

Benchmark Signs Definitive Investment Cooperation Agreement with China-Based Zhejiang Yatai Pharmaceutical

Vancouver, British Columbia--(Newsfile Corp. - May 29, 2019) - **Benchmark Botanics, Inc. (CSE: BBT) (FSE: BBW) (OTC Pink: BHHKF) ("Benchmark", "BBT" or the "Company")** a federally-licensed producer and distributor of medical-grade cannabis, is pleased to report that it has signed a definitive agreement with China-based Zhejiang Yatai Pharmaceutical Co., Ltd. ("Zhejiang Yatai"), a publicly listed company on the Shenzhen Stock Exchange (stock code: 002370), to set up a joint venture company in Canada.

Subject to compliance with relevant Canadian Cannabis Laws, the new company will explore business opportunities in the Cannabis industry to become involved in cultivation, manufacture, processing, and marketing of high cannabidiol ("CBD") cannabis products; in the cultivation and R&D of medical cannabis; and in the extraction, isolation, and purification of high-CBD cannabis oil for commercial applications. This definitive agreement solidifies the terms of the Letter of Intent of Strategic Cooperation between Benchmark and Zhejiang Yatai, which was reported in a news release on May 7, 2019.

"This agreement with Zhejiang Yatai is a significant milestone for Benchmark Botanics," said William Ying, CEO of Benchmark Botanics. "Zhejiang Yatai is a Top 500 Chinese corporation and is a leader and an innovator in the pharmaceutical industry. Benchmark is the perfect partner to take Zhejiang Yatai's drug research and development, production and sales in the pharmaceutical field and synergize with Benchmark's expertise in cannabis cultivation and extraction."

On May 27, 2019, the companies signed the definitive investment cooperation agreement, whereby the parties agreed to set up the new joint venture company in Canada. The new company will have a share capital of \$14 million CAD, of which Zhejiang Yatai will invest \$7 million CAD cash, accounting for 50% of the new company's share capital; BBT will cause its wholly-owned subsidiary Potanicals Green Growers Inc. ("PGG") to use its existing Health Canada issued license to apply for a license for property to be acquired by the new company (the "Facility") for cannabis cultivation, processing, and sale thereon and in exchange BBT will receive 25% of the new company's share capital (with a cash equivalent of \$3.5 million CAD); and Rippington Investment ("RI") will invest \$3.5 million CAD, accounting for the remaining 25% of the new company's share capital.

Objective of the Agreement

The objective of the Investment Cooperation Agreement is to explore business opportunities in the Cannabis industry, subject to compliance with Canadian Cannabis and Hemp Regulations and Act, to become involved in cultivation, manufacture, processing, and marketing of high CBD (cannabidiol) cannabis products; the cultivation and R&D of medical cannabis; and the extraction, isolation, and purification of high-CBD cannabis oil for commercial; and any other activities as approved by the Board of Directors. Future products from the joint venture company may also be marketed, sold and distributed in countries and jurisdictions where cannabis products are legal.

Primary Components of the Joint Venture

The company name will be YATAI & BBT Biotech Ltd.

A limited liability corporation is to be established pursuant to the laws and regulations of Canada with the company's first issue of 14 million shares will be made as follows:

- Yatai Pharmaceutical will purchase 7,000,000 shares for \$7,000,000 CAD, representing 50% of the initial issued shares. The contributions will be made in two stages. In the first stage Yatai Pharmaceutical will contribute \$4 million CAD and in second stage Yatai Pharmaceutical will contribute \$3 million CAD.

- BBT will receive 3,500,000 shares, representing 25% of the initial issued shares, by causing PGG to use its existing Health Canada issued license to apply a license for the Facility for cannabis cultivation, processing, and sale. The shares will be issued at the time of the joint venture company's incorporation.
- RI will purchase 3,500,000 shares for \$3,500,000 CAD, representing 25% of the initial issued shares. The contributions will be made in two stages. In the first stage RI will contribute \$2 million CAD and in second stage RI will contribute \$1.5 million CAD.

