

AURQUEST RESOURCES INC. / XANTHIC BIOPHARMA LIMITED PRAISE THE CSA AND CDS FOR ESTABLISHING FAVOURABLE POSITIONS TOWARDS ISSUERS WITH U.S. MARIJUANA - RELATED ACTIVITIES

Toronto, ON; February 12, 2018 — Aurquest Resources Inc. and its wholly-owned operating subsidiary, Xanthic Biopharma Limited (individually, "**Aurquest**" and "**Xanthic**", and collectively, the "**Company**"), are pleased to comment on the Canadian Securities Administrators' (the "**CSA**") latest update to Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities* (the "**Notice**") and the Memorandum of Understanding (the "**MOU**") signed between CDS Clearing and Depository Services Inc. ("**CDS**") and Canadian equities exchanges.

In the Notice, the CSA updated its disclosure expectations that apply to all issuers with U.S. marijuana-related activities, including those with direct involvement in the cultivation and distribution of marijuana, as well as issuers that provide goods and services to third parties involved in the U.S. marijuana industry. More importantly, the CSA reiterated its position that a disclosure-based approach remains appropriate in light of the risks posed by the uncertain political climate in the U.S. as it concerns the marijuana industry. The CSA also reinforced the rights of individual stock exchanges to determine the eligibility of individual issuers to list based on those exchanges' listing requirements.

The signing of the MOU by CDS and Canadian equities exchanges also bodes well for issuers with U.S. marijuana-related activities. The MOU reinforces CDS' reliance on individual exchanges to review the conduct of listed issuers based on those exchanges' listing requirements. The Canadian Securities Exchange (the "**CSE**"), a signatory of the MOU, has been very supportive of issuers with U.S. marijuana-related activities.

The Company is particularly mindful of this announcement as it recently submitted an application to list its common shares on the CSE and is awaiting the exchange's approval.

Tim Moore, CEO of Aurquest, commented, "Our Company is taking the logical next step in its corporate development by pursuing a listing on the CSE. We have been building this organization with rigour in all areas: brand management, product development, financing and governance, and have laid the foundation for a successful company. Listing on the CSE, one of Canada's premier stock exchanges and home to most of our peers, will be an exciting next step."

About Aurquest and Xanthic

Aurquest, through its wholly-owned operating subsidiary, Xanthic, provides valuable intellectual property to cannabis industry participants, enabling its strategic partners to produce high quality,

innovative, non-combustible cannabis, and cannabis-infused products which deliver consistent THC and/or CBD levels. Using a proprietary process, Xanthic allows its strategic partners to deliver superior cannabinoid solubility and consistency versus competitive infused products.

At its upcoming annual general and special meeting to be held on February 16, 2018, Aurquest is seeking shareholder approval of, among other things, a name change to Xanthic Biopharma Inc. and an eight for one (8:1) consolidation of its common shares.

For further information or questions, contact:

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