



THC BIOMED INTL LTD.
P.O. Box 20033 Towne Centre
Kelowna, B.C. V1Y 9H2
www.thcbiomed.com

THC BioMed Releases Second Quarter Profitable Results

Vancouver, Canada, April 8, 2020 -- THC BioMed Intl Ltd. (**CSE:THC**) (“THC BioMed” or the “Company”) is pleased to report its financial results for the six months ended January 31, 2020.

CSE.THCH

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SUMMARY OF QUARTERLY RESULTS

| Quarter Ended | | Revenue | Net Income (Loss) | Income (Loss) Per Share |
|---------------|------------------|--------------|----------------------|----------------------------|
| Q2/2020 | January 31, 2020 | \$ 1,246,625 | \$ 88,191 | \$ - |
| Q1/2020 | October 31, 2019 | \$ 1,044,510 | \$ 688,925 | \$ 0.01 |
| Q4/2019 | July 31, 2019 | \$ 382,096 | \$ (4,177,572) | \$ (0.04) |
| Q3/2019 | April 30, 2019 | \$ 354,326 | \$ (4,905,797) | \$ (0.03) |
| Q2/2019 | January 31, 2019 | \$ 474,041 | \$ (4,722,819) | \$ (0.04) |
| Q1/2019 | October 31, 2018 | \$ 279,140 | \$ 1,106,841 | \$ 0.01 |
| Q4/2018 | July 31, 2018 | \$ 163,883 | \$ (3,208,291) | \$ (0.02) |
| Q3/2018 | April 30, 2018 | \$ 179,771 | \$ (89,245) | \$ - |

For the quarter ended January 31, 2020, we produced 470.50 kilograms of dried marijuana and sold 265.07 kilograms at an average price of \$4.70 per gram.

KEY HIGHLIGHTS

- Achieved revenues of over \$1,000,000⁽¹⁾ in each of the first two quarters of the fiscal year with an average selling price of \$4.20 per gram to medical patients and recreational buyers such as the Ontario Cannabis Store and BCcannabisonline; much less than the average price reported for other Licensed Producers overall
- Revenue for the quarter increased 163% compared to the same quarter last year
- Achieved a gross profit before fair value adjustments of \$759,959
- Achieved Adjusted EBITDA of \$131,549
- Had our license amended to include the production and sale of cannabis edibles, topicals, and extracts
- Acquired an additional strata lot at the production facility to continue to increase grow capacity
- Issued two convertible debentures for a total of \$904,536
- Announced a normal course issuer bid to purchase up to an aggregate of 7,977,152 common shares of the Company representing 5% of the issued and outstanding common shares as at that date of which 1,080,000 shares have been purchased to date
- Announced the completion of a non-brokered private placement for total proceeds of \$201,348 plus the repayment of bona fide debt of \$800,000

- Announced an offer to existing shareholders to complete a non-brokered private placement for a further 3,333,333 Units at a price of \$0.15 per Unit for gross proceeds up to \$500,000. Each Warrant entitles the holder to purchase one Common Share of the Company for a period of 24 months from closing at a price of \$0.18 per share for the first six months, at \$0.25 during the following six months, at \$0.50 for the six months following that, and at \$0.80 during the final fifteen months

(1) Includes excise taxes

KEY HIGHLIGHTS SUBSEQUENT TO THE SIX MONTHS ENDED JANUARY 31, 2020

- Production began of our *Pure Cannabis Sticks*—pre-rolls that are filtered, paper cylinders filled with our own pure cannabis to be manufactured using our automated production machine
- Production began of our *THC Kiss*—a brand new cannabis beverage product
- A new three-year lease began for a property adjacent to our production facility intended for administration, storage, and other activities not related to cannabis production in order to free up space at the production facility by constructing four new grow rooms with the space once it is renovated and approval received from Health Canada

MANAGEMENT COMMENTARY

“We are proud to have achieved our second consecutive profitable quarter. We have surpassed the \$1,000,000 revenue mark for each of the first two quarters of this fiscal year. Our financial statements for Q2 2020 reflect the improvements we have realized in all key indicators of economic progress. Over the last year, we have completed and started using new grow rooms to increase our output. Our focus on high quality, indoor-grown cannabis at reasonable prices has made our cannabis a best seller,” said THC BioMed President & CEO, John Miller. “These results demonstrate the vision and abilities of our management team and we expect to continue this high level of performance going forward.”

All financial information in this press release is reported in Canadian dollars, unless otherwise indicated. This press release is intended to be read in conjunction with the Company’s Condensed Interim Consolidated Financial Statements and Management’s Discussion & Analysis for the six months ended January 31, 2020, which has been filed on SEDAR (www.sedar.com).

