



QuikFlo moves into the US Marijuana space with Letter of Intent to acquire licensed Nevada production facility in addition to a CBD infused product company.

Calgary, Alberta, February 6, 2017 – QuikFlo Health Inc. ("QuikFlo" or the "Company") (TSXV:QF)(FRANKFURT:1QF) announces that the Company has entered into a letter of intent to acquire two US marijuana companies in Las Vegas, Nevada. The acquisitions include a 12,000 sq. ft. licensed medical marijuana cultivation/production facility and packaging center with over \$1 million in medicinal sales in its first year of operation. The second acquisition is of a start-up company that develops and markets hemp based and CBD infused products for sales nationwide.

- Nevada voted to legalize recreational marijuana in the 2016 US Election.
- Medical marijuana licensed facility – required prerequisite for recreational license.
- Located in Las Vegas, Nevada with 45 million visitors per year.
- Highly experienced, nationally regarded management team with 50 years' experience.
- High quality cannabis extracts for national commercial licensing and distribution.
- The cannabidiol (CBD) market is estimated to grow by 700% by 2020. (Forbes)
- CBD market alone will grow to \$2.1 billion by 2020. (Hemp Business Journal)

"Las Vegas, Nevada is a major tourist destination in the United States with over 45 million visitors each year. Nevada's recent approval of recreational use should increase the local market for both recreational and medicinal cannabis use. This is currently estimated to be \$7.1 billion in 2016 annually in the United States and expected to grow to over \$20 billion annually by 2020 in the US (Forbes)," said Mr. David Lane, QuikFlo President and CEO.

For comparison, Colorado legalized recreational marijuana sales in 2014 and has seen revenue growth on an annual basis of 42% and 30% year over year to a record \$1.3 billion in 2016. (Fortune Dec. 2016). As of the 2016 US Federal election, Nevada, California, Maine and Massachusetts join Alaska, Oregon and Washington as states where recreational marijuana is now legal. Medical marijuana is legal in 28 states. (Fortune Dec. 2016)

"Additionally, cannabis, especially CBD, will be part of the 'specialty pharma' market to treat some major diseases; over 40 medical conditions have been identified including chronic pain, arthritis, cancer and glaucoma among others. As one of seven US States where both medicinal and recreational marijuana are legalized, specialty pharma products and treatments represent a part of the growth strategy for our Company," noted Mr. Lane.

QuikFlo will acquire a non-arms' length private company which has arms' length agreements dated January 25, 2017 in place to acquire 91% of both the medical marijuana production facility company and the related infused product company. QuikFlo is currently undertaking a non-brokered private placement of up to \$7,500,000, subject to regulatory approval. Arms' length finders fees will be paid in an amount still to be negotiated. The Company is offering units at a price of \$0.075 per unit, with each unit consisting of one common share and one half of a share purchase warrant entitling the holder to purchase one additional common share for \$0.15 for a period of 2 years from closing. The warrants will contain a forced conversion provision that if the shares of the Company trade at \$0.25 or more for a period of 10 trading days, the Company has the option to accelerate the expiry date to no less than 30 days from a press release advising of the same. The Company will pay qualified finders a commission of 8% in cash and finder's warrants.

The Company anticipates paying approximately US \$3.7 million and issuing approximately 60 million shares in respect to this transaction, in addition to the private placement shares. This transaction is subject to all conditions customary in acquisitions of this kind, including due diligence and regulatory approval from county and state health authorities.

The shares of Quikflo will be halted from trading pursuant to the policies of the TSXV Exchange, and may not return to trading until closing.

Further Information

For further information relating to this, please contact David Lane, director at +1 604 428-0511 or Investor Relations for the Company at +1 604 428-0511

Notice regarding Forward Looking Statements: This news release contains forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. This news release includes forward-looking statements with respect to the regulatory approval in respect to the acquisition of new businesses and raising funds. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this news release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents which can be found under the Company's profile on www.sedar.com. Such risk factors may cause the inability of the Company to successfully commercialize any of its biomedical technologies.

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