

**CANADIAN MINING CORP.**  
1212 Austin Avenue, Coquitlam, V3K 3P5

TSX.V: CNG

News Release

December 18, 2017

## **Canadian Mining Corp. Announces a Change of Business Through the Acquisition of Cannabis Permits and Licenses in California**

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**Vancouver, BC, December 18, 2017:** Canadian Mining Corp. (TSXV: “**CNG**”) (the “**Company**”) is pleased to announce that it has signed a Letter of Intent (“**LOI**”) with 1145411 B.C. LTD, a Canadian corporation (“**B.C. LTD**”), whereby B.C. LTD will become a wholly owned subsidiary of CNG. Upon consummation of the transaction described in this LOI, all of B.C. LTD’s assets, liabilities, and business operations (collectively, the “**B.C. LTD Business**”) will become the assets, liabilities, and business operations of CNG which will constitute a change of business for CNG.

### **B.C. LTD Details**

B.C. LTD is the owner of 100% of the issued and outstanding capital stock of Bonhomie Labs Inc., a California corporation (“**Bonhomie**”). Bonhomie is the owner of 51% of the issued and outstanding capital stock of SAP Global, a California corporation (“**SAP**”). SAP is the holder of various licenses and permits that allow it to legally operate cannabis businesses in the State of California.

On January 1, 2018, recreational cannabis is expected to be legal in California. With SAP’s flagship facility and operations strategically located in Cathedral City, California, SAP will have the legal standing necessary to meet the California state recreational application requirements, which in turn will facilitate the sale of over-the-counter and holistic cannabis products.

SAP’s management team has over 40 years of combined experience in all cannabis verticals, from industrial hemp to genetically modified cannabis strains designed to produce high concentrations of cannabinoids. Moreover, this expertise is being institutionalized into SAP’s facility designs and operating procedures and is replicable, scalable, and franchisable.

SAP intends to commence commercial operations and be revenue producing at its Cathedral City facility in the first quarter of 2018 pursuant to its: (i) Conditional Use Permit (No. 17-004), approved and issued as of November 15, 2017; (ii) Medical Cannabis Business Local License for Cultivation (MCL 17-002-C), issued on May 18, 2017; and (iii) Medical Cannabis Business Local License for Manufacturing (MCL 17-002-M), issued on July 12, 2016. Upon receipt of the certificate of occupancy for the facility, SAP anticipates the timely approval of the follow-on licenses for delivery and distribution by Cathedral City, California.

B.C. LTD currently has bank balances of approximately \$3,800,000 from which it will finance the acquisition of certain operating equipment and working capital for SAP. Additional financing needs beyond the current resources of B.C. LTD. are not anticipated at this time.

### **Purchase Consideration**

As consideration for all of the issued and outstanding shares of B.C. LTD capital stock, CNG will issue and exchange shares of its common stock equal to US\$16,500,000 (the “**Purchase Price**”), which will be payable at Closing with shares of CNG’s common stock, (the “**Shares**”). Issuance of the Shares will be subject to a third party valuation of B.C. LTD.’s assets. All consideration Shares issued to B.C. LTD will be subject to applicable statutory hold periods and any escrow arrangements and/or pooling agreements required by regulatory authorities.

The Company will provide an update on the definitive agreement in the next few weeks.

ON BEHALF OF THE BOARD OF DIRECTORS

Brian G. Thurston, President

For further information please contact:

Brian G. Thurston

Canadian Mining Corp.

Phone: 604-474-5380.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

**FORWARD LOOKING STATEMENTS**

*Some statements in this news release contain forward-looking information. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the ability to complete the transactions described in this news release on terms acceptable to the Company, or at all.*