Statement of Comprehensive Income (Loss) Summary

| | For the three months ended | | For the six months ended | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | (Unaudited) January 31 2020 | (Unaudited) January 31 2019 | (Unaudited) January 31 2020 | (Unaudited) January 31 2019 |
| Revenue | \$ 1,246,625 | \$ 474,041 | \$ 2,291,135 | \$ 753,181 |
| Inventory expensed to cost of sales | (791,146) | (302,103) | (1,540,176) | (604,606) |
| Gross profit before fair value adjustments | 455,479 | 171,938 | 750,959 | 148,575 |
| Net change in fair value of biological assets | 504,683 | 230,933 | 1,869,087 | 2,742,246 |
| Gross margin | 960,162 | 402,871 | 2,620,046 | 2,890,821 |
| Total expenses | 871,971 | 5,125,690 | 1,842,930 | 6,506,799 |
| Net and comprehensive income (loss) for the period | \$ 88,191 | \$ (4,722,819) | \$ 777,116 | \$ (3,615,978) |

Balance Sheet Summary

| As at | (Unaudited) January 31 2020 | (Audited) July 31 2019 |
|---------------------|-----------------------------------|------------------------------|
| Current assets | \$ 7,337,222 | \$ 5,217,996 |
| Total assets | \$ 21,091,527 | \$ 18,058,337 |
| Current liabilities | \$ 3,602,192 | \$ 3,290,724 |
| Total liabilities | \$ 5,281,394 | \$ 4,603,731 |
| Working capital | \$ 3,735,030 | \$ 1,927,272 |
| Accumulated deficit | \$ 27,290,483 | \$ 28,400,635 |

Cash Flow Statement Summary

| | For the three months ended (Unaudited) January 31 2020 | | For the six months ended (Unaudited) January 31 2019 | |
|--|---|----------------|---|----------------|
| Net and comprehensive income (loss) for the period | \$ 88,191 | \$ (4,722,819) | \$ 777,116 | \$ (3,615,978) |
| Cash, end of the period | \$ 385,295 | \$ 849,668 | \$ 385,295 | \$ 849,668 |

Non-IFRS Earnings Measure

| | For the three months ended (Unaudited) January 31 2020 | | For the six months ended (Unaudited) January 31 2019 | |
|---|---|-----------------------|---|-----------------------|
| Net and comprehensive income (loss) for the period | \$ 88,191 | \$ (4,722,819) | \$ 777,116 | \$ (3,615,978) |
| Add back | | | | |
| Interest | 92,239 | 16,982 | 134,016 | 29,726 |
| Depreciation and amortization | 244,853 | 148,031 | 483,519 | 251,321 |
| EBITDA⁽¹⁾ from continuing operations | 425,283 | (4,557,806) | 1,394,651 | (3,334,931) |
| Foreign exchange income (loss) | 1,741 | (479) | 3,922 | 2,815 |
| Realized fair value changes in biological assets included in inventory sold | 1,319,362 | 36,605 | 1,445,040 | 105,262 |
| Realized loss on sale of asset | - | - | - | 1,154 |
| Share-based compensation | 228,854 | 1,078,794 | 602,063 | 2,004,802 |
| Unrealized gain on changes in fair value of biological assets | (1,824,045) | (267,538) | (3,314,127) | (2,847,508) |
| Adjusted EBITDA⁽¹⁾ | \$ 151,195 | \$ (3,710,424) | \$ 131,549 | \$ (4,068,406) |

(1) These non-IFRS measures are defined in the Company's MD&A for the six months ended January 31, 2020 ("Q2 2020")

About THC

THC BioMed is a *Cannabis Act* Licensed Producer of medical and recreational cannabis. It is licensed to cultivate and sell dried, extract, edible and topical cannabis. THC BioMed is Canada's largest supplier of legal cannabis genetics. The Company is on the leading edge of scientific research and the development of products and services related to the medical cannabis industry. Management believes THC BioMed is well-positioned to be in the forefront of this rapidly growing industry.

Please visit our website for a more detailed description of our business and services available.
www.thcbiomed.com

President and CEO:

John Miller
THC Biomed Intl Ltd.
T: 1-844-THCMEDS
E: info@thcbiomed.com

Forward-Looking Information:

This press release may include forward-looking information within the meaning of Canadian securities legislation, concerning the business of THC BioMed Intl Ltd. ("THC"). Forward-looking information is based on certain key expectations and assumptions made by the management of THC. In some cases, you can identify forward-looking statements by the use of words such as "will," "may," "would," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "could" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Forward-looking statements in this press release include that THC will (a) continue this high level of performance going forward, and (b) be in the forefront of this rapidly growing industry. Although THC believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because THC can give no assurance that they will prove to be correct. Forward-looking statements contained in this press release are made as of the date of this press release. THC disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

The Canadian Securities Exchange (CSE) has not reviewed and does not accept responsibility for the adequacy or the accuracy of the contents of this release.