The company's business scope will be to explore business opportunities in the cannabis industry, subject to compliance with the Canadian cannabis legislation and regulations, promote high content of CBD industrial hemp cultivation, cultivation, processing, marketing and medical cannabis cultivation, research and development and high purity CBD-based cannabinoid extraction, separation, purification and commercialization of multi-field applications and other activities to be determined by the company.

The joint venture company will make full use of the existing resources and the company's experience in the field of drug development, promote the cultivation of high content of CBD industrial hemp cultivation, processing, marketing, research and development of medical cannabis and high purity CBD-based cannabinoids extraction, separation, purification and development.

"We are extremely happy to have signed this agreement with Benchmark Botanics and look forward to capitalizing on the medical applications of CBD. We are delighted to have partnered with a quality organization that shares the same standards as well as a philosophy rooted in science to produce unique, safe, and quality products," said Mr. Chen, Chairman of Yatai Pharmaceutical." We will utilize all of our expertise and resources to maximize our efforts to build the company's value and a long-term successful joint venture."

The definitive agreement filings will be available on SEDAR.

About Zhejiang Yatai Pharmaceutical Co., Ltd.

Zhejiang Yatai Pharmaceutical Co., Ltd. (<http://en.yatai.com/>), a publicly listed company on the Shenzhen Stock Exchange (stock code: 002370) is a China-based company engaged in the manufacture and distribution of drugs. The Company's main business consists of the research, development, production and sales of chemical agents, chemical raw materials and diagnostic reagents, as well as the provision of pharmaceutical research and development outsourcing (CRO) services. The Company's chemical agents are classified as antibiotics and non-antibiotic drugs. Along with its subsidiaries, the Company provides preclinical research services, clinical research services and other advisory services. The Company distributes its products primarily in domestic markets and overseas markets.

About Benchmark Botanics Inc.

Benchmark Botanics is a diversified multi-licensed cannabis producer focused on a three-way vertical business model targeting the medical, pharmaceutical, and recreational markets in Canada and the EU. The Company's business plan also includes a strategy to become a Canadian licensed producer to pioneer selling medical cannabis and hemp in China and throughout Asia.

Benchmark Botanics is focused on producing the highest-quality, indoor-grown cannabis for patients and adult recreational consumers, as well as developing international business partnerships to extend the Company's global footprint.

Benchmark Botanics' 100% owned subsidiary, Potanicals Green Growers Inc. is a Health Canada licensed producer under the Cannabis Act and its regulations (formerly ACMPR). The Company is producing at its indoor Peachland Cannabis Complex and is in the design stage for a Phase II expansion of an additional facility there. Along with cultivation and production, the company's Peachland BC facility also provides

propagation, cultivation, cloning, storage, research and development, genetics and is progressing towards CBD oil extraction and an EU-GMP certification.

As part of its expansion strategy the company is building a second facility, a 4-acre Pitt Meadows Greenhouse Operation in BC.

The Company has established several European Union partnerships including the rights to "The Bulldog" trademark in Canada. The Bulldog trademark has a long-established successful history as one of the most well-known cannabis cafe brands in Amsterdam and around the world.

For further information, please visit the Company's website at www.benchmarkbotanics.com or the Company's profile at www.sedar.com.

ON BEHALF OF THE BOARD OF
BENCHMARK BOTANICS INC.

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The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this release.

FORWARD LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. More particularly and without limitation, the news release contains forward-looking statements and information relating to Company's corporate strategy. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company, including, without limitation, the Company's ability to carry out its business plan. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve risks and uncertainties. Actual results could differ materially from those currently anticipated due to several factors and risks. These include, but are not limited to, the Company's ability to identify and complete additional suitable acquisitions to further the Company's growth as well as risks associated with the medical marijuana industry in general, such as operational risks in development and production delays or changes in plans with respect to development projects or capital expenditures; the uncertainty of the capital markets; the uncertainty of receiving the required licenses, production, costs and expenses; health, safety and environmental risks; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of the potential market; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals and changes in legislation, including but not limited to tax laws and regulated regulations. Accordingly, readers should not place undue reliance on the forward-looking

statements, timelines and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Canadian Securities Exchange. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.