



RAVENQUEST ANNOUNCES NATIONAL EXPANSION WITH LETTER OF INTENT TO PURCHASE BLOOMERA

NR18-01

January 30, 2018

January 30, 2018 – Vancouver, British Columbia – RavenQuest BioMed Inc. (CSE: RQB) (the “Company” or “RavenQuest”) is pleased to announce that it has entered into a binding letter of intent with 8649081 Canada Inc. (“Bloomera”), in pursuit of a transaction involving the acquisition of Bloomera by RavenQuest. Bloomera is a Markham, Ontario based licensed producer of cannabis under the Access to Cannabis for Medical Purposes Regulations.

Under the terms of the letter of intent, the Company proposes to acquire all of the outstanding share capital of Bloomera in consideration for a cash payment of \$15,000,000, and the issuance of 10,400,000 common shares to the existing shareholders of Bloomera.

Bloomera currently holds a Health Canada License to Cultivate and will initially add approximately 2,000 kilograms of annual cannabis production to RavenQuest’s investment division. RavenQuest also owns Alberta Green Biotech, an Edmonton facility with expected annual production of approximately 7000 kilograms which will be ready for cultivation in mid-summer 2018. Given RavenQuest’s grow methodology and application of yield-maximization research being developed in partnership with McGill, RavenQuest expects to increase annual production from these two facilities to 11,000 kilograms. RavenQuest expects this combined production by late 2018.

Joey Xu, Director of Bloomera, stated “We are looking for a partner that has a strategic vision, skills, and bench strength to quickly move us through the process to a license to sell and dispense. The consulting expertise at RavenQuest is exceptional. Bloomera looks forward to pursuing this transaction with RavenQuest”.

“RavenQuest looks forward to closing this acquisition and adding new cannabis talent to our bench strength. The Bloomera acquisition accelerates our growth strategy by at least six months and opens the door to a much faster growth trajectory as we move forward. 11,000 kilograms of production is a healthy number, but what we feel truly impresses is that we will be able to achieve this on a substantially smaller footprint. Using just 55,500 square feet of facility space, RavenQuest is changing the conversation around cannabis production from a square footage one to an efficiency game changer. Cannabis 2.0 means companies will need to evolve toward lower cost per gram and higher output per square foot. RavenQuest will lead the industry in production costs, environmental impact and sustainability” said George Robinson, CEO of RavenQuest. “Markham, Ontario provides low cost access to the upcoming retail distribution network and the municipality has a large skilled workforce available. Strategically Bloomera is a tremendous fit with RavenQuest. Our Alberta Green Biotech facility gives us western Canadian exposure. The addition of Bloomera, a Markham, Ontario facility, provides us direct access to the Greater Toronto Area (GTA), Canada’s largest cannabis market. This proposed acquisition executes on our stated objective to prudently build a national and ultimately global cannabis company. We plan to continue to add to our portfolio on a selective basis where we see strategic benefit,” Robinson continued.

RavenQuest BioMed Inc.

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In connection with the acquisition of Bloomera, the Company has entered into an agreement with Haywood Securities Inc. to act as lead agent in connection with a brokered private placement to raise up to \$17,500,000 which will consist of a private placement offering of up to 4,000,000 units (each, a “Unit”) of the Company for an aggregate amount of up to \$5,000,000 at a price of \$1.25 per Unit, and convertible debenture units (each, a “Convertible Debenture Unit”) for proceeds of up to \$12,500,000.

Each “Unit” will consist of one common share of the Company and one common share purchase warrant (each, a “Warrant”). Each Warrant will be exercisable to acquire an additional common share of the Company at a price of \$1.50 for a period of twenty-four months, subject to accelerated expiry in the event the closing price of the Company’s common shares on the Canadian Securities Exchange (the “Exchange”) is greater than \$2.75 for a period of ten consecutive trading days.

Each “Convertible Debenture Unit” will consist of (i) \$1,000 principal amount of senior unsecured convertible debenture of the Company (the “Debenture”); and (ii) Warrants exercisable for 690 common shares at an exercise price of \$1.50 for a period of 24 months.

The Debentures will be convertible at the option of the holder into common shares at a price of \$1.45 per share. The Debentures will bear interest at a rate of 10.0% per annum from the date of issue, payable in cash semi-annually in arrears, and will mature twenty-four months after the date of issue. A institutional investor intends to subscribe for up to \$12,500,000 of the Offering.

The proceeds of the private placement will be used to fund the acquisition of Bloomera and for working capital and general corporate purposes.

Completion of the acquisition of Bloomera is subject to a number of conditions, including, but not limited to, completion of due diligence, negotiation of definitive documentation in respect of the acquisition, and the receipt of any required regulatory approvals including the Exchange and Health Canada. Completion of the private placement is also subject to a number of conditions, including, but not limited to, completion of due diligence and receipt of the approval of the Exchange. The transaction with Bloomera and the private placement cannot be completed until these conditions are satisfied, and there can be no assurance that either transaction will be completed at all.

All securities issuable in connection with the transaction with Bloomera and the private placement will be subject to a four-month-and-one-day statutory hold period.

RavenQuest will be paying a finder’s fee of 4% cash and 2% stock to a third party.

For further details on the Company readers are referred to the Company's web site (www.rqbglobal.com) and its Canadian regulatory filings on SEDAR at www.sedar.com.

On Behalf of the Board of Directors of
RAVENQUEST BIOMED INC.

"George Robinson"
Chief Executive Officer

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Neither Canadian Stock Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Stock Exchange) accepts responsibility for the adequacy or accuracy of this press release, which has been prepared by management.

Cautionary Note Regarding Forward-Looking Statements

All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to the Company within the meaning of applicable securities laws, including statements with respect to completion of the acquisition of Bloomera and anticipated cannabis production from facilities operated by the Company and Bloomera. The Company provides forward-looking statements for the purpose of conveying information about current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. These risks and uncertainties include but are not limited to those identified and reported in the Company's public filings under the Company's SEDAR profile at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.