

Canntab Enters LOI for Bi-Lateral Sales & Distribution and Cannabis Oil Supply

Toronto, Ontario--(Newsfile Corp. - October 1, 2018) - Canntab Therapeutics Limited (CSE: PILL) (FSE: TBF1) ("**Canntab**" or the "**Company**"), today announced the completion of a non-binding Letter of Intent (the "**LOI**") with NewCanna S.A.S of Bogota, Colombia ("**NewCanna**") for the establishment of a significant bi-lateral relationship for the sale & distribution of Canntab's products. The territory applicable to the agreement is the countries of Colombia, Chile, Paraguay and Spain, (collectively, the "**Territory**"). The agreement will grant NewCanna the right to sell and distribute certain Canntab exclusive proprietary products, and the right to utilize Canntab's know-how and patents in the Territory only.

The LOI provides a 60-day period for the parties to complete a formal agreement, which will trigger a one-time, non-refundable License Fee of US \$2-million payable to Canntab by NewCanna in consideration for the exclusive license to be granted by Canntab to NewCanna.

The formal agreement will establish:

- Exclusive 5-year distribution agreement for Canntab's oral sustained release tablet formulations in the Territory;
- The supply of up to US\$10-million of NewCanna cannabis oil to Canntab for which Canntab will place a deposit of US \$1-million;
- Agreement between the parties to work together to obtain the necessary regulatory and licensing approvals to implement the business requirements, including importation and exportation of materials;
- Performance standards by NewCanna in each country covered by the agreement;
- 50% / 50% profit sharing on the sales of products under the agreement;
- Such other provisions as may be agreed to, and which would be customary in an agreement of this sort; and
- Conditional upon the execution of a formal agreement encompassing the provisions of the LOI, payment of the US \$2-million license fee and subject to any regulatory and exchange approvals, the Company will issue warrants to NewCanna to purchase up to 500,000 common shares of the Company at a price of \$1.80 per common share for a period of two years.

The significance of this relationship is such that management of both Canntab and NewCanna will be devoting substantial effort to the completion of the formal agreement within the required timeline. NewCanna would become a key supplier of raw materials for Canntab and on a cost basis which will be very favourable in comparison to other sources worldwide.

"We welcome this key development in our business plan and the opportunity to rapidly expand into the many potential markets for Canntab products worldwide. The wide variety of NewCanna's cannabis strains will give us access to a full range of Cannabinoids and terpenoids to further our development pipeline." said Jeff Renwick, Canntab CEO. In conjunction with, our recently announced relationship with FSD Pharma and with our progressing work with Emblem Cannabis Corporation, I believe Canntab is poised to be the world leader in pharmaceutical grade, standardized tablet dosage of medicinal cannabis."

Santiago Londono, the Founder and Chief Executive Officer of NewCanna, added "When carefully building a global network of cultivators and distribution channels in today's fast-growing medicinal cannabis market it is imperative to identify the best possible pharma-grade manufacturing partners, this is why, after rigorously evaluating many other possible alliances, we have decided Canntab has the vision, infrastructure and knowledge that represents our best interest moving forward. Our main goal is to deliver the most responsible and precise dosage to every patient that trusts our brands, and we believe Canntab will be instrumental in achieving this objective."

NewCanna, directly and through its existing partners;

- has access to, or control over, four cultivation and extraction licenses
- four additional licenses under application
- over 3,000 hectares of cannabis production
- a 32,000 square foot pharmaceutical-grade extraction facility capable of processing 5,000 tonnes of raw material per day — currently being upgraded to meet EU Good Manufacturing Practices (GMP) standards
- Colombian oil-exportation license
- operations within the Cannabis Free Trade Zone
- genetic registration of more than 500 strains of cannabis and wide-ranging existing distribution.

Much of NewCanna's direct and in-direct production is through local indigenous and peasant farmers licensed by the

Government. NewCanna is committed to the sustainable, good cultivation processes of the local growers and to supporting them in their own economic and business development.

About Canntab

Canntab Therapeutics Limited is a Canadian cannabis oral dosage formulation company based in Markham Ontario, engaged in the research and development of advanced pharmaceutical grade formulations of cannabinoids. Canntab has developed in-house technology to deliver standardized medical cannabis extract from selective strains in a variety of extended/sustained release pharmaceutical dosages for therapeutic use. Simply put, Canntab's mission is to put the "Medical" into medicinal cannabis! Canntab trades on the Canadian Securities Exchange under the symbol PILL and on the Frankfurt Exchange under the symbol TBF1.

- 30 -

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Forward Looking Statements

Certain statements included in this press release constitute forward-looking information or statements (collectively, "forward-looking statements"), including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This press release contains forward looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be anticipated, estimated, or intended.

Neither the Canadian Securities Exchange (the "**CSE**") nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

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