



Biome Grow announces supply and production agreement with Province of Newfoundland and Labrador, including distribution and retail services

Agreement is the largest supply agreement in Atlantic Canada

Toronto, Ontario (November 02, 2018) – Biome Grow Inc. (“**Biome**” or the “**Company**”) (**CSE: BIO**) (**Frankfurt: 6OTA**) proudly announces that its Newfoundland and Labrador brand, Back Home Medical Cannabis Corporation (“**Back Home**”) has entered into a 24,000 kg three-year production and supply agreement (the “**Supply Agreement**”) with the Province of Newfoundland and Labrador (the “**Transaction**”). Today’s announcement is the largest cannabis supply agreement in Atlantic Canada and one of the top five largest deals of its kind in the Canadian cannabis market by quantity. The Company expects that the Supply Agreement will represent close to \$100 million in revenue per annum beginning in 2020.

Back Home’s new \$60 million production facility will operate from Barachois Brook on the west coast of Newfoundland. It will be built in multiple phases consisting of an initial 18,000 square foot facility, followed by an expansion of an additional 150,000 square feet in 2019. The expansion will bring the Company’s total footprint to 168,000 square feet, making it the largest cannabis production facility in Newfoundland and Labrador.

Back Home is expected to produce Newfoundland and Labrador-grown cannabis in 2019 and plans to operate its production facility in the province for a minimum of 20 years. Pursuant to the Supply Agreement, Biome has committed to supplying up to 4,000 kgs in the first year of its three-year contract, with 10,000 kgs annually in the following two years from across its portfolio of production assets. The Transaction also allows Biome to recover up to \$52 million through reduced remittances to the Newfoundland and Labrador Liquor Corporation (NLC).

Biome will receive access to five retail licenses, leading to additional investments in development and construction beyond the costs associated with the development and construction of the production facility. This also positions Biome as one of the few cannabis enterprises in Canada to date with approved vertical integration from production through to retail distribution. The Supply Agreement will facilitate the creation of a minimum of 120 jobs at Back Home’s production facility, with approximately an additional 80 jobs for Back Home’s five retail stores and associated infrastructure in Newfoundland and Labrador. The first of the stores is expected to be located in Western Newfoundland in close proximity to the production facility.

Biome will also invest \$500,000 over five years for research and development in the Province. The Company’s investment in the provincial cannabis ecosystem ensures Biome’s cannabis products are eligible for sale in the Province through the Newfoundland and Labrador supply chain.

“We’re very excited to partner with the Government of Newfoundland and Labrador on the largest cannabis supply agreement in Atlantic Canada, and one of the top five in the country. Today’s announcement is part of Biome’s strategic plan to invest in sustainable production facilities and ecosystems across Atlantic Canada. The region provides Biome with the benefit of having a local customer base and governments that value the Company’s ‘invest local, hire local, and brand local’ approach to building sustainable cannabis ecosystems,” says Khurram Malik, CEO of Biome. “Furthermore, this supply agreement allows Back Home to make the investment to create a large employment base that will create high quality products for both the local market and for customers in international jurisdictions that are looking for a ‘Made in Canada’ offering.”

Back Home branded products are expected to be sold at Biome retail locations and they will be a key partner and supplier to the Government of Newfoundland and Labrador of finished cannabis product.

“Back Home is proud to be a locally operated company that will create high quality employment and contribute to the local economy through the production and sale of cannabis products grown right here in Newfoundland and Labrador,” said Dave Callahan, President of Back Home.

Biome is a growing Canadian cannabis company that, under the focused stewardship of experienced and respected leaders in the cannabis space, has acquired five subsidiaries and has so far announced approximately 390,000 square feet of production capacity in operation or under development in Ontario and Atlantic Canada.

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For further information, please contact:

Alise Mills
amills@sussex-strategy.com
778-928-0267
www.biomegrow.com

About Back Home

The Back Home Medical Cannabis Corporation is a company incorporated under the laws of the Province of Newfoundland and Labrador and is in the late stages of applying for a license under the Access to Cannabis for Medical Purposes Regulations (ACMPR). Back Home began construction on a new production facility in Western Newfoundland in the second quarter of 2018. The facility will be 168,000 square feet in size upon completion and will be built in four phases.

About Biome

Biome wholly owns five subsidiaries, including: The Back Home Medical Cannabis Corporation, a company incorporated under the laws of the Province of Newfoundland and Labrador and in the late stages of applying for a license under the ACMPR; Great Lakes Cannabis, a company incorporated under the laws of the Province of Ontario and in the late stages of applying for a license under the ACMPR; Highland Grow Inc., a licensed producer in Nova Scotia under Canada’s ACMPR; Red Sands Craft Cannabis Co., a company incorporated under the laws of the Province of Prince Edward Island, and; Weed Virtual Retail Inc., a company incorporated under the laws of the Province of Ontario in the business of operating a new virtual reality

technology platform focused exclusively on the medical and recreational cannabis markets. Biome is a Canadian-based company with national and international business interests.

Forward-looking Statements

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. Generally, forward-looking statements and information may be identified by the use of forward-looking terminology such as “plans”, “ expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. More particularly and without limitation, this news release contains forward-looking statements and information concerning: the Transaction and the expected revenue to be derived from the Supply Agreement; the construction and the timing associated with such construction and expansion of Back Home’s facility in the Province of Newfoundland and Labrador; Back Home’s expected timeline for the production of cannabis; the expected operating lifetime of Back Home’s facility in the Province of Newfoundland and Labrador; investment in, and the development of, Back Home’s retail locations; the anticipated creation of jobs at Back Home’s production facility and retail locations; Biome’s expected investment in research and development; the Company’s investment in the provincial cannabis ecosystem and its ability to ensure Biome’s cannabis products are eligible for sale in the Province through the Newfoundland and Labrador supply chain, and Biome’s management and its business plans. Such forward-looking statements and information reflect management’s current beliefs and are based on assumptions made by and information currently available to Biome, including, among other things, assumptions and expectations with respect to: Back Home’s ability to obtain all necessary regulatory licenses, permits and approvals to produce and sell cannabis and generally operate its business; that labour, construction, and other costs will remain low for Back Home’s licensed cannabis production facilities; and that sufficient financial resources will be available.

These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied in the forward-looking statements, including, among other things: a failure to obtain or delays in obtaining the required regulatory licenses, permits, or approvals; changes to legislation; changes in cannabis research or the general public’s perception of cannabis; crop failure; labour disputes; increases in labour and/or construction costs; rising energy costs; an inability to access financing as needed; and general economic downturn.

Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. The forward-looking statements speak only as of the date on which they are made, and Biome, or any of its subsidiaries undertakes no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

