



## **Biome Grow announces Memorandum of Understanding to purchase up to 20,000 kg per year of hemp-grown CBD extract from industrial hemp grower CBD Acres**

Toronto, Ontario (February 12, 2019)– Biome Grow Inc. (**“Biome” or the “Company”**) (CSE: **BIO**) (Frankfurt: **6OTA**) (OTCQB: **BIOIF**) today announced a Memorandum of Understanding (**“MOU” or the “Agreement”**) providing Biome with preferential access to a high quality and low cost supply of Cannabidiol (**“CBD”**) concentrate from CBD Acres Manufacturer Inc. (**“CBD Acres”**).

The MOU is for a period of five years pursuant to which Biome may acquire up to 20,000 kilograms per year of sun-grown, hemp-based CBD extract from CBD Acres using its unique Nano lipid, solventless extraction process.

CBD Acres is founded by Canadian hemp farming pioneer, Mark Gobuty, who is also the founder of the Peace Naturals Project, Canada’s first *Marijuana for Medical Purposes Regulations* licensed cannabis grower. CBD Acres is currently working with 4,500 acres of hemp farmland in Canada, including 1,000 acres of organic grow, which it expects to produce volumes that are equivalent to a 180 million square foot indoor cannabis production facility under the Canadian *Cannabis Act*.

“Through this Agreement Biome is demonstrating a cannabis company can offer significant quantities of high-quality product at industry disrupting economics with a made in Canada product. This can also be accomplished without spending substantial capital to build internal production facilities. Moreover, Biome will now be in a position to supply both its domestic and international customers with affordable medicinal and therapeutic products based on CBD in the volumes that are required.”

“CBD Acres is thrilled to have the visibility of a long-term partner for its bulk products business entering the market in the second half of 2019, and more importantly a strategic partner focused on commercialization in key medical-CBD markets, allowing CBD Acres to focus on growing and extraction innovation as well as its consumer products business,” said CBD Acres CEO Mark Gobuty.

Biome is considered a “related party” to CBD Acres as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (**“MI 61-101”**) on the basis that Jacob Capital Management Inc., a significant shareholder in the capital of the Company, is also a significant shareholder in the capital of CBD Acres. However, due to the service-type nature of the arrangement with no commitment or obligation for Biome to utilize

the service provided by CBD Acres or to acquire an asset or assets from CBD Acres, the MOU is not considered to be a "related party transaction" as defined under MI 61-101.

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## **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 MOU and the production of CBD by CBD Acres. 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: Biome making a determination to purchase services or acquire products pursuant to the MOU, CBD Acres' ability to supply such services and products and Biome's and CBD Acres' ability to obtain and retain all necessary regulatory licenses, permits and approvals to produce and sell cannabis and generally operate its business.

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.