

Canabo Medical Inc.

TSX VENTURE : CMM



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## **7,500 Patient Observational Study, and \$8.4 Million Equity Financing**

**VANCOUVER, BRITISH COLUMBIA--(Marketwired - Dec. 7, 2016)** - Canabo Medical Inc. (TSX VENTURE:CMM) ("Canabo" or the "Company") today announces its intention to complete a 7,500 patient observational study in 2017. The study will be led by Andrew Davis, Ph.D., of Acadia University, and will focus on correlations within the patient database in three specific areas;

- **relation of opioid use following cannabinoid therapies by condition and patient category**
- **relation of benzodiazepines use following cannabinoid therapies by condition and patient category, and**
- **change in quality of life measurements following cannabinoid therapies by condition and patient category.**

The study will complete participant enrollment in 2017, is expected to publish initial results in late 2017, and complete study findings in 2018.

Canabo is also pleased to announce it has entered into an agreement with Aphria Inc. (TSX VENTURE:APH)(OTCQB:APHQF) ("Aphria") for the private placement of 6,000,000 common shares (the "Shares") at a price of \$1.40 per Share, to raise gross proceeds of \$8,400,000 (the "Offering"). After giving effect to the Offering, Aphria will own approximately 16.6% of the total issued and outstanding common shares of the Company (on an undiluted basis). The placement will be subject to an aggregate finders' fee equal to 5% of the gross proceeds payable to Haywood Securities Inc., PowerOne Capital Markets Limited and Clarus Securities Inc. In addition, Haywood Securities Inc. shall be granted an over-allotment option to sell additional common shares equal to 15% of the size of the offering. This option may be exercised at any time, in whole or in part, until 30 days following the closing date.

The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. All of the securities issued pursuant to this Offering will have a hold period expiring four months after the closing date.

Dr. Neil Smith, Executive Chairman of Canabo Medical stated, "The study announcement speaks to the core principles and values of Canabo, contributing to the evidence based medical body of work to support cannabinoid therapies." Smith went on to say, "Adding an investment partner like Aphria is an obvious strategic partner aligned to advance the standard of cannabinoid treatments."

"Canabo is one of the largest and most respected referral clinics in the country. Its commitment to educating both patients and physicians when it comes to prescribing cannabinoid treatment to effectively manage patients suffering from chronic pain and disabling illnesses, has resulted in Canabo becoming a market leader in cannabinoid medicine and assuring it is playing a meaningful role in improving the quality of life of their patients, consistent with the values we hold at Aphria," said Vic Neufeld, Chief Executive Officer of Aphria Inc. "We very much look forward to working closely with them as part of this strategic investment."

### **About Canabo**

Canabo wholly owns and operates Cannabinoid Medical Clinics, or CMClinics, Canada's largest referral-only clinics for medical cannabis. After opening in 2014, Canabo now has ten clinic locations, including Toronto, Barrie, Ottawa, Hamilton, Halifax, St. John's, and Edmonton, with a number of additional clinics planned for opening in 2016 and 2017.

The principal business carried on and intended to be carried on by Canabo is the operation of strictly referral-only medical clinics for evaluating the suitability of, prescribing, and monitoring cannabinoid treatments for patients suffering from chronic pain and disabling illnesses. Clinics operated by Canabo are staffed by physicians and qualified health care practitioners specifically trained to assess patient suitability for cannabinoid treatment, recommend treatment regimes, and monitor treatment progress. Canabo sees patients only on a physician-referral basis. The *Access to Cannabis for Medical Purposes Regulations* ("ACMPR") requires that medical marijuana must be prescribed by a health care practitioner; however, no cannabinoid products or medical marijuana are sold at Canabo's medical clinics.

### **About Aphria**

Aphria Inc., one of Canada's lowest cost producers, produces, supplies and sells medical cannabis. Located in Leamington, Ontario, the greenhouse capital of Canada. Aphria is truly powered by sunlight, allowing for the most natural growing conditions available. We are committed to providing pharma-grade medical cannabis, superior patient care while balancing patient economics and returns to shareholders. We are the first public licenced producer to report positive cash flow from operations and the first to report positive earnings in consecutive quarters.

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

## **Forward-Looking Statements**

### **Canabo**

Except for historical information, this press release contains forward-looking statements, which reflect Canabo Medical Inc.'s current expectations regarding future events. These forward-looking statements involve known and unknown risks and uncertainties that could cause Canabo's actual results to differ materially from those statements. Those risks and uncertainties include, but are not limited to, our ability to access capital, the successful and timely completion of opening clinics, regulatory changes, competition, approvals and other business and industry risks.

The forward-looking statements in this press release are also based on a number of assumptions which may prove to be incorrect. Forward-looking statements contained in this press release represent views only as of the date of this release and are presented for the purpose of assisting potential investors in understanding Canabo's business, and may not be appropriate for other purposes. Canabo does not undertake to update forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required

under applicable securities legislation. Investors are cautioned not to rely on these forward- looking statements and are encouraged to consult with a professional investment advisor.

## **Aphria**

Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "believe", "intend" or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to, statements with respect to internal expectations, investment in Canabo. Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; future legislative and regulatory developments involving medical marijuana; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the medical marijuana industry in Canada generally, income tax and regulatory matters; the ability of Aphria to implement its business strategies; competition; crop failure; currency and interest rate fluctuations and other risks.

Readers are cautioned that the foregoing list is not exhaustive. 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. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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