



VIVO Announces \$5 million Strategic Investment and Supply Agreement with Westleaf

NAPANEE, ON, October 3, 2018 (GLOBE NEWSWIRE) – **VIVO Cannabis Inc.** (TSXV: VIVO, OTCQX: VVCIF) (“**VIVO**” or the “**Company**”) is pleased to announce that it has made a \$5 million strategic investment in Westleaf Cannabis Inc. (“**Westleaf**”), which is intended to be used by Westleaf to advance the roll out of their cannabis retail operations across Canada. Westleaf’s mission is to provide a sophisticated and differentiated approach to customer engagement, appealing to customers through music and cannabis culture.

Scott Hurd, President and CEO of Westleaf, said, “Our vertically integrated strategy, innovative retail concepts and high caliber retail locations differentiate us from our competitors in the cannabis industry. This investment by VIVO and the associated supply agreement are a strong endorsement of our strategy and team and are pivotal steps in advancing our position as a premium cannabis retailer in Canada. VIVO’s reputation for delivering high-quality, trusted and innovative cannabis products and their commitment to creating adult-use brands that resonate with consumers aligns well with Westleaf’s innovative retail concept and strategy.”

Supply Agreement

Westleaf has entered into a multi-year supply agreement with VIVO under which VIVO will supply cannabis to Westleaf’s multiple retail locations, subject to regulatory approvals. The supply agreement provides Westleaf access to VIVO’s portfolio of engaging adult-use brands, FIRESIDE™, Lumina™ and Canna Farms™, as well as the option of creating in-house brands powered by VIVO’s high-quality cannabis products.

“VIVO is committed to providing high-quality products for the Canadian recreational cannabis market. We continue to build our presence in the adult-use market with this strategic investment in Westleaf, which impressed us with its innovative approach to cannabis retail marketing,” stated Barry Fishman, CEO of VIVO. “With our strong cash position of approximately \$100 million, VIVO will continue to pursue opportunities across the full value chain. We look forward to working with the Westleaf team to bring our premium products to market.”

VIVO Strategic Investment

VIVO has invested CDN\$5 million in exchange for 5,882,353 units of Westleaf, with each unit consisting of one Westleaf common share (each, a “**Common Share**”) and one-half of one common share purchase warrant (each whole warrant being a “**Warrant**”), at a price of \$0.85 per unit. Each Warrant will entitle VIVO to acquire one Common Share at a price of \$1.30 for a period of 24 months following the closing of the investment. Subject to certain conditions, Westleaf will have the right, on not less than ten days prior

written notice to VIVO, to accelerate the expiry of the Warrants at any time if the ten day volume weighted average trading price of the Common Shares on any public stock exchange is greater than \$1.80.

About Westleaf Cannabis

Westleaf is building a vertically integrated cannabis company focused on innovative retail experiences, engaging cannabis brands, and premium cannabis production. Westleaf is developing a national retail footprint for its retail concept "Prairie Records", which leverages the instinctual tie of recreational cannabis and music and redefines the cannabis purchasing experience. Westleaf is constructing state-of-the-art cannabis production facilities in Alberta and Saskatchewan.

More Information

Chelsea Smyth, for Westleaf Cannabis Inc:

chelsea.smyth@northstrategic.com

Website:

westleafcannabis.com

About VIVO Cannabis™

VIVO, based in Napanee, Ontario, is recognized for trusted, high-quality products and services. It holds production and sales licences from Health Canada and operates world-class indoor cultivation facilities with proprietary plant-growing technology. VIVO has a collection of premium brands targeting unique customer segments, including Beacon Medical™, FIRESIDE™, Canna Farms™ and Lumina™. In August 2018, VIVO acquired Canna Farms Limited, a premium cannabis company based in Hope, British Columbia. Canna Farms was B.C.'s first Licensed Producer and has many years of craft cultivation experience and expertise, as well as a significant patient base and positive cash flow. VIVO is significantly expanding its production capacity and pursuing partnership and product development opportunities domestically, as well as in select international markets, including Germany and Australia. In addition, VIVO also operates Harvest Medicine, a patient-centric and highly scalable network of specialty medical cannabis clinics. Harvest Medicine provides best-in-class education and support to over 15,000 patients in its clinics and via its free telemedicine platform. VIVO has a healthy balance sheet with approximately \$100 million in cash and is well-positioned to accelerate the growth of its business, in Canada and internationally.

More Information

Barry Fishman, CEO:

barry.fishman@vivocannabis.com

Michael Bumby, CFO:

michael.bumby@vivocannabis.com

Website:

vivocannabis.com

ON BEHALF OF THE BOARD OF DIRECTORS

Barry Fishman (CEO and Director)

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.

Disclaimer for Forward-Looking Statements

This news release contains forward-looking statements, including statements regarding the use of proceeds by Westleaf, Westleaf's proposed strategy to become a premium adult-use cannabis retailer in Canada and its innovative retail concept, and the supply of cannabis by VIVO to Westleaf pursuant to the supply agreement and VIVO's future opportunities outlook. The forward-looking statements contained in this news release are based on certain assumptions and involve known and unknown risks and uncertainties and other factors that could cause actual events to differ materially from current assumptions and expectations, including that: Westleaf may not be able to effectively operate a chain of cannabis retail stores in Canada; that it may not become a successful premium adult-use cannabis retailer; that regulations may restrict or prohibit the supply of cannabis by VIVO to Westleaf; that cannabis marketing regulations may impede the execution of Westleaf's retail strategy; and other factors beyond the Company's control. The forward-looking statements contained in this news release should not be read as guarantees of future performance or results. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. Readers are urged to consider these factors, and the more extensive risk factors included in the Company's annual information form dated April 30, 2018 and other continuous disclosure filings, which are available on SEDAR at www.sedar.com. Readers are cautioned not to place undue reliance on these forward-looking statements, which are qualified in their entirety by these cautionary statements. The forward-looking statements in this news release are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.