includes a number of conditions, including but not limited to, requisite shareholder approvals (including the approval of the shareholders of World Class and CBD, as applicable), the split of the issued and outstanding common shares in the capital of CBD (“**CBD Shares**”) on the basis of three (3) post-split CBD Shares for each one (1) pre-split CBD Share (the “**CBD Share Split**”), the split of the issued and outstanding common shares in the capital of World Class (“**WCE Shares**”) on the basis of one and one-half (1.5) post-split WCE Shares for each one (1) pre-split WCE Share (the “**WCE Share Split**”), the issuance of post-split CBD Shares to holders of post-split WCE Shares on a 1:1 basis, approvals of all regulatory bodies having jurisdiction in connection with the Proposed Transaction, and other closing conditions customary to transactions of the nature of the Proposed Transaction. A special meeting of shareholders of World Class was held on February 11, 2019, at which the shareholders of World Class considered and approved the Proposed Transaction and the WCE Share Split.

CBD is a reporting issuer under the securities laws of the Provinces of British Columbia and Alberta. CBD voluntarily halted trading of the CBD Shares on the TSX Venture Exchange (“**TSXV**”) on August 7, 2018, pending the completion of the Proposed Transaction. Consequently, the CBD Shares are currently not posted for trading on any marketplace. CBD intends to apply to list the CBD Shares on

the CSE under the symbol “PUMP”, and in the event CBD obtains approval from the CSE, the CBD Shares will be delisted from trading on the TSXV immediately prior to the CBD Shares being listed on the CSE, which is expected to occur following the closing of the Proposed Transaction.

Investors are cautioned that, except as disclosed in the listing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Pursuant to the terms of the Combination Agreement, and in connection with the Proposed Transaction:

- (a) holders of post-split WCE Shares will receive one (1) fully paid and non-assessable post-split CBD Share for each one (1) post-split WCE Share held; and
- (b) all outstanding warrants, broker warrants and options to purchase WCE Shares will be exchanged on an equivalent basis for options and warrants to purchase CBD Shares.

World Class is currently undertaking a non-brokered private placement of subscription receipts (“**Subscription Receipts**”), at a price of \$0.13 per Subscription Receipt (the “**WCE Financing**”). As of the date hereof, World Class has closed on subscriptions for an aggregate of approximately 175,574,320 Subscription Receipts, for gross proceeds of approximately \$22,824,661.55, and may close on further subscriptions prior to completion of the Proposed Transaction. Each Subscription Receipt issued in the WCE Financing will automatically convert into one post-split WCE Share on satisfaction of the conditions set forth in the agreement governing the Subscription Receipts, and will subsequently be exchanged for one (1) post-split CBD Share. Upon the completion of the Proposed Transaction, and without taking into account any Subscription Receipts that may be issued pursuant to the WCE Financing following the date hereof, it is expected that the following groups will hold the following portions of the issued and outstanding CBD Shares: (i) the former holders of WCE Shares will hold 53.0%; (ii) the former holders of Subscription Receipts will hold 40.4%; and (iii) the former holders of CBD Shares will hold 6.7%.

Management of the Resulting Issuer

Subject to applicable shareholder and CSE approval, upon completion of the Proposed Transaction, the board of directors and management of the Resulting Issuer will be comprised of the following individuals:

Michael McCombie, Age 38, Chief Executive Officer

Mr. McCombie has spent over 15 years in the entertainment industry, where he worked with award-winning rap musicians across North America. Mr. McCombie is an experienced entrepreneur with expertise in marketing and early stage companies. Michael has knowledge of the cannabis industry along with direct connections to entertainers with strong brand recognition.

Donal Carroll, Age 43, Chief Financial Officer and Director

Mr. Carroll has over 15 years of corporate finance leadership and public company experience, as well as in-depth experience in syndicated investments in equity and debt securities. Throughout his career with Danaher Corporation (NYSE: DHR), Unilever PLC (NYSE: UL), and Cardinal Meat Specialists Ltd., Mr. Carroll was instrumental in major restructuring activities, mergers and acquisitions, and the implementation of new internal controls and enterprise resource planning systems. Mr. Carroll is currently the Chief Financial Officer of FSD Pharma Inc. (CSE: HUGE). He also serves as Director of

Bird River Resources Inc. (CSE: BDR), a natural resources company focused on the energy sector. Mr. Carroll holds a CPA-CMA designation as well as a Bachelor of Commerce degree from University College, Dublin.

Jon Bridgman, Age 76, Director

Mr. Bridgman brings over 50 years of investment and financial experience with three major Canadian brokerage firms and a major U.S. insurance company. He also has an entrepreneurial background, having cofounded seven businesses. From 1988 to 1992, Mr. Bridgman owned J. Bridgman Consulting, a corporate finance consulting firm, and from 1991 to 1992, served as Director of US Marketing with Eco Corporation. Mr. Bridgman also served as Executive Vice President of Rampart Mercantile, Inc. from 1993 to 1994. From 1994 until he became associated with American Entertainment Group Inc., he served as President and Chief Executive Officer of United Mercantile, Inc., a private consulting firm. He also served as Vice President of Corporate Affairs of American Entertainment Group Inc. (American Entertainment Gr) since September 1995. Mr. Bridgman has experience in mergers and acquisitions and has held senior positions at companies such as United Mercantile, Inc., Midland Walwyn Inc., and Aetna Inc. Mr. Bridgman presently serves as Director of Eclipse Capital, Inc., and has been Director of Rampart Mercantile, Inc. since May 18, 2000 and Green Environmental Technologies Inc., since November 2008. Mr. Bridgman attended Concordia University of Montreal, Quebec and the University of Manitoba. He is President of United Mercantile, Inc. and holds the FCSI designation. He is also a member of the Rotary International (District 7090).

Gary F. Zak, Age 63, Director

Mr. Zak attended Camsoun College and is a business consultant with 35 years of public company management experience.

Sethu Raman, Age 79, Director

Dr. Raman holds a Ph.d Geology from Carleton University and has 45 years of international experience in all phases of exploration and mine development.

Binyomin Posen, Age 27, Director

Mr. Posen is a Senior Analyst at Plaza Capital, where he focuses on corporate finance, capital markets and helping companies go public. After three and a half years of studies overseas, he returned to complete his baccalaureate degree in Toronto. Upon graduating (on the Dean's List) he began his career as an analyst at a Toronto boutique investment bank where his role consisted of raising funds for IPOs and RTOs, business development for portfolio companies and client relations.

Additional Information

All information contained in this press release with respect to World Class and CBD was supplied by the parties respectively, for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

The CBD Shares have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For additional information on World Class Extractions Inc.:

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Forward-Looking Statements

This news release contains “forward-looking information” within the meaning of applicable securities laws including statements regarding the terms and conditions of the Proposed Transaction, the listing of the Resulting Issuer shares on the CSE, as well as information relating to CBD. The information about CBD contained in the press release has not been independently verified by World Class. Although World Class believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because World Class can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risk that a closing condition to the Proposed Transaction is not satisfied or is not satisfied on a timely basis including, without limitation, the failure to obtain the requisite shareholder approvals, World Class being unable to complete the WCE Share Split, CBD being unable to complete the CBD Share Split, the failure to obtain CSE listing approval or the failure to obtain all requisite regulatory approvals. The statements in this press release are made as of the date of this release. World Class undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of World Class, CBD, their securities, or their respective financial or operating results (as applicable).