



Biome Grow Corporate Update

TORONTO, Ontario – March 9, 2020 (GLOBAL NEWSWIRE) Biome Grow Inc. (“**Biome**” or the “**Company**”) (**CSE: BIO**) (**Frankfurt: 6OTA**) (**OTCQB: BIOIF**) is announcing, in light of current market dynamics, changes to a number of its previously announced initiatives, strategic investments, and proposed relationships, including Red Sands Craft Cannabis, Weed VR, its business relationship with CBD Acres, its partnership with St. Francis Xavier University, the expansion of its Highland Grow facility, and its investments in Back Home and Great Lakes Cannabis.

"The cannabis market has changed significantly over the past year, and we recognize that our initial capital-intensive strategy no longer makes sense in this environment," shared Khurram Malik, CEO of Biome Grow, "as a result, we have had to make difficult decisions in order to move the business in a different direction. We are working closely with stakeholders and creditors as Biome is straddled with significant liabilities and obligations in connection with these projects."

Red Sands

Red Sands Craft Cannabis Company Inc. (“**Red Sands**”) is a wholly owned subsidiary of the Company. It was incorporated on October 19, 2018, under the laws of Prince Edward Island (“**P.E.I.**”), and was initially conceived as being a vehicle to service the local and tourist market in P.E.I. with locally produced and regionally grown cannabis products. The Company has elected not to pursue the Red Sands initiative. No significant write downs are expected as the business had not begun execution on its proposed extraction facility.

Weed VR

The Company acquired Weed Virtual Retail Inc. (“**Weed VR**”) on June 11, 2018. Weed VR was conceived as a multi-platform virtual catalog system designed to educate, engage and inform consumer cannabis purchases. Given current market conditions, the Company has decided not to further pursue these objectives. The Company expects to write down this asset to zero in its Year End (“**YE**”) financial statements.

CBD Acres

On February 12, 2019, the Company entered into a memorandum of understanding (“**MOU**”) with CBD Acres Manufacturer Inc. (“**CBD Acres**”), to provide the Company with preferential access to cannabidiol (“**CBD**”) concentrate. The Company and CBD Acres have mutually agreed to terminate the MOU. Biome does not plan to pursue physician-led medical cannabis and/or cannabinoid clinics related thereto at this time. In addition, all previously announced international opportunities in which Biome had planned to market medical CBD are no longer being pursued.

Partnership with St. Francis Xavier University

On December 5, 2017, the Company entered into a partnership with St. Francis Xavier University (“**StFX**”) in respect of a multi-dispensary three year collaboration to conduct a range of cannabis-based research initiatives. Given current market conditions and capital constraints, the Company has decided not to pursue any research-based initiatives at this time, and is terminating its partnership with StFX.

Expansion of Highland Grow Facility

Highland Grow Inc. (“**Highland Grow**”) is a wholly owned subsidiary of the Company based in Antigonish, Nova Scotia that is licensed to cultivate, process, and sell cannabis under the *Cannabis Act (Canada)*. Biome had previously announced an intention to expand the Nova Scotia facility, but as a result of current market realities, it has decided not to complete that expansion. Consequently, the Company has made an early repayment of \$1 million of the \$3 million debt financing announced in November 2019, which was held in trust and earmarked specifically for this expansion. The remaining loan principal is now \$2.03 million.

Strategic Reviews of Back Home and Great Lakes Cannabis

Biome has two wholly owned subsidiaries that are late stage applicants under the *Cannabis Act (Canada)*, which have not yet been granted licenses under such Act: The Back Home Medical Cannabis Corporation (“**Back Home**”) and Great Lakes Cannabis Company Inc. (“**Great Lakes**”). Given current market dynamics, and the investment needed to complete the facilities relating to these license applications, the Company is undertaking a strategic review of these investments.

With respect to Back Home, the Company is exploring various options in a collaborative manner with its stakeholders. In the interim, the Company has eliminated underutilized positions and redeployed the balance towards Highland Grow initiatives within Newfoundland and Labrador.

With respect to Great Lakes, the Company has halted all construction at the Great Lakes facility; reduced its headcount to zero; and expects to incur a significant write down on the Great Lakes assets in its YE financial statements.

About Biome

Biome, through its wholly-owned subsidiary, Highland Grow, is licensed to cultivate, process, and sell cannabis.

Investor Relations: investors@biomegrow.com

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. Such forward-looking statements and information reflect management’s current beliefs and are based on assumptions made by and information currently available to Biome. 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 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.